

**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK  
COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**REVIEWED SEPARATE  
FINANCIAL STATEMENTS**

**For the period from 15 January 2015 to 30 June 2015**

## **TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF DIRECTORS	1
REVIEW REPORT ON SEPARATE FINANCIAL STATEMENTS	2 - 3
BALANCE SHEET	4 - 5
INCOME STATEMENT	6
CASH FLOW STATEMENT	7 - 8
NOTES TO THE FINANCIAL STATEMENTS	9 - 37

## **STATEMENT OF THE BOARD OF DIRECTORS**

The Board of Directors of PetroVietnam Camau Fertilizer Joint Stock Company (the “Company”) presents this report together with the Company’s separate financial statements for the period from 15 January 2015 (the date on which the Company officially started operating as a joint stock company) to 30 June 2015.

### **THE BOARDS OF MANAGEMENT AND DIRECTORS**

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

#### **Board of Management**

Mr. Nguyen Duc Thanh	Chairman
Mr. Bui Minh Tien	Member
Mrs. Tran Thi Binh	Member
Mr. Tran Chi Nguyen	Member
Mr. Tran My	Member

#### **Board of Directors**

Mr. Bui Minh Tien	General Director
Mr. Hoang Trong Dung	Deputy General Director
Mr. Van Tien Thanh	Deputy General Director
Mr. Nguyen Duc Hanh	Deputy General Director
Mr. Le Ngoc Minh Tri	Deputy General Director (appointed on 01 June 2015)

### **BOARD OF DIRECTORS’ STATEMENT OF RESPONSIBILITY**

The Board of Directors 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 and of its results and cash flows for the period in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Directors 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.

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

For and on behalf of the Board of Directors,



**Bui Minh Tien**  
**General Director**

12 August 2015



No.: 0033 /VNIA-HN-BC

## REVIEW REPORT ON SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying separate financial statements of PetroVietnam Camau Fertilizer Joint Stock Company (the "Company") prepared on 12 August 2015 as set out from page 4 to page 37, which compose the balance sheet as at 30 June 2015, the statements of income and cash flows for the period from 15 January 2015 (the date on which the Company officially started operating as a joint stock company) to 30 June 2015 and the notes thereto. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to issue a review report on these financial statements based on our review.

We conducted our review in accordance with Vietnamese Standard on Auditing No. 910 - Engagements to review financial statements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the separate financial statements are free of material misstatements. A review is limited primarily to inquiries of the Company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying separate financial statements do not give a true and fair view of the financial position of the Company as at 30 June 2015, the results of its operations and its cash flows for the period from 15 January 2015 to 30 June 2015 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

### *Emphasis of Matters*

- As stated in Note 2, the Company has been officially transformed into a joint stock company since 15 January 2015. The separate financial statements for the period from 15 January 2015 to 30 June 2015 do not include any adjustments that may arise related to determination of the State capital portion as the Company has not had a minutes of determination of the State capital portion as at the official date of the Company's transformation into a joint stock company.
- As stated in Note 33, under Resolution No. 8373/NQ-DKVN dated 27 November 2014 of the Members' Council of Vietnam Oil and Gas Group (the "Group") regarding approval of the Company's 2015 business plan, the estimated gas price for 2015 is USD 3.81 per MMBTU. The official gas price will be reviewed for adjustment by the Group by the end of 2015 to ensure the effectiveness of fertilizer production and business of the Company.



**REVIEW REPORT ON SEPARATE FINANCIAL STATEMENTS (Continued)**

*Emphasis of Matters (Continued)*

- In the period, the Company's Board of Directors decided to change the useful lives of fixed assets that are main machineries and equipment of Ca Mau Fertilizer Production Plant from 10 years to 12 years from 15 January 2015. The effect of such a change was presented in Note 4 of the Notes to the separate financial statements.
- As stated in Note 3, since 15 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. Accordingly, certain figures of the balance sheet as at 14 January 2015, of the income statement and of the cash flow statement for the period from 01 January 2014 to 30 June 2014 of PetroVietnam Camau Fertilizer Joint Stock Company have been reclassified due to effects of adoption of Circular 200 on the preparation and presentation of the financial statements to enhance their comparability with the current period's figures.



**Khúc Thị Lan Anh**  
**Deputy General Director**  
Audit Practising Registration Certificate  
No. 0036-2013-001-1

*For and on behalf of*  
**DELOITTE VIETNAM COMPANY LIMITED**

12 August 2015  
Hanoi, S.R. Vietnam



**Tran Huy Cong**  
**Auditor**  
Audit Practising Registration Certificate  
No. 0891-2013-001-1

**BALANCE SHEET**  
*As at 30 June 2015*

**FORM B 01a-DN**  
Unit: VND

ASSETS	Codes	Notes	30/6/2015	14/01/2015 (Reclassified)
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>4,711,968,266,211</b>	<b>5,494,116,409,151</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>1,000,961,826,057</b>	<b>2,046,118,634,821</b>
1. Cash	111		580,961,826,057	1,996,118,634,821
2. Cash equivalents	112		420,000,000,000	50,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>3,316,971,229,905</b>	<b>3,166,281,483,374</b>
1. Held-to-maturity investments	123		3,316,971,229,905	3,166,281,483,374
<b>III. Short-term receivables</b>	<b>130</b>		<b>171,469,410,396</b>	<b>60,881,586,431</b>
1. Short-term trade receivables	131	7	3,408,250,609	4,219,983
2. Short-term advances to suppliers	132	8	82,361,998,988	14,109,349,557
3. Other short-term receivables	136	9	85,699,160,799	46,768,016,891
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>169,137,615,228</b>	<b>191,533,326,525</b>
1. Inventories	141		169,421,904,771	191,533,326,525
2. Provision for devaluation of inventories	149		(284,289,543)	-
<b>V. Other short-term assets</b>	<b>150</b>		<b>53,428,184,625</b>	<b>29,301,378,000</b>
1. Short-term prepayments	151	11	37,717,845,792	13,905,096,991
2. Value added tax deductibles	152		15,312,992,228	15,396,281,009
3. Taxes and other receivables from the State budget	153	17	397,346,605	-
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>10,494,958,277,100</b>	<b>11,083,251,265,255</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>10,342,982,174,604</b>	<b>10,852,703,658,659</b>
1. Tangible fixed assets	221	12	10,283,979,294,711	10,806,648,078,587
- Cost	222		13,530,534,355,992	13,472,708,037,454
- Accumulated depreciation	223		(3,246,555,061,281)	(2,666,059,958,867)
2. Intangible assets	227	13	59,002,879,893	46,055,580,072
- Cost	228		64,213,284,778	47,157,423,178
- Accumulated amortisation	229		(5,210,404,885)	(1,101,843,106)
<b>II. Long-term assets in progress</b>	<b>240</b>	<b>14</b>	<b>12,532,496,778</b>	<b>46,827,865,034</b>
1. Long-term construction in progress	242		12,532,496,778	46,827,865,034
<b>III. Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>20,116,497,769</b>	<b>20,116,497,769</b>
1. Investments in subsidiaries	251		20,116,497,769	20,116,497,769
<b>IV. Other long-term assets</b>	<b>260</b>		<b>119,327,107,949</b>	<b>163,603,243,793</b>
1. Long-term prepayments	261	11	119,327,107,949	163,603,243,793
<b>TOTAL ASSET (270 = 100 + 200)</b>	<b>270</b>		<b>15,206,926,543,311</b>	<b>16,577,367,674,406</b>

*The notes set out on pages 9 to 37 are an integral part of these separate financial statements*



**BALANCE SHEET (Continued)**

*As at 30 June 2015*

**FORM B 01a-DN**

Unit: VND

14/01/2015

RESOURCES	Codes	Notes	30/6/2015	(Reclassified)
<b>C. LIABILITIES</b>	<b>300</b>		<b>9,231,860,848,881</b>	<b>10,996,792,842,129</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,962,226,825,036</b>	<b>4,264,839,603,437</b>
1. Short-term trade payables	311	15	460,514,152,075	290,246,664,307
2. Short-term advances from customers	312	16	116,644,989,183	102,928,923,892
3. Taxes and amounts payable to the State budget	313	17	2,285,744,130	35,867,746,166
4. Payables to employees	314		52,844,436,801	83,178,161,272
5. Short-term accrued expenses	315	18	358,621,000,668	320,029,887,903
6. Short-term unearned revenue	318	19	39,946,151,313	53,261,535,084
7. Other current payables	319	20	556,849,983,126	2,131,936,573,613
8. Short-term loans and obligations under finance leases	320	21	1,272,250,067,281	1,244,783,019,739
9. Short-term provisions	321	22	46,986,614,708	-
10. Bonus and welfare funds	322		55,283,685,751	2,607,091,461
<b>II. Long-term liabilities</b>	<b>330</b>		<b>6,269,634,023,845</b>	<b>6,731,953,238,692</b>
1. Other long-term payables	337	20	33,175,238,300	33,175,238,300
2. Long-term loans and obligations under finance leases	338	21	6,198,207,695,889	6,659,838,560,739
3. Scientific and technological development fund	343		38,251,089,656	38,939,439,653
<b>D. EQUITY</b>	<b>400</b>		<b>5,975,065,694,430</b>	<b>5,580,574,832,277</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>5,975,065,694,430</b>	<b>5,580,574,832,277</b>
1. Owner's contributed capital	411	23	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	23	340,369,040,752	286,574,832,277
3. Retained earnings	421	23	340,696,653,678	-
- Retained earnings accumulated to the prior period end	421a		-	-
- Retained earnings of the current period	421b		340,696,653,678	-
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>15,206,926,543,311</b>	<b>16,577,367,674,406</b>

  
**Trung Quynh Anh**  
Preparer

  
**Vu Thuy Tuong**  
Chief Accountant

  
**Bui Minh Tien**  
General Director

12 August 2015

The notes set out on pages 9 to 37 are an integral part of these separate financial statements




**INCOME STATEMENT**

*For the period from 15 January 2015 to 30 June 2015*

**FORM B 02a-DN**  
 Unit: VND

ITEMS	Codes	Notes	From 15/01/2015	From 01/01/2014
			to 30/6/2015	to 30/6/2014 (Reclassified)
1. Gross revenue from goods sold and services rendered	01	25	2,891,136,902,274	3,098,007,528,839
2. Deductions	02	25	61,564,939,586	33,190,584,634
3. Net revenue from goods sold and services rendered (10=01-02)	10	25	2,829,571,962,688	3,064,816,944,205
4. Cost of sales	11	26	1,941,766,235,733	2,315,363,775,800
5. Gross profit from goods sold and services rendered (20=10-11)	20		887,805,726,955	749,453,168,405
6. Financial income	21	28	94,791,771,099	73,374,788,828
7. Financial expenses	22	29	291,994,792,272	288,817,061,523
- In which: Interest expense	23		112,706,560,467	183,235,754,617
8. Selling expenses	25	30	153,559,875,766	86,480,823,841
9. General and administration expenses	26	30	88,287,235,099	44,377,034,656
10. Operating profit (30=20+(21-22)-(25+26))	30		448,755,594,917	403,153,037,213
11. Other income	31		562,897,496	444,906,414
12. Other expenses	32		972,913,470	16,664,211
13. (Loss)/Profit from other activities (40=31-32)	40		(410,015,974)	428,242,203
14. Accounting profit before tax (50=30+40)	50		448,345,578,943	403,581,279,416
15. Current corporate income tax expense	51	31	60,508,315	109,985,713
16. Net profit after corporate income tax (60=50-51)	60		448,285,070,628	403,471,293,703
17. Basic earnings per share	70	32	745	-

  
 Trương Quỳnh Anh  
 Preparer

  
 Vu Thuy Tuong  
 Chief Accountant

  
 Bui Minh Tien  
 General Director

12 August 2015

*The notes set out on pages 9 to 37 are an integral part of these separate financial statements*

**CASH FLOW STATEMENT**

*For the period from 15 January 2015 to 30 June 2015*

**FORM B 03a-DN**

Unit: VND

ITEMS	Codes	From 15/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014 (Reclassified)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>448,345,578,943</b>	<b>403,581,279,416</b>
<b>2. Adjustments for:</b>			
Depreciation and amortisation of fixed assets	02	584,344,316,196	696,839,746,575
Provisions	03	47,270,904,251	26,830,242,081
Foreign exchange loss arising from translating foreign currency items	04	147,952,689,580	89,295,032,496
(Gain) from investing activities	05	(76,705,844,882)	(72,428,797,009)
Interest expense	06	112,706,560,467	183,235,754,617
Other adjustments	07	-	8,060,000,000
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>1,263,914,204,555</b>	<b>1,335,413,258,176</b>
(Increase) in receivables	09	(57,109,020,826)	(3,916,058,800)
Decrease in inventories	10	22,111,421,754	211,819,203,237
Increase/(Decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	219,447,322,194	(121,223,483,128)
Decrease in prepaid expenses	12	20,463,387,043	48,231,712,230
Interest paid	14	(123,191,242,575)	(185,169,368,290)
Corporate income tax paid	15	(32,949,914,560)	(52,858,834)
Other cash inflows	16	172,000,000	-
Other cash outflows	17	(16,466,946,409)	(25,443,514,464)
Cash from equitization transferred to the Group		(1,581,808,975,597)	-
<b>Net cash (used in)/generated by operating activities</b>	<b>20</b>	<b>(285,417,764,421)</b>	<b>1,259,658,890,127</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(86,538,321,994)	(10,667,110,586)
2. Cash outflow for lending, buying debt instruments of other entities	23	(1,505,000,000,000)	(803,907,650,189)
3. Cash recovered from lending, selling debt instruments of other entities	24	1,360,310,864,175	-
4. Interest earned, dividends and profits received	27	66,920,304,135	70,376,846,536
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(164,307,153,684)</b>	<b>(744,197,914,239)</b>


*The notes set out on pages 9 to 37 are an integral part of these separate financial statements*



**CASH FLOW STATEMENT (Continued)**  
 For the period from 15 January 2015 to 30 June 2015

**FORM B 03a-DN**  
 Unit: VND

ITEMS	Codes	From 15/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014 (Reclassified)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from share issue and owners' contributed capital	31	-	921,959,846,545
2. Proceeds from borrowings	33	-	300,000,000,000
3. Repayment of borrowings	34	(595,446,093,379)	(1,803,311,217,498)
4. Dividends and profits paid	36	-	(162,264,589,035)
<i>Net cash used in financing activities</i>	<i>40</i>	<i>(595,446,093,379)</i>	<i>(743,615,959,988)</i>
<b>Net (decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>(1,045,171,011,484)</b>	<b>(228,154,984,100)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>2,046,118,634,821</b>	<b>2,348,182,799,062</b>
Effect of changes in foreign exchange rates	61	14,202,720	-
<b>Cash and cash equivalents at the end of the period (70=50+60+61)</b>	<b>70</b>	<b>1,000,961,826,057</b>	<b>2,120,027,814,962</b>

  
**Truong Quynh Anh**  
 Preparer

  
**Vu Thuy Tuong**  
 Chief Accountant

  
**Bui Minh Tien**  
 General Director

12 August 2015



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FORM B 09a-DN**

*These notes are an integral part of and should be read in conjunction with the 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 the Corporate Registration Certificate No. 2001012298 dated 24 March 24 2011 issued by Ca Mau Province's Department of Planning and Investment.

PetroVietnam Camau Fertilizer Company Limited was officially transformed into a Joint Stock Company with the name of PetroVietnam Camau Fertilizer Joint Stock Company under Registration Certificate No. 2001012298 dated 15 January 2015 issued by Ca Mau Province's Department of Planning and Investment, with the charter capital of VND 5,294,000,000,000.

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

The number of employees as at 30 June 2015 was 841 (as at 14 January 2015: 849).

**Operating industry and principal activities**

The operating industry of the Company includes:

- Production of fertilizers, nitrogen compounds and basic chemicals.
- Wholesale of fertilizers, chemicals used in industry - agriculture.
- Retail of fertilizers, chemicals used in industry - agriculture.
- Architectural activities and technical consultancy using fertilizers and chemicals.
- Warehousing, storage and handling cargo.
- Research and experiment development of natural science and engineering, testing and analysing technics.
- 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 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 below:

	<u>Place of incorporation and operation</u>	<u>Proportion of ownership interest</u>	<u>Proportion of voting power held</u>	<u>Principal activity</u>
PetroVietnam Packaging Joint Stock Company	Bac Lieu	51.03%	51.03%	Package manufacturing

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**1. GENERAL INFORMATION (Continued)**

**Disclosure of information comparability in the financial statements**

As stated in Note 3, since 15 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for the financial year beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Accordingly, certain figures of the balance sheet as at 14 January 2015, of the income statement and of the cash flow statement for the period from 1 January 2014 to 30 June 2014 of PetroVietnam Camau Fertilizer Joint Stock Company has been reclassified due to effects of adoption of Circular 200 on the preparation and presentation of the financial statements to enhance their comparability with the current period's figures.

**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.

**Financial year**

The Company has been officially transformed from One Member Company Limited to Joint Stock Company since 15 January 2015; therefore, the Company's first accounting period is from 15 January 2015 to 31 December 2015. The Company's next financial years begin on 01 January and end on 31 December.

These separate financial statements are prepared for the first period of the Company operating as a joint stock company from 15 January 2015 to 30 June 2015.

**3. ADOPTION OF NEW ACCOUNTING GUIDANCE**

**New guidance on accounting regime for enterprises**

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of Directors has adopted Circular 200 in the preparation and presentation of the financial statements for the period from 15 January 2015 to 30 June 2015.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**4. 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:

**Accounting 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 management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial period. Although these accounting estimates are based on the management's best knowledge, actual results may differ from those estimates.

**Financial instruments**

***Initial recognition***

*Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, short-term financial investments, trade and other receivables.

*Financial liabilities:* At the date of initial recognition, financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise loans and obligations under finance leases, trade and other payables, accrued expenses and payable provisions.

***Subsequent measurement after initial recognition***

Currently, there are no requirements for the financial instruments measurement subsequent to initial recognition.

**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 term deposits in banks 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 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.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial investments (Continued)**

***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. 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 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 of inventory includes direct materials, direct labour costs and overheads, where applicable, 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 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:



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Tangible fixed assets and depreciation (Continued)**

	<b>From 15/01/2015 to 30/6/2015 (Years)</b>	<b>From 01/01/2014 to 30/6/2014 (Years)</b>
Buildings and structures	5 - 20	5 - 20
Machinery and equipment (*)	5 - 12	5 - 10
Office equipment	3 - 6	3 - 6
Motor vehicles and transmission equipment	5 - 6	5 - 6
Others	3 - 6	3 - 6

(\*) According to Official Letter No. 617/BCT-TCNL dated 01 October 2014 of the Ministry of Industry and Trade regarding the plan to regulate the gas price for Ca Mau Fertilizer Production Plant, the plan on the gas price for the period from 2015 to 2018 was approved with the 12-year useful life of the Plant. Therefore, the Company's Board of Directors decided to change the useful lives of fixed assets that are main machineries and equipment of Ca Mau Fertilizer Production Plant from 10 years to 12 years from 15 January 2015. Such a change resulted in a decrease in depreciation charged for the period from 15 January 2015 to 30 June 2015 by approximately VND 109 billion compared to the adoption of the useful lives as before the Company's transformation into a joint stock company.

The Company's tangible fixed assets were revalued when state-owned enterprises are equitised. Their cost and accumulated depreciation are 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.

With respect to repair expenses of fixed assets at Ca Mau Fertilizer Plant which is on a cyclical basis, the Company is permitted to accrue such expenses to operating expenses of the year according to annual budget. If actual expenses are higher than the accrued expenses, then the difference will be directly charged to operating expenses. If the actual repair expenses are lower than the accrued expenses, then the difference will be accounted for as a reduction in operating expenses of the period.

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 and computer software that are stated at cost less accumulated amortisation.

Land use rights increase because of the revaluation and transfer to another form in which the State assigns land to the enterprise in exchange of land use fee, allowing the Company to record an increase in payables to the State when being transformed into a Joint Stock Company.

Intangible fixed assets are depreciated using the straight-line method over their following estimated useful lives:

	<b>From 15/01/2015 to 30/6/2015 (Years)</b>
Land use right	20
Computer software	3

The Company's intangible assets were revalued when state-owned enterprises are equitised. 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.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 cost and related borrowing 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 cost of Ca Mau Fertilizer Production Plant's asset insurance, goodwill and other types of long-term prepayments.

The Company's goodwill arises as a result of determining the business value for equitization. This goodwill will be allocated to operating expenses in 3 years since the Company officially operates as a Joint Stock Company.

Other types of long-term prepayments comprise cost of small tools, supplies and spare parts issued for consumption, which are expected to provide future economic benefits to the Company for one year or more. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method over the period from two (02) to three (03) years.

**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.

**Science and Technology Development Fund**

Science and Technology Development Fund are appropriated 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**

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, 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. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to the shareholders.

As guided by Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 of Vietnam Oil and Gas Group, 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 2015. The abovementioned 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"). If the Company had applied the recognition of exchange differences as guided by Circular 200, financial expenses would have increased and pre-tax profit for the period from 15 January 2015 to 30 June 2015 would have decreased by approximately VND 22.3 billion.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**      **FORM B 09a-DN**  
*These notes are an integral part of and should be read in conjunction with the separate financial statements*

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Foreign currencies (Continued)**

Exchange losses arising for the period of investment and construction of the Plant that have not been allocated in full are included in the "Short-term unearned revenue" line item and will be allocated in full for the last 6 months of 2015 to determine the operation results.

**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 the ownership or 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 when incurred.

**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 net profit 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 exempted/reduced from land use tax, land use fees, rentals and water surface rental in accordance with provisions of the prevailing laws on land and tax.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**      **FORM B 09a-DN**  
*These notes are an integral part of and should be read in conjunction with the separate financial statements*

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Taxation (Continued)**

- Import duty: The Company is exempted from import duty with regard to equipment, materials, motor vehicles and other goods for the implementation of investment projects in accordance with the law on import/export duties.

For income from main business activities arising from Ca Mau Fertilizer Plant Project, the Company is in the period of corporate income tax exemption. For other operations than Ca Mau Fertilizer Plant Project, the Company is obliged to pay corporate income tax at the applicable rate based on taxable income.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are 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.

As at 30 June 2015, there was no significant temporary difference between carrying amount of assets and liabilities on the balance sheet and the corresponding tax bases.

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.

**5. CASH AND CASH EQUIVALENTS**

	<u>30/6/2015</u>	<u>14/01/2015</u>
	<b>VND</b>	<b>VND</b>
Cash on hand	580,006,158	179,751,332
Cash in bank	580,381,819,899	1,995,938,883,489
Cash equivalents (*)	420,000,000,000	50,000,000,000
	<u><b>1,000,961,826,057</b></u>	<u><b>2,046,118,634,821</b></u>

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

The balance of Cash and cash equivalents as at 30 June 2015 included VND 320 billion of one-month term deposits and VND 3.1 billion of current deposits at Ocean Commercial Joint Stock Commercial Bank ("Ocean Bank"). Under Official Letter No. 17/2015/CV-GDCNCM dated 14 May 2015 Ocean Bank - Ca Mau branch, following the direction of the State Bank of Vietnam, Ocean Bank stopped making any payment to customers who are organizations having deposits in Ocean Bank from 11 February 2015. However, the State Bank of Vietnam officially took over Ocean Bank and changed Ocean Bank to the Ocean Commercial One Member Limited Liability Bank owned by the State from 8 May 2015. Accordingly, the Company's Board of Directors assessed that the above deposits are recoverable with no risk of loss and then no provision for impairment of assets should be made.



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

**Separate financial statements**  
For the period from 15 January 2015  
to 30 June 2015

**FORM B 09a-DN**

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

## 6. FINANCIAL INVESTMENTS

	30/6/2015		14/01/2015	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
<b>Short-term held-to-maturity investments</b>				
Term deposits with maturity over 3 months	3,316,971,229,905	3,316,971,229,905	3,166,281,483,374	3,166,281,483,374

## Short-term held-to-maturity investments

### Term deposits with maturity over 3 months

## Investments in subsidiaries

PetroVietnam Packaging Joint Stock Company	20,116,497,769	-	26,324,380,000	20,116,497,769	-	35,654,540,000
--	----------------	---	----------------	----------------	---	----------------

Under Notice No. 1291/SGDHCM-NY dated 10 September 2014 of the Ho Chi Minh Stock Exchange on the announcement of auction results of shares of PetroVietnam Camau Fertilizer Company Limited at PetroVietnam Packaging Joint Stock Company (PPC) dated 19 August 2014, the Company holds 1,666,100 shares, equivalent to 51.03% of PPC's charter capital.

As at 30 June 2015, the value of investments in subsidiaries included VND 3,455,497,769, representing the amount revaluated and approved in accordance with Decision No. 5693/QĐ-ĐKVN dated 29 August 2014 by Vietnam Oil and Gas Group regarding determination of enterprise value for the purpose of equitisation of PetroVietnam Camau Fertilizer Company Limited.

	From 15/01/2015 to 30/6/2015			From 01/01/2014 to 30/6/2014		
	Revenue VND	Expenditures VND	Profit after tax VND	Revenue VND	Expenditures VND	Profit after tax VND
Operating status of subsidiary during the period	78,573,407,040	69,655,036,397	6,733,684,486	84,021,318,107	72,817,632,899	8,095,407,010
	Sales VND	Goods purchases (included VAT)	Dividends and profit distributed	Sales VND	Goods purchases (included VAT)	Dividends and profit distributed
The significant transactions between the Company and its subsidiary during the period	-	79,034,451,120	3,332,200,000	-	80,821,908,700	-

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**      **FORM B 09a-DN**  
*These notes are an integral part of and should be read in conjunction with the separate financial statements*

**7. SHOR-TERM TRADE RECEIVABLES**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>
Phu My Chemical and Construction Co., Ltd.	3,388,366,578	-
Other customers	19,884,031	4,219,983
	<b>3,408,250,609</b>	<b>4,219,983</b>

**8. SHORT-TERM ADVANCES TO SUPPLIERS**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>
Quang Tien Construction Company Limited	18,471,082,453	-
Tri Viet Trading Engineering Company Limited	9,359,020,679	-
Petro Enertech Joint Stock Company	4,405,376,200	4,405,376,200
Vmark Communication Corporation	3,080,000,000	1,540,000,000
Other suppliers	47,046,519,656	8,163,973,357
	<b>82,361,998,988</b>	<b>14,109,349,557</b>
<b>Advances to related parties (represented in Note 35)</b>	<b>4,267,226,344</b>	<b>-</b>

**9. OTHER SHORT-TERM RECEIVABLES**

	<b>30/6/2015</b>	<b>14/01/2015 (Reclassified)</b>
	<b>VND</b>	<b>VND</b>
Accrued interest receivable from term deposits	40,068,229,097	23,618,288,350
Capital granted to Camau Gas - Electricity - Fertilizer Project Management Unit (*)	19,718,000,000	19,718,000,000
Collateral, deposits	15,224,332,224	-
Advances to employees	5,414,502,357	1,854,434,950
Receivables related to dividends and profits distributed	3,332,200,000	-
Others	1,941,897,121	1,577,293,591
	<b>85,699,160,799</b>	<b>46,768,016,891</b>

(\*) The balance of capital granted to Camau Gas-Power-Fertilizer Project Management Unit (the "Project Management Unit") represents the amount transferred by the Company to the Project Management Unit from 2013 to settle obligations. The capital grant is unsecured and interest-free.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**10. INVENTORIES**

	<b>30/6/2015</b>		<b>14/01/2015</b>	
	<b>Cost</b>	<b>Provision</b>	<b>Cost</b>	<b>Provision</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
Goods in transit	-	-	2,266,323,450	-
Raw materials	79,550,648,613	-	61,875,736,877	-
Tools and supplies	1,171,244,371	-	30,690,000	-
Work in progress	28,719,003,401	-	65,229,453,748	-
Finished goods	4,881,524,178	(284,289,543)	9,253,170,313	-
Goods on consignment	55,099,484,208	-	52,877,952,137	-
<b>Total</b>	<b>169,421,904,771</b>	<b>(284,289,543)</b>	<b>191,533,326,525</b>	<b>-</b>

At 30 June 2015, the Company made provision for devaluation of inventories for some wastes with historical cost higher than net realizable value with the amount of VND 284,289,543.

**11. PREPAYMENTS**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>
<b>Short-term</b>		
Assets insurance for Camau Fertilizer Plant	37,061,635,052	12,921,201,403
Other short-term prepaid expenses	656,210,740	983,895,588
	<b>37,717,845,792</b>	<b>13,905,096,991</b>
<b>Long-term</b>		
Goodwill (*)	115,853,398,182	136,962,280,053
Current assets handed over from "Camau Fertilizer Production Factory" Project	-	20,714,176,934
Other long-term prepaid expenses	3,473,709,767	5,926,786,806
	<b>119,327,107,949</b>	<b>163,603,243,793</b>

(\*) The Company's goodwill represents the value of goodwill arising from the determination of enterprise value for the purpose of equitisation. Such goodwill is recognized in profit or loss over 3 years from the date on which the Company officially started operating as a joint stock company. The amount recognized as expenses for the period is VND 21,108,881,871.

**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**  
Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1  
Ca Mau City, Ca Mau Province, S.R. Vietnam

**Separate financial statements**  
For the period from 15 January 2015  
to 30 June 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09a-DN**

12. TANGIBLE FIXED ASSETS	Buildings and structures		Machinery and equipment		Motor vehicles, transmission equipment		Office equipment		Others		Total	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>COST</b>												
As at 15/01/2015	3,116,305,267,653	10,219,864,467,956			39,716,461,749		38,133,248,852		58,688,591,244		13,472,708,037,454	
Transfer from construction in progress	51,897,867,348	-			-		-		-		51,897,867,348	
New purchases	276,027,658	1,942,834,190			276,200,000		3,433,389,342		-		5,928,451,190	
As at 30/6/2015	3,168,479,162,659	10,221,807,302,146			39,992,661,749		41,566,638,194		58,688,591,244		13,530,534,355,992	
<b>ACCUMULATED DEPRECIATION</b>												
As at 15/01/2015	766,799,437,349	1,854,091,104,002			15,930,934,951		14,051,833,488		15,186,649,077		2,666,059,958,867	
Charge for the period	132,626,217,447	437,874,656,019			4,010,273,527		5,709,206,257		274,749,164		580,495,102,414	
As at 30/6/2015	899,425,654,796	2,291,965,760,021			19,941,208,478		19,761,039,745		15,461,398,241		3,246,555,061,281	
<b>NET BOOK VALUE</b>												
As at 30/6/2015	2,269,053,507,863	7,929,841,542,125			20,051,453,271		21,805,598,449		43,227,193,003		10,283,979,294,711	
As at 15/01/2015	2,349,505,830,304	8,365,773,363,954			23,785,526,798		24,081,415,364		43,501,942,167		10,806,648,078,587	

As stated in Note 4, the Company's Board of Directors decided to change the useful lives of fixed assets that are main machineries and equipment of Ca Mau Fertilizer Production Plant from 10 years to 12 years from 15 January 2015. Such a change resulted in a decrease in depreciation charged for the period from 15 January 2015 to 30 June 2015 by approximately VND 109 billion compared to the adoption of the useful lives as before the Company's transformation into a joint stock company.

As noted further in Note 21, the Company has pledged the entire fixed assets constructed from Ca Mau Fertilizer Plant Project which has the carrying value of VND 10,209,123,413,834 as at 30 June 2015 (as at 14 January 2015: VND 10,745,979,562,564) to obtain bank loans.

The cost of the Company's fixed assets as at 30 June 2015 includes VND 80,527,254,007 (14 January 2015: VND 6,545,876,347) of assets which have been fully depreciated but are still in use.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**      **FORM B 09a-DN**  
*These notes are an integral part of and should be read in conjunction with the separate financial statements*

**13. INTANGIBLE ASSETS**

	<b>Land use right</b>	<b>Computer software</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>
<b>COST</b>			
As at 15/01/2015	33,175,238,300	13,982,184,878	47,157,423,178
Addition	-	17,055,861,600	17,055,861,600
As at 30/6/2015	33,175,238,300	31,038,046,478	64,213,284,778
<b>ACCUMULATED AMORTISATION</b>			
As at 15/01/2015	-	1,101,843,106	1,101,843,106
Charge for the period	889,222,534	3,219,339,245	4,108,561,779
As at 30/6/2015	889,222,534	4,321,182,351	5,210,404,885
<b>NET BOOK VALUE</b>			
As at 30/6/2015	32,286,015,766	26,716,864,127	59,002,879,893
As at 15/01/2015	33,175,238,300	12,880,341,772	46,055,580,072

**14. CONSTRUCTION IN PROGRESS**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>
<b>Long-term construction in progress</b>		
Construction	12,532,496,778	46,827,865,034
Including:		
-RBI system for Plant's pipelines and equipment	2,286,150,434	-
-Nitrogen tank for Camau Fertilizer Plant	2,874,194,364	2,075,879,364
-Roof of Fertilizer Plant's production system	-	39,327,548,592
-Ure storage	3,660,210,559	2,605,375,433
-Others	3,711,941,421	2,819,061,645
	<b>12,532,496,778</b>	<b>46,827,865,034</b>

**15. SHOR-TERM TRADE PAYABLE**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>
Vietnam Oil and Gas Group (*)	294,563,897,220	178,721,870,037
PetroVietnam Power Corporation	36,713,022,073	16,431,173,483
PetroVietnam Packaging Joint Stock Company	34,247,256,720	14,300,988,304
Others	94,989,976,062	80,792,632,483
	<b>460,514,152,075</b>	<b>290,246,664,307</b>
<b>Trade payables to related parties</b> <b>(details represented in Note 35)</b>	<b>394,957,689,667</b>	<b>216,518,012,763</b>

(\*) Payable to Vietnam Oil and Gas Group mainly represents the amount for the Company to purchase natural gas of Block PM3 CAA and Block 46-Cai Nuoc under Contract Annex No. 04 dated 17 November 2014 amending the Gas Purchases and Sales Contract No. 3918/HD-DKVN dated 23 May 2012 between the Company and the Holding Company - Vietnam Oil and Gas Group.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**16. SHORT-TERM ADVANCE FROM CUSTOMERS**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>
Nguyen Ngoc Private Enterprise	14,400,000,000	-
Heng Pich Chhay Import Export Co., Ltd.	11,267,948,000	-
Thai Son Trading and Services Co., Ltd.	-	12,903,744,286
Other customers	90,977,041,183	90,025,179,606
	<b>116,644,989,183</b>	<b>102,928,923,892</b>
<b>Advances from related parties</b> <b>(details represented in Note 35)</b>	<b>3,257,280,000</b>	<b>187,500,000</b>

**17. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET**

Items	14/01/2015	Movement in the period		30/6/2015
	(Reclassified)	Amount payable	Amount paid	
	VND	VND	VND	VND
VAT	-	1,442,428,232	1,442,428,232	-
Import duty	-	555,414,661	555,414,661	-
Corporate income tax (*)	32,914,002,522	60,508,315	32,949,914,560	24,596,277
Natural resources tax	91,601,280	508,239,360	511,194,240	88,646,400
Land rental fee	-	61,920,420	459,267,025	(397,346,605)
Other taxes	2,862,142,364	5,861,051,472	6,633,072,181	2,090,121,655
Personal income tax	2,862,142,364	5,724,877,951	6,496,898,660	2,090,121,655
Other taxes	-	136,173,521	136,173,521	-
Other payables	-	82,379,798	-	82,379,798
Fees and charges	-	82,379,798	-	82,379,798
<b>Total</b>	<b>35,867,746,166</b>	<b>8,571,942,258</b>	<b>42,551,290,899</b>	<b>1,888,397,525</b>
Including:				
-Taxes and amounts payable to the State budget	35,867,746,166			2,285,744,130
-Taxes and other receivables from the State budget	-			397,346,605

(\*) The opening balance represents the corporate income tax arising on interest on term deposits in the last accounting period in which the Company operated as a Company Limited owned by Vietnam Oil and Gas Group.

As per Official Letter No. 183/CT-TT-HTNNT dated 14 February 2015 of the Tax Department of Ca Mau province regarding corporate income tax incentives, the Company is entitled to preferential corporate income tax from Ca Mau Fertilizer Production Plant as it meets the requirement that the area has especially difficult socio-economic conditions. Therefore, incomes from deposit sales or services rendered are subject to preferential corporate income tax. The Tax Department of Ca Mau province submitted a Document to the General Department of Taxation regarding the application of preferential corporate income tax with regard to the Company's term deposit interest. However, by the date of issue of these financial statements, the Company has not received any guidelines in writing from the General Department of Taxation or the Tax Department of Ca Mau province. Therefore, the Company has not made any adjustments to the corporate income tax recognized and paid as above.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**18. SHORT-TERM ACCRUED EXPENSES**

	<u>30/6/2015</u>	<u>14/01/2015</u>
	VND	VND
Accrued expenses payable to Vietnam Oil and Gas Group	179,562,281,272	228,227,076,919
-Gas expenses (i)	163,962,886,631	226,854,465,919
-Management fee (ii)	15,599,394,641	1,372,611,000
Trade discount	61,322,964,586	-
Interest expense payable	55,681,853,291	66,166,535,399
Social welfare security expenses (iii)	45,700,090,461	7,825,560,463
Electricity expense payable to PetroVietnam Camau Power	-	7,343,944,420
Guarantee fees	4,337,627,939	8,941,340,335
Insurance and welfare expenses	5,499,000,000	-
Others	6,517,183,119	1,525,430,367
	<u>358,621,000,668</u>	<u>320,029,887,903</u>

- (i) Gas expenses payable to Vietnam Oil and Gas Group for the financial year ended 31 December 2014 are determined and adjusted based on estimated gas price of 2014 (USD 4.06/ million BTU) as approved in Decision No. 1107/QD/DKVN dated 14 February 2015 issued by the Member's Council of Vietnam Oil and Gas Group.
- (ii) Management expenses payable to Vietnam Oil and Gas Group are accrued at 0.5% of net revenue incurred in the period according to Resolution No. 8317/NG-DKVN dated 01 November 2009 of Vietnam Oil and Gas Group and Management Service Provision Contract No. 6392/HD-DKVN dated 30 September 2013.
- (iii) Social welfare security expenses during the period are accrued in accordance with Resolution No. 992/NQ-DKVN dated 27 April 2015 and Official Letter No. 1205/DKVN-OP dated 27 May 2015 of Vietnam Oil and Gas Group. At 30 June 2015, the balance of the social welfare security expenses payable to beneficiaries is VND 45,700,090,461.

**19. SHORT-TERM UNEARNED REVENUE**

	<u>30/6/2015</u>	<u>14/01/2015</u>
	VND	VND
Foreign exchange gain arising during construction period of Camau Fertilizer Production Plant	39,946,151,313	53,261,535,084
	<u>39,946,151,313</u>	<u>53,261,535,084</u>

Unearned revenue represents outstanding foreign exchange gains arising during the period of construction of Ca Mau Fertilizer Production Plant. Based on Decision No. 1989/QD-DKVN dated 25 March 2014 of the Members' Council of Vietnam Oil and Gas Group regarding approval of final accounts of the Ca Mau Fertilizer Production Plant project, foreign exchange gain arising during the period of construction of the Plant handed over to the Company amounted to VND 79,892,302,626. Such difference was allocated partially in 2014 and the first 6 months of 2015. The remaining difference will be allocated in full in the last 6 months of 2015.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**20. OTHER CURRENT PAYABLES**

	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>(Reclassified) VND</b>
<b>Other short-term payables</b>		
Camau Gas - Power - Fertilizer Project Management Unit	76,525,201,368	76,525,201,368
-Input VAT for purchasing gas in the construction period before official commercial operations.	69,617,285,554	69,617,285,554
-Other payables	6,907,915,814	6,907,915,814
Vietnam Oil and Gas Group	468,042,253,339	2,050,804,796,892
-Completed "Camau Fertilizer Production Plant" Project handed over (i)	78,515,027,920	78,515,027,920
-Profit payable (ii)	389,279,725,419	390,233,293,375
-Payable for equitization	247,500,000	1,582,056,475,597
Safety reward fund (iii)	6,213,516,952	130,337,824
Trade union fee	2,513,196,805	1,821,745,024
Short-term deposit received	483,000,000	311,000,000
Corporate income tax payable in the period from 01/01/2015 to 14/01/2015	1,176,849,040	1,176,849,040
Other short-term payables	1,895,965,622	1,166,643,465
	<b>556,849,983,126</b>	<b>2,131,936,573,613</b>
<b>Other long-term payables</b>		
Payable to the State Budget for land use right handed over (iv)	33,175,238,300	33,175,238,300
	<b>33,175,238,300</b>	<b>33,175,238,300</b>
<b>Overdue amount of other payables</b>	<b>-</b>	<b>-</b>

- (i) According to Decision No. 1989/QĐ-DKVN dated 25 March 2014 of the Members' Council of Vietnam Oil and Gas Group on approval of final accounts of the completed project with regard to Ca Mau Fertilizer Production Plant project, the Company took over fixed assets and current assets of Ca Mau Fertilizer Plant according to finalized value. The Company temporarily recognized the difference between the handed over value and the charter capital and received loans as a payable to Vietnam Oil and Gas Group. The payable balance will be adjusted when the Company performed capital finalization with the Group.
- (ii) Profit payable represents all the retained earnings before the date of the Company's official transformation into a joint stock company. Such profit will be transferred to Vietnam Oil and Gas Group.
- (iii) The Company provided for safety reward fund under Official Letter No. 3514/LĐTBXH-LĐTL dated 16 September 2013 of the Ministry of Labour-Invalids and Social Affairs regarding safety reward in order to pay for beneficiaries who are workers and staff of Ca Mau Fertilizer Plant.
- (iv) Other long - term payables represent amount payable to the State budget because the Company received land use rights according to Vietnam Oil and Gas Group's Decision on corporate valuation for equitization purpose with an amount of VND 33,175,238,300. This amount has not been approved by Ca Mau Province's People's Committee yet and can be adjusted upon final approval of competent authority.



**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**  
Plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1  
Ca Mau City, Ca Mau Province, S.R. Vietnam

Separate financial statements  
For the period from 15 January 2015  
to 30 June 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**21. LOANS AND OBLIGATION UNDER FINANCE LEASES**

Items	14/01/2015		In the period		30/6/2015	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
<b>Long-term loans</b>						
BNP Paribas Bank, Credit Agricole Bank, Export - Import Bank of China (i)	4,217,400,000,000	4,217,400,000,000	88,165,000,000	234,575,000,000	4,070,990,000,000	4,070,990,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	2,717,186,512,683	2,717,186,512,683	59,058,462,698	230,516,865,000	2,545,728,110,381	2,545,728,110,381
The Vietnam Public Joint Stock Commercial Bank - Can Tho Branch (iii)	970,035,067,795	970,035,067,795	19,658,770,175	135,954,185,181	853,739,652,789	853,739,652,789
<b>Total</b>	<b>7,904,621,580,478</b>	<b>7,904,621,580,478</b>	<b>166,882,232,873</b>	<b>601,046,050,181</b>	<b>7,470,457,763,170</b>	<b>7,470,457,763,170</b>
<b>In which:</b>						
Amount due for settlement within 12 months	1,244,783,019,739	-	-	-	-	1,272,250,067,281
Amount due for settlement after 12 months	6,659,838,560,739	-	-	-	-	6,198,207,695,889

According to Decisions No. 533/QĐ-DKVN and 534/QĐ-DKVN dated 19 January 2013 of the Chief Executive Officer of Vietnam Oil and Gas Group (the "Group"), from 15 January 2013, the Group had transferred to the Company responsibilities, duties and rights of the Borrower (except the loan withdrawal), prescribed in Credit Agreements. The details of Credit Agreements are as follows:

(i) This is the loan obtained from the Group under Equity Credit Agreement between a group of banks (BNP Paribas Bank, the Export - Import Bank of China and Credit Agricole Bank) with Vietnam Oil and Gas Group as a borrower. The agreement was signed on 15 September 2011 with the principal of USD 220,000,000. The purpose of the loan is to invest in "Ca Mau Fertilizer Plant" project. The loan term is 120 months from the date of the first disbursement which falls on 25 July 2012. The interest rate is 6-month LIBOR for due term and adjusted once every 06 months from the first withdrawal date. The interest is paid once every 6 months.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**21. LOANS AND OBLIGATION UNDER FINANCE LEASES (Continued)**

(ii) This is the loan obtained from the Group under State Investment Credit Agreement No. HDTDDT-CM/PV-VIETINBANK2009 dated 25 September 2009 between Vietnam Oil and Gas Group (the borrower) and Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank - the lender) with the principal of USD 220,000,000 in order to finance "Ca Mau Fertilizer Plant" project. The loan term is 120 months from the first disbursement date; in which the grace period is 30 months from the first disbursement date, the principal repayment period is 90 months from the end of the grace period. The interest rate (calculated on the outstanding balance for due term) is the USD -6-month saving deposit interest paid in arrears of Vietinbank plus (+) 2.5% per annum; the interest rate is adjusted every 6 months from the first withdrawal date. The overdue interest rate equals the interest rate for due term plus 1% per annum. The interest is paid once every 3 months.

(iii) This is the loan under Credit Agreement No. 235/HDVV-PVB-CNCT dated 31 October 2014 between the Company and Vietnam Public Joint Stock Commercial Bank - Can Tho Branch with the credit limit of USD 48,071,638.74 in order to restructure the loan that is used to finance "Camau Fertilizer Plant" project according to State Investment Credit Agreement No. 01/2010HDTDDT-NHPT dated 17 June 2010 between the Group and Vietnam Development Bank. The maximum loan term is 38 months from the first disbursement date. Loan interest rate is determined by reference interest plus margin interest (3.15% per annum and fixed during the loan term) on specified date and this interest rate does not exceed 5% at any time of the loan term. The applicable rate for the first year is 4% per annum. Interest will be paid monthly on the first day of a month.

Vietnam Oil and Gas Group and the Company have pledged fixed assets including buildings and structures, machinery, equipment of Ca Mau Fertilizer Plant to secure the loans above.

Long-term loans are repayable as follows:

	<u>30/6/2015</u> VND	<u>14/01/2015</u> VND
Within one year	1,272,250,067,281	1,244,783,019,739
In the second year	1,272,250,067,281	1,244,783,024,028
In the third to fifth year	3,018,090,522,581	3,087,659,024,028
After five years	1,907,867,106,027	2,327,396,512,683
	<u>7,470,457,763,170</u>	<u>7,904,621,580,478</u>
Less: Amount due for settlement within 12 months (presented in short-term loans and liabilities)	1,272,250,067,281	1,244,783,019,739
<b>Amount due for settlement after 12 months</b>	<u><b>6,198,207,695,889</b></u>	<u><b>6,659,838,560,739</b></u>

**22. SHORT-TERM PROVISION FOR PAYABLE**

	<u>30/6/2015</u> VND	<u>14/01/2015</u> VND
Accrual of periodical repair and maintenance expenses	18,263,326,506	-
Accrual of advertising and communication expenses	28,723,288,202	-
	<u><b>46,986,614,708</b></u>	<u><b>-</b></u>



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**23. OWNER'S EQUITY**

**Movement in owner's equity**

	Owner's contributed capital	Assets revaluation reserve	Investment and development fund	Retained earnings
	VND	VND	VND	VND
Balance as at 01/01/2014	3,198,074,222,829	-	-	235,727,454,968
Capital increase	921,959,846,545	-	-	-
Changes under Decision of corporate valuation for equitization purpose	-	1,174,570,737,523	-	-
Transfer to increase charter capital	1,173,965,930,626	(1,173,965,930,626)	-	-
Transfer from equitization payable	-	(604,806,897)	-	-
Profit for the year	-	-	-	955,249,440,924
Provision for the funds	-	-	286,574,832,277	(286,574,832,277)
Provision for bonus and welfare fund	-	-	-	(60,301,714,060)
Profit transferred to the Holding Company	-	-	-	(844,100,349,555)
<b>Balance as at 14/01/2015</b>	<b>5,294,000,000,000</b>	<b>-</b>	<b>286,574,832,277</b>	<b>-</b>
Profit for the period	-	-	-	448,285,070,628
Provision for investment and development fund (i)	-	-	53,794,208,475	(53,794,208,475)
Provision for bonus and welfare fund (i)	-	-	-	(53,794,208,475)
<b>Balance as at 30/6/2015</b>	<b>5,294,000,000,000</b>	<b>-</b>	<b>340,369,040,752</b>	<b>340,696,653,678</b>

- (i) In the period, the Company temporarily provided for Investment and Development Fund and Bonus and Welfare Funds at the rate of 12% of retained earnings for the period from 15 January 2015 to 30 June 2015 under Resolution No. 01/NQ-DHDCD dated 9 January 2015 passed at the General Shareholders' Meeting. The Company had not made any adjustments to the balance of the Investment and Development Fund that may arise related to determination of the State capital portion as at 14 January 2015 as the Company has not had a minute of determination of the State capital portion as at this date.

**Shares**

	<b>30/6/2015</b>	<b>14/01/2015</b>
Number of shares issued to the public		
+) Ordinary shares	529,400,000	529,400,000
Number of outstanding shares in circulation		
+) Ordinary shares	529,400,000	529,400,000

An ordinary share has par value of VND 10,000

**Charter capital**

The charter capital of the Company is VND 5,294,000,000,000. As at 30 June 2015, charter capital has been fully contributed by shareholders, as follows:

Shareholders	Per Corporate Registration Certificate		Contributed capital 30/6/2015
	VND	%	VND
Vietnam Oil and Gas Group	4,000,230,570,000	75.56%	4,000,230,570,000
Other shareholders	1,293,769,430,000	24.44%	1,293,769,430,000
	<b>5,294,000,000,000</b>	<b>100%</b>	<b>5,294,000,000,000</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**24. SEGMENTS BY BUSINESS AND SEGMENTS BY GEOGRAPHICAL AREA**

The Company's principal activities are manufacturing and trading of fertilizers used in agriculture. Accordingly, the financial information presented in the balance sheet as at 30 June 2015 and all revenue and expenses presented in the income statement for the period from 15 January 2015 to 30 June 2015 are related to manufacturing and trading of fertilizers. Revenue and cost of each goods item and business activity are presented in Note 25 and Note 26.

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 to Cambodia with revenues of about VND 85 billion (6-month export turnover in 2014 was about VND 413 billion) - accounting for negligible proportion 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.

**25. REVENUE FROM GOODS SOLD AND SERVICES RENEDEDERED**

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014 (Reclassified)</b>
	<b>VND</b>	<b>VND</b>
Sales of ure	2,794,569,757,080	2,977,527,869,995
-Domestic sales	2,709,540,931,660	2,564,036,043,644
-Export	85,028,825,420	413,491,826,351
Sales of Amoniac	50,744,962,921	37,975,230,275
Sales of commercial goods	33,501,600,000	44,448,835,712
Sales of waste products	8,060,000,000	37,552,380,952
Other sales	4,260,582,273	503,211,905
	<b>2,891,136,902,274</b>	<b>3,098,007,528,839</b>
<b>Sales deduction</b>		
Trade discount	61,322,964,586	32,110,060,825
Sales rebates	241,975,000	1,080,523,809
	<b>61,564,939,586</b>	<b>33,190,584,634</b>
<b>Sales in the period with related parties (details represented in Note 35)</b>	<b>49,377,720,000</b>	<b>198,132,248,304</b>

**26. COST OF SALES**

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014</b>
	<b>VND</b>	<b>VND</b>
Cost of ure sold	1,875,162,630,043	2,257,619,954,531
Cost of Amoniac sold	28,571,092,874	21,642,115,006
Cost of commercial goods sold	33,487,641,000	44,377,142,857
Other costs	4,260,582,273	105,840,000
Provision for reversal of inventories devaluation	284,289,543	(8,381,276,594)
	<b>1,941,766,235,733</b>	<b>2,315,363,775,800</b>



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**27. PRODUCTION COST BY NATURE**

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014</b>
	<b>VND</b>	<b>VND</b>
Raw materials and consumables	1,097,642,813,122	1,247,211,498,688
Labours	140,641,789,683	140,373,707,217
Depreciation and amortisation	584,344,316,196	696,839,746,575
Out-sourced services	250,352,658,572	144,316,053,997
Other monetary expenses	50,950,533,404	61,964,827,732
	<b>2,123,932,110,977</b>	<b>2,290,705,834,209</b>

**28. FINANCIAL INCOME**

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014</b>
	<b>VND</b>	<b>VND</b>
Bank deposit interest	76,705,844,882	72,428,797,009
Dividends and profits received	3,332,200,000	-
Foreign exchange gain incurred during construction period of Camau Fertilizer Production Plant	13,315,383,771	-
Foreign exchange gain	1,438,342,446	945,991,819
	<b>94,791,771,099</b>	<b>73,374,788,828</b>

**29. FINANCIAL EXPENSES**

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014</b>
	<b>VND</b>	<b>VND</b>
Interest expense	112,706,560,467	183,235,754,617
Foreign exchange loss	171,480,023,869	96,198,373,905
Guarantee fee	7,808,207,936	9,382,933,001
	<b>291,994,792,272</b>	<b>288,817,061,523</b>

**30. SELLING EXPENSES AND GENERAL AND ADMINISTRATIVE EXPENSES**

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014</b>
	<b>VND</b>	<b>VND</b>
<b>Selling expenses</b>		
Transport, loading and storage expenses	38,054,627,400	41,166,197,818
Social welfare security expenses	50,336,220,907	20,029,000,000
Advertising and communication expenses	33,963,522,745	6,661,074,109
Other expenses	31,205,504,714	18,624,551,914
	<b>153,559,875,766</b>	<b>86,480,823,841</b>
<b>General and administration expenses</b>		
Manager expenses	25,947,505,815	19,814,474,391
Management fee payable to Vietnam Oil and Gas Group	14,226,783,641	-
Depreciation and amortization expenses	6,908,782,348	2,689,334,735
Provision for science and technology development fund	-	8,060,000,000
Goodwill	21,108,881,871	-
Other expenses	20,095,281,424	13,813,225,530
	<b>88,287,235,099</b>	<b>44,377,034,656</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**31. CORPORATE INCOME TAX**

	From 15/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
<b>Profit before tax</b>	<b>448,345,578,943</b>	<b>403,581,279,416</b>
<b>Adjustments</b>	-	-
<b>Taxable income</b>	<b>448,345,578,943</b>	<b>403,581,279,416</b>
- Income from main activities	448,070,541,148	403,081,344,358
- Income from other activities	275,037,795	499,935,058
<b>Tax rate</b>	22%	22%
<b>Current corporate income tax expense</b>	<b>60,508,315</b>	<b>109,985,713</b>

According to Official Letter No. 4641/TCT-CS issued by the General Department of Taxation on 02 December 2008 in a reply to Vietnam Oil and Gas Group on tax incentives for Ca Mau Fertilizer Plant Project, the Company is entitled to tax incentives for 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 having taxable income and 50% reduction in tax payable for the 9 years thereafter. The Company has not calculated corporate income tax on the main operating activities from Ca Mau Fertilizer Plant Project for the period from 15 January 2015 to 30 June 2015 since it is still in the tax incentive period.

For operations other than Ca Mau Fertilizer Plant Project, the Company is obliged to pay corporate income tax at the normal tax rate for taxable income on 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.

**32. BASIC EARNINGS PER SHARE**

	From 15/01/2015 to 30/6/2015
	VND
<b>Profit after tax</b>	<b>448,285,070,628</b>
- Temporary provision for bonus and welfare funds	(53,794,208,475)
<b>Earnings for the purposes of calculating basic earnings per share</b>	<b>394,490,862,153</b>
Weighted average number of ordinary shares	529,400,000
<b>Basic earnings per share</b>	<b>745</b>

**33. OTHER COMMITMENTS**

According to Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012 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 457.38 million m3 of standard gas per year.

According to Contract Annex No. 04 dated 27 November 2014, gas price in the contract is the price to ensure the efficiency of producing fertilizers with the average return on equity of 12% per year (excluding VAT and other indirect taxes). Gas price in the contract temporarily calculated to issue invoices and to make monthly payment in the period is the price stated in a document approving the annual business plan which is released by Vietnam Oil and Gas Group.

Under Resolution No. 8373/NQ-DKVN dated 27 November 2014 of the Members' Council of Vietnam Oil and Gas Group (the "Group") regarding approval of the Company's 2015 business plan, the estimated gas price for 2015 is USD 3.81 per MMBTU. The official gas price will be reviewed for adjustment by the Group by the end of 2015 to ensure the effectiveness of fertilizer production and business of the Company reaching profitability ratio as stated in Contract Annex No. 04 mentioned above.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**34. FINANCIAL INSTRUMENTS**

**Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to the owner through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 21, offset by cash and cash equivalents) and owner's equity (comprising capital, reserves and retained earnings).

*Gearing ratio*

	30/6/2015	14/01/2015
	VND	VND
Borrowings	7,470,457,763,170	7,904,621,580,478
Less: Cash and cash equivalents	1,000,961,826,057	2,046,118,634,821
Net debt	6,469,495,937,113	5,858,502,945,657
Equity	5,975,065,694,430	5,580,574,832,277
<b>Net debt to equity ratio</b>	<b>1.08</b>	<b>1.05</b>

**Significant accounting policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.

**Categories of financial instruments**

	Carrying amount	
	30/6/2015	14/01/2015
	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	1,000,961,826,057	2,046,118,634,821
Short-term financial investments	3,316,971,229,905	3,166,281,483,374
Trade and other receivables	89,107,411,408	46,772,236,874
<b>Total</b>	<b>4,407,040,467,370</b>	<b>5,259,172,355,069</b>
<b>Financial liabilities</b>		
Borrowings and obligations under finance leases	7,470,457,763,170	7,904,621,580,478
Trade and other payables	1,048,026,176,696	2,453,536,731,196
Accrued expenses	358,621,000,668	320,029,887,903
Provisions	46,986,614,708	-
<b>Total</b>	<b>8,924,091,555,242</b>	<b>10,678,188,199,577</b>

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC dated 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**34. FINANCIAL INSTRUMENTS (Continued)**

**Financial risk management objectives**

The Company has set up risk management system to identify and assess the risks exposed to the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

**Market risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

**Foreign currency risk management**

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are as follows:

	<b>Liabilities</b>		<b>Assets</b>	
	<b>30/6/2015</b>	<b>14/01/2015</b>	<b>30/6/2015</b>	<b>14/01/2015</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
United States Dollar (USD)	7,471,957,087,757	7,906,782,907,908	42,016,422,414	7,081,783,530

**Foreign currency sensitivity analysis**

The Company is mainly exposed to United States Dollar.

The following table details the Company's sensitivity to a 10% increase and decrease in Vietnam Dong against United States Dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. For a 10% increase/decrease in United States Dollar against Vietnam Dong, the profit before tax in the period would (decrease)/increase by the following amounts:

	<b>From 15/01/2015 to 30/6/2015</b>	<b>From 01/01/2014 to 30/6/2014</b>
	<b>VND</b>	<b>VND</b>
United States Dollar (USD)	(742,994,066,534)	(852,086,334,357)

**Interest rate risk management**

As presented in Note 21, according to Decisions No. 533/QĐ-DKVN and No. 534/QĐ-DKVN dated 19 January 2013 of the Chief Executive Officer of Vietnam Oil and Gas Group, from 15 January 2013, the Group had transferred to the Company responsibilities, obligations and rights of the borrower (except loan withdrawal) prescribed in the Credit Agreements signed with local and foreign banks to finance Ca Mau Fertilizer Plant Project.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**34. FINANCIAL INSTRUMENTS (Continued)**

*Interest rate risk management (Continued)*

Therefore, the Company has interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

*Interest rate sensitivity*

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the period from 15 January 2015 to 30 June 2015 would have (decrease)/increase by VND 149,409,155,263 (for the period from 01 January 2014 to 30 June 2014: VND 147,836,670,566).

	<u>Increase/(decrease) in basis points</u>	<u>Impact on profit before tax</u> VND
For the period from 01 January 2014 to 30 June 2014		
VND	+200	147,836,670,566
VND	-200	(147,836,670,566)
For the period from 15 January 2015 to 30 June 2015		
VND	+200	149,409,155,263
VND	-200	(149,409,155,263)

*Share price risk management*

The Company is exposed to equity price risks arising from investments in subsidiaries. The Company's Member's Council assesses and approves decisions on investments in subsidiaries such as operating industry, investees, etc. Investments in subsidiaries are held for long-term strategic investments rather than trading purposes. The Company does not have intention to trade these investments in the foreseeable future.

*Commodity price risk management*

The Company purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Company is exposed to the risk of changes in selling prices of materials, commodities.

*Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers, spread across diverse industries and geographical areas.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**34. FINANCIAL INSTRUMENTS (Continued)**

***Liquidity risk management***

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company's policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owner to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

30/6/2015	Less than 1 year	From 1-5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	1,000,961,826,057	-	-	1,000,961,826,057
Short-term financial investments	3,316,971,229,905	-	-	3,316,971,229,905
Trade and other receivables	89,107,411,408	-	-	89,107,411,408
<b>Total</b>	<b>4,407,040,467,370</b>	<b>-</b>	<b>-</b>	<b>4,407,040,467,370</b>

30/6/2015	Less than 1 year	From 1-5 years	More than 5 years	Total
	VND	VND	VND	VND
Borrowings and obligations under finance leases	1,272,250,067,281	4,290,340,589,862	1,907,867,106,027	7,470,457,763,170
Trade and other payables	1,014,850,938,396	33,175,238,300	-	1,048,026,176,696
Accrued expenses	358,621,000,668	-	-	358,621,000,668
Provisions	46,986,614,708	-	-	46,986,614,708
<b>Total</b>	<b>2,692,708,621,053</b>	<b>4,323,515,828,162</b>	<b>1,907,867,106,027</b>	<b>8,924,091,555,242</b>

<b>Net liquidity gap</b>	<b>1,714,331,846,317</b>	<b>(4,323,515,828,162)</b>	<b>(1,907,867,106,027)</b>	<b>(4,517,051,087,872)</b>
--------------------------	--------------------------	----------------------------	----------------------------	----------------------------

14/01/2015	Less than 1 year	From 1-5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	2,046,118,634,821	-	-	2,046,118,634,821
Short-term financial investments	3,166,281,483,374	-	-	3,166,281,483,374
Trade and other receivables	46,772,236,874	-	-	46,772,236,874
<b>Total</b>	<b>5,259,172,355,069</b>	<b>-</b>	<b>-</b>	<b>5,259,172,355,069</b>

14/01/2015	Less than 1 year	From 1-5 years	More than 5 years	Total
	VND	VND	VND	VND
Borrowings and obligations under finance leases	1,244,783,019,739	4,332,442,048,056	2,327,396,512,683	7,904,621,580,478
Trade and other payables	2,420,361,492,896	33,175,238,300	-	2,453,536,731,196
Accrued expenses	320,029,887,903	-	-	320,029,887,903
<b>Total</b>	<b>3,985,174,400,538</b>	<b>4,365,617,286,356</b>	<b>2,327,396,512,683</b>	<b>10,678,188,199,577</b>

<b>Net liquidity gap</b>	<b>1,273,997,954,531</b>	<b>(4,365,617,286,356)</b>	<b>(2,327,396,512,683)</b>	<b>(5,419,015,844,508)</b>
--------------------------	--------------------------	----------------------------	----------------------------	----------------------------

The management assessed the liquidity risk at low level. The management believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**35. RELATED PARTY TRANSACTIONS AND BALANCES**

***List of related parties:***

**Owner**

Vietnam Oil and Gas Group

**Subsidiary**

PetroVietnam Packaging Joint Stock Company

**Entities under the same owner**

PetroVietnam Power Corporation (PV Power)

Drilling Mud Corporation

Petro Vietnam Security Service Corporation

The Vietnam Public Joint Stock Commercial Bank

**Companies in Vietnam Oil and Gas Group (the Company's owner)**

Vietnam Petroleum Institute - Research and Development Center

Vietnam Petroleum Institute - Center for Technology Application and Transfer

Ca Mau Gas - Power - Fertilizer Project Management Unit

**Companies in PetroVietnam Fertilizer and Chemicals Corporation (having the same owner as the Company)**

South East PetroVietnam Fertilizer and Chemicals JSC

**Companies in Petro Vietnam Transportation Joint Stock Corporation (having the same owner as the Company)**

PetroVietnam Transportation Vung Tau Joint Stock Company

**Companies in PVI Holdings (having the same owner as the Company)**

PVI Insurance Corporation - Ca Mau Branch

PVI South Company

**Companies in PetroVietnam Construction Joint Stock Corporation (having the same owner as the Company)**

PetroVietnam Urban Development Joint Stock Company

**Companies in PetroVietnam Energy Technology Corporation (having the same owner as the Company)**

PetroVietnam Technical Safety Registration Company Limited

**Companies in PetroVietnam Drilling and Well Services Corporation**

PetroVietnam Drilling Trading and Technical Services Joint Stock Company

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**35. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**

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

	From 15/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
<b>Sales</b>		
South-East PetroVietnam Fertilizer and Chemicals JSC	49,377,720,000	198,132,248,304
	<b>49,377,720,000</b>	<b>198,132,248,304</b>
<b>Purchases</b>		
Vietnam Oil and Gas Group	814,263,914,845	722,202,280,313
PetroVietnam Power Corporation	110,792,785,123	127,182,547,612
PetroVietnam Packaging Joint Stock Company	79,034,451,120	80,821,908,700
PVI Insurance Corporation - Ca Mau Branch	3,662,047,439	-
PetroVietnam Urban Development Joint Stock Company	1,536,457,089	3,945,744,294
PetroVietnam Security Service Corporation	5,971,921,998	4,305,274,290
PetroVietnam Transportation Vung Tau Joint Stock Company	1,625,400,000	2,516,090,909
Brach of Vietnam Petroleum Institute - PetroVietnam Research and Development Center for Petroleum Processing	5,709,969,910	3,258,531,225
PVI South Company	48,152,335,124	50,311,877,402
Drilling Mud Corporation	-	1,058,553,336
	<b>1,070,749,282,648</b>	<b>995,602,808,081</b>
Dividends and profit distributed by PetroVietnam Packaging Joint Stock Company	<b>3,332,200,000</b>	-
Board of Directors' remuneration	<b>4,749,325,039</b>	<b>1,088,000,000</b>

*Significant related party balances were as follows:*

	30/6/2015 VND	14/01/2015 VND
<b>Advances to suppliers</b>		
Drilling Mud Corporation	1,487,263,470	-
PetroVietnam Drilling Trading and Technical Services Joint Stock Company	1,223,361,776	-
Vietnam Petroleum Institute	766,693,298	-
Vietnam Petroleum Institute - Center for Technology Application and Transfer	661,207,800	-
PetroVietnam Technical Safety Registration Company Limited	128,700,000	-
	<b>4,267,226,344</b>	-
<b>Other short-term receivables</b>		
Capital granted to Camau Gas - Power - Fertilizer Project Management Unit	19,718,000,000	19,718,000,000
Accrued interest receivable from The Vietnam Public Joint Stock Commercial Bank - Can Tho Branch	13,780,142,930	5,916,164,954
Dividends and profits receivable from PetroVietnam Packaging Joint Stock Company	3,332,200,000	-
	<b>36,830,342,930</b>	<b>25,634,164,954</b>



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09a-DN**

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

**35. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)**


*Significant related party balances were as follows (Continued):*

	30/6/2015	14/01/2015
	VND	VND
<b>Short-term trade payables</b>		
Vietnam Oil and Gas Group (PetroVietnam)	294,563,897,220	178,721,870,037
PetroVietnam Power Corporation (PV Power)	36,713,022,073	16,431,173,483
PetroVietnam Packaging Joint Stock Company	34,247,256,720	14,300,988,304
PetroVietnam Urban Development Joint Stock Company	960,008,698	2,916,357,002
Vietnam Petroleum Institute - Center for Technology Application and Transfer	-	2,201,979,656
Vietnam Petroleum Institute - Research and Development Center	2,981,199,400	-
PetroVietnam Security Service Corporation	1,983,315,859	1,505,144,281
PetroVietnam Transportation Vung Tau Joint Stock Company	367,500,000	55,500,000
PetroVietnam Securities Incorporated	547,500,000	385,000,000
PVI South Company	22,593,989,697	-
	<b>394,957,689,667</b>	<b>216,518,012,763</b>
<b>Short-term advances from customers</b>		
South-East PetroVietnam Fertilizer and Chemicals JSC	3,257,280,000	187,500,000
	<b>3,257,280,000</b>	<b>187,500,000</b>
<b>Short-term accrued expenses</b>		
Vietnam Oil and Gas Group	179,562,281,272	228,227,076,919
PetroVietnam Power Corporation	-	7,343,944,420
	<b>179,562,281,272</b>	<b>235,571,021,339</b>
<b>Other current payables</b>		
Ca Mau Gas - Power - Fertilizer Project Management Unit	76,525,201,368	76,525,201,368
Vietnam Oil and Gas Group	468,042,253,339	2,050,804,796,892
	<b>544,567,454,707</b>	<b>2,127,329,998,260</b>

**36. COMPARATIVE FIGURES**

Comparative figures in the balance sheet and the corresponding notes are the figures of the financial statements for the period from 01 January 2014 to 14 January 2015 of PetroVietnam Ca Mau Fertilizer Company Limited (equitized entity) that were audited and reclassified in accordance with guidance of Circular 200 to enhance their comparability with the current period's figures.

Comparative figures in the income statement, cash flow statement and corresponding notes are the figures of the reviewed financial statements for the period from 01 January 2014 to 30 June 2014 of PetroVietnam Ca Mau Fertilizer Company Limited. Certain figures were reclassified in accordance with guidance of Circular 200 to enhance their comparability with the current period's figures.

  
**Truong Quynh Anh**  
Preparer

  
**Vu Thuy Tuong**  
Chief Accountant

  
**Bui Minh Tien**  
General Director

12 August 2015