

**PETROVIETNAM CAMAU FERTILIZER  
JOINT STOCK COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**REVIEWED INTERIM SEPARATE  
FINANCIAL STATEMENTS**

**For the 6-month period ended 30 June 2017**

**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**

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

Camau City, Camau Province, S.R. Vietnam

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**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**

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

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**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 interim separate financial statements for the 6-month period ended 30 June 2017.

**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
Ms. 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
Mr. Nguyen Tuan Anh	Deputy General Director (appointed on 24 May 2017)

**BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of Directors of the Company is responsible for preparing the interim separate financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2017, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim separate financial statements, the 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 interim separate financial statements;
- Prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the interim separate financial statements so as to minimize errors and frauds.

**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**

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

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**STATEMENT OF THE BOARD OF DIRECTORS (Continued)**

**BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)**

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 interim separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim 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 interim separate financial statements.

For and on behalf of the Board of Directors,



**Le Ngoc Minh Tri**  
**Deputy General Director**

*21 August 2017*



No.: **294 /VN1A-HN-BC**

## **REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS**

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

We have reviewed the accompanying interim separate financial statements of PetroVietnam Fertilizer Company Limited (the "Company"), prepared on 21 August 2017, as set out from page 5 to page 36, which comprise the interim balance sheet as at 30 June 2017, the interim income statement and interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

### ***Board of Directors' Responsibility for the Interim Separate Financial Statements***

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

### ***Auditors' Responsibility***

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

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

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

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## REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

### *Emphasis of Matters*

- The Company has been officially transformed into a joint stock company since 15 January 2015. The interim separate financial statements for the 6-month period ended 30 June 2017 do not include any adjustments that may arise related to the determination of the State capital portion as the Company has not received the final approval of competent authorities regarding equitization-related final accounts.
- As stated in Note 34 of the Notes to the interim separate financial statements, pursuant to Resolution No. 8409/NQ-DKVN dated 29 December 2016 of the Members' Council of Vietnam Oil and Gas Group ("the Group" - the Company's parent company) on approval of the Company's business plan for 2017, estimated gas price the Company has to pay to the Group for the year 2017 is USD 1.52/MmBTU. This estimated gas price will be officially adjusted by the Group when there are fluctuations affecting the Company's performance results to ensure the efficiency of fertilizer production at the rate of return on average equity of 12% per year. The interim separate financial statements for the six-month period ended 30 June 2017 do not include any adjustments that may be required relating to the gas prices adjustment mentioned above.

Our conclusion is not modified in respect of these matters.



**Trần Huy Công**

**Deputy General Director**

Audit Practising Registration Certificate

No. 0891-2013-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

21 August 2017

Hanoi, S.R. Vietnam



**INTERIM BALANCE SHEET**

As at 30 June 2017

Unit: VND

<b>ASSETS</b>	<b>Codes</b>	<b>Notes</b>	<b>Closing balance</b>	<b>Opening balance</b>
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>4,448,633,334,634</b>	<b>4,018,521,887,465</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>958,016,368,764</b>	<b>813,252,282,373</b>
1. Cash	111		526,016,368,764	481,252,282,373
2. Cash equivalents	112		432,000,000,000	332,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>2,700,000,000,000</b>	<b>2,300,000,000,000</b>
1. Held-to-maturity investments	123		2,700,000,000,000	2,300,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>382,349,249,035</b>	<b>476,159,875,570</b>
1. Short-term trade receivables	131	6	12,758,712,923	3,635,161,100
2. Short-term advances to suppliers	132	7	27,851,202,237	17,658,016,630
3. Other short-term receivables	136	8	341,739,333,875	454,866,697,840
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>353,703,418,126</b>	<b>364,880,297,728</b>
1. Inventories	141		353,703,418,126	366,385,361,876
2. Provision for devaluation of inventories	149		-	(1,505,064,148)
<b>V. Other short-term assets</b>	<b>150</b>		<b>54,564,298,709</b>	<b>64,229,431,794</b>
1. Short-term prepayments	151	10	21,734,624,144	28,841,582,279
2. Value added tax deductibles	152		32,343,162,249	32,040,550,899
3. Taxes and other receivables from the State budget	153	16	486,512,316	3,347,298,616
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>8,182,717,254,131</b>	<b>8,874,102,896,492</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>8,065,342,806,610</b>	<b>8,701,147,653,844</b>
1. Tangible fixed assets	221	11	8,023,651,570,612	8,638,707,373,126
- Cost	222		13,800,054,543,662	13,778,938,844,484
- Accumulated depreciation	223		(5,776,402,973,050)	(5,140,231,471,358)
2. Intangible assets	227	12	41,691,235,998	62,440,280,718
- Cost	228		84,733,696,908	95,872,466,668
- Accumulated amortisation	229		(43,042,460,910)	(33,432,185,950)
<b>II. Long-term assets in progress</b>	<b>240</b>		<b>57,008,937,426</b>	<b>53,684,893,195</b>
1. Construction in progress	242	13	57,008,937,426	53,684,893,195
<b>III. Long-term financial investments</b>	<b>250</b>	<b>5</b>	<b>20,826,250,000</b>	<b>20,826,250,000</b>
1. Investments in subsidiaries	251		20,826,250,000	20,826,250,000
<b>IV. Other long-term assets</b>	<b>260</b>		<b>39,539,260,095</b>	<b>98,444,099,453</b>
1. Long-term prepayments	261	10	39,539,260,095	98,444,099,453
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>12,631,350,588,765</b>	<b>12,892,624,783,957</b>

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

**INTERIM BALANCE SHEET (Continued)**

As at 30 June 2017

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>6,549,703,704,296</b>	<b>7,076,467,284,936</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,470,011,868,185</b>	<b>2,522,793,115,206</b>
1. Short-term trade payables	311	14	428,910,443,325	694,917,293,842
2. Short-term advances from customers	312	15	81,106,888,228	64,450,940,342
3. Taxes and amounts payable to the State budget	313	16	9,280,026,112	1,979,235,163
4. Payables to employees	314		44,785,206,425	40,096,782,541
5. Short-term accrued expenses	315	17	124,665,580,666	67,194,447,623
6. Other current payables	319	18	246,931,312,822	247,696,737,606
7. Short-term loans and obligations under finance leases	320	19	1,206,245,052,001	1,350,810,384,314
8. Short-term provisions	321	20	272,738,850,483	-
9. Bonus and welfare funds	322		55,348,508,123	55,647,293,775
<b>II. Long-term liabilities</b>	<b>330</b>		<b>4,079,691,836,111</b>	<b>4,553,674,169,730</b>
1. Other long-term payables	337	18	-	1,055,667,075
2. Long-term loans and obligations under finance leases	338	19	3,976,812,233,400	4,511,046,170,426
3. Scientific and technological development fund	343	21	102,879,602,711	41,572,332,229
<b>D. EQUITY</b>	<b>400</b>		<b>6,081,646,884,469</b>	<b>5,816,157,499,021</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>6,081,646,884,469</b>	<b>5,816,157,499,021</b>
1. Owner's contributed capital	411	22	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	22	226,409,203,611	159,137,253,402
3. Retained earnings	421	22	561,237,680,858	363,020,245,619
- Retained earnings accumulated to the prior year end	421a		98,320,245,619	-
- Retained earnings of the current period	421b		462,917,435,239	363,020,245,619
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>12,631,350,588,765</b>	<b>12,892,624,783,957</b>

  
Huynh Thi Ngoc Ha  
Preparer

  
Dinh Nhu Cuong  
Chief Accountant

  
Le Ngoc Minh Tri  
Deputy General Director



21 August 2017

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



**INTERIM INCOME STATEMENT**

*For the 6-month period ended 30 June 2017*

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>25</b>	<b>3,128,062,668,210</b>	<b>2,342,258,079,506</b>
2. Deductions	02	25	93,685,529,027	44,027,435,397
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>		<b>3,034,377,139,183</b>	<b>2,298,230,644,109</b>
4. Cost of sales	11	26	1,999,969,564,289	1,709,282,177,456
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>1,034,407,574,894</b>	<b>588,948,466,653</b>
6. Financial income	21	28	79,615,843,422	204,241,648,036
7. Financial expenses	22	29	102,895,659,417	181,666,356,502
- In which: Interest expense	23		89,539,759,541	103,439,262,742
8. Selling expenses	25	30	224,096,975,560	136,692,278,972
9. General and administration expenses	26	30	196,550,800,317	109,256,265,317
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>590,479,983,022</b>	<b>365,575,213,898</b>
11. Other income	31		1,782,325,841	1,145,924,803
12. Other expenses	32		-	4,681
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>1,782,325,841</b>	<b>1,145,920,122</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>592,262,308,863</b>	<b>366,721,134,020</b>
15. Current corporate income tax expense	51	31	31,662,723,786	18,194,400,558
<b>16. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>		<b>560,599,585,077</b>	<b>348,526,733,462</b>
<b>17. Basic earnings per share</b>	<b>70</b>	<b>32</b>	<b>1,001</b>	<b>579</b>

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**Huynh Thi Ngoc Ha**  
Preparer

*On all*  
**Dinh Nhu Cuong**  
Chief Accountant



*Le Minh Ngoc Tri*  
**Le Minh Ngoc Tri**  
Deputy General Director

21 August 2017

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



**INTERIM CASH FLOW STATEMENT**

For the 6-month period ended 30 June 2017

Unit: VND

ITEMS	Codes	Current period	Prior period
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>592,262,308,863</b>	<b>366,721,134,020</b>
<b>2. Adjustments for:</b>			
Depreciation and amortisation	02	644,222,312,652	630,342,091,502
Provisions	03	271,233,786,335	147,313,013,437
Foreign exchange (gain) arising from translating foreign currency items	04	(3,799,101,474)	(47,946,955,677)
(Gain) from investing activities	05	(73,425,999,653)	(87,387,140,368)
Interest expense	06	89,539,759,541	103,439,262,742
Other adjustments	07	65,258,111,745	-
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>1,585,291,178,009</b>	<b>1,112,481,405,656</b>
Changes in receivables	09	95,528,368,152	(40,955,445,608)
Changes in inventories	10	12,681,943,750	(15,353,237,972)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(180,845,413,772)	(150,372,892,181)
Changes in prepaid expenses	12	66,011,797,493	21,293,698,417
Interest paid	14	(95,174,572,529)	(101,809,860,410)
Corporate income tax paid	15	(22,386,393,016)	(3,161,367,983)
Other cash inflows	16	635,500,000	-
Other cash outflows	17	(34,659,826,915)	(17,699,398,728)
Cash from equitization transferred to the Group		-	(286,574,832,277)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>1,427,082,581,172</b>	<b>517,848,068,914</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(18,168,249,602)	(55,575,307,340)
2. Cash outflow for lending, buying debt instruments of other entities	23	(2,700,000,000,000)	(2,500,000,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	2,300,000,000,000	2,702,555,555,556
4. Interest earned, dividends and profits received	27	73,630,932,986	88,020,754,778
<b>Net cash (used in)/generated by used in investing activities</b>	<b>30</b>	<b>(344,537,316,616)</b>	<b>235,001,002,994</b>

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

**INTERIM CASH FLOW STATEMENT (Continued)**

*For the 6-month period ended 30 June 2017*

Unit: VND

ITEMS	Codes	Current period	Prior period
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	-	70,000,000,000
2. Repayment of borrowings	34	(675,000,167,865)	(652,815,155,284)
3. Dividends and profits paid	36	(262,781,010,300)	(423,080,492,000)
<b>Net cash (used in) financing activities</b>	<b>40</b>	<b>(937,781,178,165)</b>	<b>(1,005,895,647,284)</b>
<b>Net increase/(decrease) in cash</b>	<b>50</b>	<b>144,764,086,391</b>	<b>(253,046,575,376)</b>
<b>(50=20+30+40)</b>			
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>813,252,282,373</b>	<b>1,208,205,261,544</b>
Effect of changes in foreign exchange rates	61	-	(227,149,362)
<b>Cash and cash equivalents at the end of the period (70=50+60+61)</b>	<b>70</b>	<b>958,016,368,764</b>	<b>954,931,536,806</b>

  
Huynh Thi Ngoc Ha  
Preparer

  
Dinh Nhu Cuong  
Chief Accountant

  
Le Minh Ngoc Tri  
Deputy General Director

21 August 2017



**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS**

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

**1. GENERAL INFORMATION****Structure of ownership**

PetroVietnam 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 Corporate Registration Certificate No. 2001012298 first issued by Camau Province's Department of Planning and Investment on 24 March 2011.

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

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

The number of the Company's employees as at 30 June 2017 was 872 (as at 31 December 2016: 868).

**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 consultancy on techniques using fertilizers and chemicals.
- Warehousing, storage and handling cargo.
- Research and experiment development of natural science and engineering, testing and analysing techniques.
- Machinery and equipment repair and maintenance.

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

**Normal production and business cycle**

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

**The Company's structure**

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

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

The Company has 02 branches that are dependent accounting units, located in plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province, have their own seal for transaction and are allowed to open accounts at banks in accordance with Vietnamese laws. Details of the Company's branches are as follows:

- Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company – Project Management Unit was established under Decision No. 1109/QD-PVCFC dated 01 June 2016 of the Board of Management.
- Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company – Research and Development Unit was established under Decision No. 442/QD-PVCFC dated 27 March 2017 of the Board of Management.

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

The comparative figures of the interim balance sheet and corresponding notes are the figures of the Company's audited separate financial statements for the year ended 31 December 2016. The comparative figures of the interim income statement and interim cash flow statements are the figures of the reviewed interim separate financial statements for the 6-month period ended 30 June 2016.

**2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD**

**Accounting convention**

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

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

**Accounting period**

The Company's financial year begins on 01 January and ends on 31 December. The interim separate financial statements are prepared for the 6-month period ended 30 June 2017.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Accounting estimates**

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



**Cash and cash equivalents**

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

**Financial investments**

***Held-to-maturity investments***

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

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

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

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

**Investments in subsidiaries**

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

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

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

**Receivables**

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

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



### **Inventories**

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

The 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:

	<b>Current period</b> <b>(Years)</b>
Buildings and structures	5 - 25
Machinery and equipment	5 - 12
Motor vehicles and transmission equipment	5 - 6
Office equipment	3 - 6
Others	3 - 6

The Company's tangible fixed assets were revalued when it uses equitized from a state-owned enterprise. Their cost and accumulated depreciation 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.

For fixed assets at Ca Mau Fertilizer Plant which are periodically repaired, the Company is entitled to periodically accrue the estimated repair costs to expenses. If the actual repair costs are greater than the accrued amount, the Company will additionally recognise the difference to reasonable expenses for the period. If the actual repair costs are less than the accrued amount, the difference is reduced from operating expenses for 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 interim income statement.

### **Intangible assets and amortisation**

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

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

	<b>Current period</b>
	<b>(Years)</b>
Land use rights	20 - 50
Copyright, patents	3
Computer software	3

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

### **Construction in progress**

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

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

### **Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise the cost of Camau Fertilizer Production Plant's asset insurance, fixed asset repair costs, catalyst chemical costs, 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.

The cost of Camau Fertilizer Production Plant's asset insurance will be allocated to operation expenses based on the insurance period.

Other types of long-term prepayments comprise costs of small tools, supplies issued for consumption, cost of fixed asset repair, etc 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 interim income statement using the straight-line method over the period of no more than 3 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 is appropriated at a rate of no more than 10% of taxable profit in order to invest for science and technology activities of the Company. This Fund was formed on the basis of the Company's development demand and technology innovation and is recognized in the operation results of the year.

### **Foreign currencies**

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

As guided by Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group and Official Letter No. 7526/BTC-TCND dated 08 June 2015 issued by Ministry of Finance on the exchange rate of foreign currencies, the Company applied the buying rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 30 June 2017. The above mentioned rate differs from that stated in Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200").

### **Revenue recognition**

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

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

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

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



- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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

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

#### **Borrowing costs**

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

#### **Taxation**

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

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

According to Investment Certificate No. 61101000153 dated 04 December 2012 issued by the People's Committee of Camau Province, the Company is entitled to tax incentives with regard to Camau 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.
- 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 Camau Fertilizer Plant Project, the Company is in the period of corporate income tax exemption. 2016 is the first year the Company was entitled to a 50% reduction of tax payable. For other operations than Camau Fertilizer Plant Project, the Company is obliged to pay corporate income tax at the applicable rate based on taxable profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. As at 30 June 2017, 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.

#### **4. CASH AND CASH EQUIVALENTS**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	1,836,738,925	46,016,273
Bank demand deposits	524,179,629,839	481,206,266,100
Cash equivalents (*)	432,000,000,000	332,000,000,000
	<u><b>958,016,368,764</b></u>	<u><b>813,252,282,373</b></u>

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

Bank deposits and cash equivalents are deposited at commercial banks in Vietnam. The Company's Board of Directors regularly evaluates and believes that the above deposits expose to no risk of recoverability or liquidation.



### a) Short-term investments

### Short-term held-to-maturity investments

Term deposits with maturity over 3 months

## Investments in subsidiaries

PetroVietnam Packaging Joint Stock CompanyOperating status of subsidiary during the period

The significant transactions between the Company and its subsidiary during the period

4,925,613,000	89,274,477,171	3,123,937,500	-	62,996,519,300	4,165,250,000
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**6. SHORT-TERM TRADE RECEIVABLES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Hung Thanh Private Enterprise	6,310,939,940	-
Huy Chinh Trade and Services Company Limited	3,878,015,000	-
Phu My Chemical and Contrucstion Co., Ltd.	-	3,600,130,403
Others	2,569,757,983	35,030,697
	<b>12,758,712,923</b>	<b>3,635,161,100</b>
<b>Receivables from related parties (Details stated in Note 35)</b>	<b>1,820,496,000</b>	<b>-</b>

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

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Tri Viet Trading Engineering Co., Ltd.	6,650,634,397	6,785,642,866
Vimico Equipment and Accessories Co., Ltd.	1,389,204,300	2,115,198,796
Hanoi University of Agriculture	1,800,000,000	1,800,000,000
Chemial Industry Engineering Joint Stock Company	3,840,144,000	-
Other suppliers	14,171,219,540	6,957,174,968
	<b>27,851,202,237</b>	<b>17,658,016,630</b>

**8. OTHER SHORT-TERM RECEIVABLES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Receivable from Oil and Gas Group	276,761,701,091	393,555,154,634
<i>Estimated gas receivable for the year ended 31 December 2016</i>	-	<i>116,793,453,543</i>
<i>Receivable related to the equitization phase (i)</i>	<i>276,761,701,091</i>	<i>276,761,701,091</i>
Accrued interest receivable from term deposits	23,998,783,335	24,203,716,668
Capital granted to Camau Gas - Electricity - Fertilizer Project Management Unit (ii)	19,718,000,000	19,718,000,000
Receivables from Ca Mau Tax Department	10,192,736,857	-
Advances to employees	8,722,977,311	6,366,971,000
Receivable from PVI Insurance Ho Chi Minh City	-	4,053,625,704
Collateral, deposits	495,000,000	390,000,000
Other receivables	1,850,135,281	6,579,229,834
	<b>341,739,333,875</b>	<b>454,866,697,840</b>
<b>Other short-term receivables from related parties (details presented in Note 35)</b>	<b>297,576,842,944</b>	<b>417,326,780,338</b>

(i) Represent profit of the period from 01 January 2014 to 14 January 2015, which had been transferred to Vietnam Oil and Gas Group due to effects of price unit adjustments to gas volume purchased by the Company from Vietnam Oil and Gas Group during this period. This receivable will be recovered when the Company performs finalization regarding the State capital portion with Vietnam Oil and Gas Group.

(ii) The balance of capital granted to Camau Gas - Electricity - Fertilizer Project Management Unit ("Project Management Unit") represents the amount the Company transferred to the Project Management Unit since 2013 to settle liabilities. This capital funding has no collateral and bears no interest.

**9. INVENTORIES**

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	198,150,989,491	-	173,820,182,777	-
Tools and supplies	3,409,135,409	-	1,686,454,799	-
Work in progress	28,408,550,194	-	53,247,077,817	(1,505,064,148)
Finished goods	111,356,628,542	-	55,116,828,707	-
Goods	12,378,114,490	-	27,061,792,000	-
Goods on consignment	-	-	55,453,025,776	-
	<b>353,703,418,126</b>	<b>-</b>	<b>366,385,361,876</b>	<b>(1,505,064,148)</b>

As at 30 June 2017, the Company assessed the net realisable value and reversed provision for devaluation of inventories in the amount of VND 1,505,064,148.

**10. PREPAYMENTS**

	Closing balance	Opening balance
	VND	VND
<b>Short-term</b>		
Assets insurance for Camau Fertilizer Plant	16,568,611,043	16,920,110,765
Advertising pano	-	2,677,433,264
Other short-term prepaid expenses	5,166,013,101	9,244,038,250
	<b>21,734,624,144</b>	<b>28,841,582,279</b>
<b>Long-term</b>		
Goodwill (*)	23,256,587,877	46,513,175,754
Fixed asset repair expense	10,980,131,306	20,130,240,727
Chemical catalyst	-	23,398,011,981
Other long-term prepaid expenses	5,302,540,913	8,402,670,991
	<b>39,539,260,095</b>	<b>98,444,099,453</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 within 3 years from the date on which the Company officially started operating as a joint stock company. The amount recognized as expense for the period was VND 23,256,587,877.



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

**FORM B 09a-DN**

**11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS**

<b>COST</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Motor vehicles and transmission equipment</b>	<b>Office equipment</b>	<b>Others</b>	<b>Total</b>
	VND	VND	VND	VND	VND	VND
<b>Opening balance</b>	3,339,315,277,882	10,271,156,847,920	53,522,977,989	56,255,149,449	58,688,591,244	13,778,938,844,484
Transfer from construction in progress	55,086,792	-	-	-	-	55,086,792
New purchases	-	20,751,121,127	243,060,986	66,430,273	-	21,060,612,386
<b>Closing balance</b>	<b>3,339,370,364,674</b>	<b>10,291,907,969,047</b>	<b>53,766,038,975</b>	<b>56,321,579,722</b>	<b>58,688,591,244</b>	<b>13,800,054,543,662</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>Opening balance</b>	1,337,891,363,311	3,722,165,215,789	32,756,043,864	31,065,004,963	16,353,843,431	5,140,231,471,358
Charge for the period	148,736,840,878	478,375,397,408	4,284,781,208	4,484,063,391	290,418,807	636,171,501,692
<b>Closing balance</b>	<b>1,486,628,204,189</b>	<b>4,200,540,613,197</b>	<b>37,040,825,072</b>	<b>35,549,068,354</b>	<b>16,644,262,238</b>	<b>5,776,402,973,050</b>
<b>NET BOOK VALUE</b>						
<b>Closing balance</b>	1,852,742,160,485	6,091,367,355,850	16,725,213,903	20,772,511,368	42,044,329,006	8,023,651,570,612
<b>Opening balance</b>	2,001,423,914,571	6,548,991,632,131	20,766,934,125	25,190,144,486	42,334,747,813	8,638,707,373,126

As stated further in Note 19, the Company has pledged the entire fixed assets constructed from Camau Fertilizer Plant Project which have the carrying value of VND 7,741,656,491,752 as at 30 June 2017 (as at 31 December 2016: VND 8,346,611,298,925) to secure bank loans.

The cost of the Company's tangible fixed assets as at 30 June 2017 includes VND 106,744,457,797 (as at 31 December 2016: VND 88,796,025,913) of tangible fixed assets which have been fully depreciated but are still in use.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Copyright, patents	Computer software	Total
	VND	VND	VND	VND
<b>COST</b>				
Opening balance	33,333,655,327	32,189,954,173	30,348,857,168	95,872,466,668
Other decrease (i)	(11,138,769,760)	-	-	(11,138,769,760)
Closing balance	22,194,885,567	32,189,954,173	30,348,857,168	84,733,696,908
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	3,778,161,865	13,824,183,167	15,829,840,918	33,432,185,950
Charge for the period	893,534,362	5,366,572,092	4,901,785,234	11,161,891,688
Other decrease (i)	(1,551,616,728)	-	-	(1,551,616,728)
Closing balance	3,120,079,499	19,190,755,259	20,731,626,152	43,042,460,910
<b>NET BOOK VALUE</b>				
Closing balance	19,074,806,068	12,999,198,914	9,617,231,016	41,691,235,998
Opening balance	29,555,493,462	18,365,771,006	14,519,016,250	62,440,280,718

- (i) According to Decision No. 70/QĐ-UBND dated 30 May 2017 of the Ca Mau Provincial People's Committee and Official Letter No. 1720/TB-CT dated 16 June 2017 of the Ca Mau Tax Department on approval of land price for the Project of construction of housing area for employees of PetroVietnam Ca Mau Fertilizer Joint Stock Company, the approved value of land use rights with the term of 20 years is VND 21,920,834,360. The Company has adjusted its land use rights and amortisation charges into its interim separate financial statements for this period.

The cost of the Company's intangible assets as at 30 June 2017 includes VND 770,105,114 of intangible assets which have been fully amortised but are still in use.

13. CONSTRUCTION IN PROGRESS

	Closing balance	Opening balance
	VND	VND
- Complex fertilizer production lines from melted Ure	32,749,968,392	27,028,312,486
- Public housing area clearance cost	19,217,326,485	19,217,326,485
- Enterprise human resources managing system	3,434,800,673	3,434,800,673
- Others	1,606,841,876	4,004,453,551
	<b>57,008,937,426</b>	<b>53,684,893,195</b>



**14. SHORT-TERM TRADE PAYABLES**

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Vietnam Oil and Gas Group (*)	269,627,608,278	269,627,608,278	494,320,135,459	494,320,135,459
PetroVietnam Power Corporation	41,583,920,430	41,583,920,430	33,178,233,697	33,178,233,697
PetroVietnam Packaging Joint Stock Company	8,590,625,836	8,590,625,836	21,196,118,906	21,196,118,906
Others	109,108,288,781	109,108,288,781	146,222,805,780	146,222,805,780
	<b>428,910,443,325</b>	<b>428,910,443,325</b>	<b>694,917,293,842</b>	<b>694,917,293,842</b>
<b>Trade payables to related parties (details represented in Note 35)</b>	<b>325,567,971,290</b>	<b>325,567,971,290</b>	<b>559,797,288,035</b>	<b>559,797,288,035</b>

(\*) Payable to Vietnam Oil and Gas Group mainly represents the amount payable by 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 Gas Purchases & Sales Contract No. 3918/HD-DKVN dated 23 May 2012 between the Company and the Holding Company - Vietnam Oil and Gas Group.

**15. SHORT-TERM ADVANCES FROM CUSTOMERS**

	Closing balance	Opening balance
	VND	VND
Tuong Nguyen Import & Export Trading and Services Co., Ltd.	14,096,349,250	5,381,802,353
SAYIMEX TA MCHAS SRE Co., Ltd.	11,401,387,500	1,219,625,572
Hung Thanh Private Enterprise	10,896,120,900	3,023,291,970
Huu Thanh I Company Limited	5,258,700,000	735,773,565
Nguyen Khoa Trading., Ltd.	2,769,699,999	4,017,834,899
Viet Nga Private Enterprise	2,687,896,750	1,697,537,550
The Man Single Member Limited Liability Company	899,358,900	4,584,358,900
Dang Lan Private Enterprise	-	11,259,334,800
Other customers	33,097,374,929	32,531,380,733
	<b>81,106,888,228</b>	<b>64,450,940,342</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

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

Items	Opening balance VND	Movement in the period			Closing balance VND
		Amount payable VND	Amount net-off VND	Amount paid VND	
<b>a) Receivables</b>					
Value added tax	157,422,454	10,456,110,437	8,797,438,703	1,590,414,991	89,165,711
Corporate income tax	2,792,529,557	2,792,529,557	-	-	-
Land rental fee	397,346,605	264,435,222	-	264,435,222	397,346,605
	<b>3,347,298,616</b>	<b>13,513,075,216</b>	<b>8,797,438,703</b>	<b>1,854,850,213</b>	<b>486,512,316</b>
<b>b) Payables</b>					
Import duty	-	6,405,312,110	6,214,830,538	190,481,572	-
Corporate income tax	-	31,662,723,786	2,792,529,557	22,386,393,016	6,483,801,213
Natural resources tax	91,600,340	533,614,380	-	536,569,260	88,645,460
Other taxes	1,887,634,823	15,886,351,938	-	15,066,407,322	2,707,579,439
License tax	-	5,000,000	-	5,000,000	-
Personal income tax	1,278,317,050	13,574,097,064	-	12,144,834,675	2,707,579,439
Other taxes	609,317,773	2,307,254,874	-	2,916,572,647	-
	<b>1,979,235,163</b>	<b>54,488,002,214</b>	<b>9,007,360,095</b>	<b>38,179,851,170</b>	<b>9,280,026,112</b>

**17. SHORT-TERM ACCRUED EXPENSES**

	Closing balance VND	Opening balance VND
Interest expense payable	52,903,477,071	58,538,290,059
Insurance and welfare expenses	18,261,000,000	-
Transportation and storage expenses	17,085,867,639	-
Management fees payables to Vietnam Oil and Gas Group	8,105,624,323	-
Uniforms and medical examination for employees	5,905,131,448	-
Guarantee fees	3,598,920,828	3,948,609,528
Goods purchase expenses and others	18,805,559,357	4,707,548,036
	<b>124,665,580,666</b>	<b>67,194,447,623</b>
<b>Accrued expenses payables to related parties (details represented in Note 35)</b>	<b>8,105,624,323</b>	-



**18. OTHER PAYABLES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>a. Other short-term payables</b>		
Camau Gas - Power - Fertilizer Project Management Unit	75,571,633,412	75,571,633,412
- Input VAT for purchasing gas in the construction period before official commercial operations	69,617,285,554	69,617,285,554
- Other payables	5,954,347,858	5,954,347,858
Vietnam Oil and Gas Group	151,876,294,234	151,271,487,337
- Completed "Camau Fertilizer Production Plant" Project handed over (i)	78,515,027,920	78,515,027,920
- Profit payable (ii)	40,732,029,647	40,732,029,647
- 2014 CIT overpayment	32,381,736,667	32,381,736,667
- Payable for equitization	247,500,000	247,500,000
- Other payables	-	(604,806,897)
Safety reward fund (iii)	6,917,448,649	968,785,241
Trade union fee	955,666,190	884,990,682
Short-term deposits received	796,866,000	2,184,282,500
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	9,636,555,297	15,638,709,394
	<b>246,931,312,822</b>	<b>247,696,737,606</b>
<b>b. Other long-term payables</b>		
Payable to the State Budget for land use right handed over	-	1,055,667,075
	-	<b>1,055,667,075</b>
<b>Other payable to related parties (details presented in Note 35)</b>	<b>227,447,927,646</b>	<b>226,843,120,749</b>

- (i) According to Decision No. 1989/QĐ-DKVN dated 25 March 2014 issued by the Members' Council of Vietnam Oil and Gas Group on approval of final accounts of the completed project with regard to Camau Fertilizer Production Plant project, the Company took over fixed assets and current assets of Camau Fertilizer Plant according to the 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) Represent carried-forward effects on profit payable to Vietnam Oil and Gas Group due to adjustments to the financial statements for the period from 01 January 2014 to 14 January 2015 based on recommendations of the State Auditor. The profit payable balance will be adjusted when the Company performs the State capital finalization with Vietnam Oil and Gas Group.
- (iii) The Company made appropriation to safety reward fund under Official Letter No. 3514/LĐTBXH-LĐTL dated 16 September 2013 issued by the Ministry of Labour-Invalids and Social Affairs regarding safety reward in order to pay beneficiaries who are workers and staff of Camau Fertilizer Plant.

**PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY**

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

**FORM B 09a-DN**

**19. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

Items	Opening balance		In the period		Closing balance	
	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)	3,498,110,000,000	3,498,110,000,000	-	252,010,000,000	3,246,100,000,000	3,246,100,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	1,931,852,620,271	1,931,852,620,271	-	242,576,683,687	1,689,275,936,584	1,689,275,936,584
Vietnam Public Joint Stock Commercial Bank - Can Tho Branch (iii)	373,560,934,469	373,560,934,469	-	172,545,585,652	201,015,348,817	201,015,348,817
National Commercial Joint Stock Bank - Sai Gon Branch (iv)	58,333,000,000	58,333,000,000	-	11,667,000,000	46,666,000,000	46,666,000,000
<b>Total</b>	<b>5,861,856,554,740</b>	<b>5,861,856,554,740</b>	<b>-</b>	<b>678,799,269,339</b>	<b>5,183,057,285,401</b>	<b>5,183,057,285,401</b>
<b>In which:</b>						
Amount due for settlement within 12 months	1,350,810,384,314				1,206,245,052,001	
Amount due for settlement after 12 months	4,511,046,170,426				3,976,812,233,400	

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

(i) This is the loan obtained from the Group under Equity Credit Agreement between a group of banks, i.e. BNP Paribas Bank, Export - Import Bank of China and Credit Agricole Bank, with Vietnam Oil and Gas Group as the 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 "Camau 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 loan interest is paid once every 6 months.



## NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (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 "Camau 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 once every 6 months from the first withdrawal date. The overdue interest rate equals the interest rate for due term plus 1% per annum. The loan 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. 01/2010/HDTDDT-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 interest rate for the first year is 4% per annum. Interest will be paid monthly on the first day of the month.

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

(iv) This is the loan under Credit Agreement No. 197/16/HDCV/101 dated 10 June 2016 between National Commercial Joint Stock Bank ("NCB") and the Company with the credit limit of VND 105,200,000,000, for the purpose of recovering investment capital and investing in the Project of "Packed Ure Warehouse construction with the capacity of 10,000 tons at Ca Mau Fertilizer Plant". The loan term is 36 months from the first drawdown. The lending interest rate is determined by the average deposit interest rate for individuals with 12-month maturity period and interests paid in arrears of five (05) banks: Joint Stock Commercial Bank for Investment and Development of Viet Nam, Vietnam Joint Stock Commercial Bank for Foreign Trade of Viet Nam, Viet Nam Bank for Agriculture and Rural Development, Vietnam Joint Stock Commercial Bank for Industry and Trade and NCB at the time of adjusting lending interest rate plus (+) a margin of 2% per annum.

Long-term loans are repayable as follows:

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Within one year	1,206,245,052,001	1,350,810,384,314
In the second year	1,005,440,324,743	1,034,720,350,155
In the third to fifth year	2,471,971,908,657	2,476,865,820,271
After five years	499,400,000,000	999,460,000,000
	<b>5,183,057,285,401</b>	<b>5,861,856,554,740</b>
Less: Amount due for settlement within 12 months (presented in short-term loans and liabilities)	1,206,245,052,001	1,350,810,384,314
<b>Amount due for settlement after 12 months</b>	<b>3,976,812,233,400</b>	<b>4,511,046,170,426</b>

**20. PAYABLE PROVISIONS**

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Accrual of periodical repair and maintenance expenses	115,543,036,305	-
Trade discounts (i)	88,730,899,027	-
Marketing and communication expenses (ii)	34,335,107,412	-
Salary reserve fund	19,431,594,239	-
Social security expenses (iii)	14,698,213,500	-
	<b>272,738,850,483</b>	<b>-</b>

- (i) During the period, the Company has accrued trade discounts based on the sale policy approved by the Board of Directors. The estimated trade discount was calculated at the rate of 2% of urea's revenue for the first four months of 2017 and of 5% of urea's revenue for the next 2 months. This estimated trade discount amount will be adjusted according to the finalized trade discount at the end of the financial year.
- (ii) During the period, the Company has accrued marketing and communication expenses based on the marketing budget for the year 2017 pursuant to the Decision No. 99/QĐ-DKVN dated 19 January 2017 of the Company's General Director. The accrued marketing and communication expenses will be adjusted according to the finalized amount at the end of the financial year.
- (iii) During the period, the Company has accrued social security expenses based on the business plan for the year 2017 pursuant to the Resolution No. 8409/NQ-DKVN dated 29 December 2016 of Member Council of Vietnam Oil and Gas Group. The accrued social security expenses will be adjusted according to the finalized amount at the end of the financial year.

**21. SCIENCE AND TECHNOLOGY DEVELOPMENT FUND**

	<u>Current period</u> <u>VND</u>	<u>Prior period</u> <u>VND</u>
<b>Opening balance</b>	<b>41,572,332,229</b>	<b>35,127,224,702</b>
Fund establishing in the period (i)	65,258,111,745	-
Fund using in the period	(3,950,841,263)	(3,062,627,601)
<b>Closing balance</b>	<b>102,879,602,711</b>	<b>32,064,597,101</b>

- (i) The science and technology development fund is extracted not exceeding 10% of the Company's taxable profit.



## 22. OWNER'S EQUITY

### Movement in owner's equity

	Owner's contributed capital	Investment and development fund	Retained earnings
	VND	VND	VND
<b>For the 6-month period ended 30 June 2016</b>			
<b>Opening balance</b>	<b>5,294,000,000,000</b>	<b>371,396,247,833</b>	<b>537,202,298,525</b>
Profit for the period	-	-	348,526,733,462
Funds distribution	-	41,823,208,015	(83,913,083,030)
Payment for equisition	-	(286,574,832,277)	-
Dividend paid	-	-	(423,520,000,000)
<b>Closing balance</b>	<b>5,294,000,000,000</b>	<b>126,644,623,571</b>	<b>378,295,948,957</b>
<b>For the 6-month period ended 30 June 2017</b>			
<b>Opening balance</b>	<b>5,294,000,000,000</b>	<b>159,137,253,402</b>	<b>363,020,245,619</b>
Profit for the period	-	-	560,599,585,077
Appropriation to investment and development fund (i)	-	67,271,950,209	(67,271,950,209)
Appropriation to bonus and welfare funds (i)	-	-	(30,410,199,629)
Dividend declared	-	-	(264,700,000,000)
<b>Closing balance</b>	<b>5,294,000,000,000</b>	<b>226,409,203,611</b>	<b>561,237,680,858</b>

- (i) In the period, the Company made temporary appropriation to Investment and Development Fund and Bonus and Welfare Funds under Resolution No. 714/NQ-DHDCD dated 21 April 2017 of the Company's General Shareholders.

### Shares

	Closing balance	Opening balance
Number of shares issued to the public		
+) <i>Ordinary shares</i>	529,400,000	529,400,000
Number of outstanding shares in circulation		
+) <i>Ordinary shares</i>	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 2017, the charter capital has been fully contributed by shareholders, as follows:

Shareholders	Per Corporate Registration Certificate		Contributed capital at the end of the year
	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 INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

**Dividends**

According to Resolution No. 714/NQ-DHDCD dated 21 April 2017, the Company's General Shareholders decided to pay dividend in 2017 at the rate of 9% of charter capital, equivalent to the amount of VND 476,460,000,000, in which the amount of VND 211,760,000,000 was temporarily paid in 2016 and the remaining amount of VND 264,700,000,000 was paid in 2017.

**23. OFF-BALANCE SHEET ITEMS**

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Foreign currencies</b>		
USD	1,304,342	3,052,136
EUR	1,280.3	1,280.3

**24. BUSINESS AND GEOGRAPHICAL SEGMENTS**

The Company's principal activities are manufacturing and trading fertilizers used in agriculture. Accordingly, the financial information presented in the balance sheet as at 30 June 2017 and all revenue and expenses presented in the interim income statement for the 6-month period ended 30 June 2017 are related to manufacturing and trading fertilizers. Revenue and cost of sales per 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 Camau Fertilizer Products to Cambodia with revenue of about VND 289 billion (export turnover in the 6-month period ended 30 June 2016 was about VND 111 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.



## NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

## 25. REVENUE

	Current period VND	Prior period VND
Sales of ure	2,704,478,235,226	2,258,472,017,907
- Domestic sales	2,414,672,966,000	2,146,846,814,100
- Export	289,805,269,226	111,625,203,807
Sales of Amoniac	81,128,159,094	53,069,870,239
Sales of merchandise	294,484,359,850	15,750,000,000
Sales of commercial waste	27,696,428,940	14,966,191,360
Sales of other fertilizer finished goods and other services	20,275,485,100	-
	<b>3,128,062,668,210</b>	<b>2,342,258,079,506</b>
<b>Sales deduction</b>		
Sales discounts	89,900,699,027	43,526,935,397
Sales rebates	-	500,500,000
Returned goods	3,784,830,000	-
	<b>93,685,529,027</b>	<b>44,027,435,397</b>
<b>Sales in the period with related parties (details represented in Note 35)</b>	<b>4,925,613,000</b>	<b>1,860,000,000</b>

## 26. COST OF SALES

	Current period VND	Prior period VND
Cost of Ure sold	1,672,937,174,782	1,651,660,139,752
Cost of Amoniac sold	43,001,142,944	38,969,837,157
Cost of merchandise sold	274,058,889,632	15,742,500,000
(Reverse)/Provision for devaluation of inventories	(1,505,064,148)	2,909,700,547
Cost of other fertilizer products	11,477,421,079	-
	<b>1,999,969,564,289</b>	<b>1,709,282,177,456</b>

## 27. PRODUCTION COST BY NATURE

	Current period VND	Prior period VND
Raw materials and consumables	861,838,355,009	836,193,010,471
Labours	217,795,929,560	174,121,437,471
Depreciation and amortisation	644,222,312,652	630,342,091,502
Out-sourced services	215,723,947,580	155,091,860,385
Other monetary expenses	207,254,911,373	110,438,080,744
	<b>2,146,835,456,174</b>	<b>1,906,186,480,573</b>

**28. FINANCIAL INCOME**

	<b>Current period</b>	<b>Prior period</b>
	<b>VND</b>	<b>VND</b>
Bank deposit interest	70,302,062,153	83,221,890,368
Devidend received	3,123,937,500	4,165,250,000
Foreign exchange gain	6,189,843,769	116,854,507,668
	<b>79,615,843,422</b>	<b>204,241,648,036</b>

**29. FINANCIAL EXPENSES**

	<b>Current period</b>	<b>Prior period</b>
	<b>VND</b>	<b>VND</b>
Interest expense	89,539,759,541	103,439,262,742
Foreign exchange loss	6,884,460,492	71,333,031,795
Guarantee fee	6,471,439,384	6,894,061,965
	<b>102,895,659,417</b>	<b>181,666,356,502</b>

**30. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	<b>Current period</b>	<b>Prior period</b>
	<b>VND</b>	<b>VND</b>
<b>Selling expenses</b>		
Transport, loading and storage expenses	99,847,975,504	43,852,317,108
Depreciation and amortisation expenses	222,327,318	312,355,848
Advertising and communication expenses	48,177,274,295	25,130,429,465
Social welfare security expenses	33,700,000,000	25,000,000,002
Other selling expenses	42,149,398,443	42,397,176,549
	<b>224,096,975,560</b>	<b>136,692,278,972</b>
<b>General and administration expenses</b>		
Administrative staff expenses	42,207,178,040	29,913,822,483
Management fee payable to Vietnam Oil and Gas Group	14,548,076,540	11,373,732,712
Depreciation and amortization expenses	13,520,606,001	12,670,214,045
Provision for science and technology development fund	65,258,111,745	15,000,000,000
Goodwill	23,256,587,877	23,256,587,877
Other general and administration expenses	37,760,240,114	17,041,908,200
	<b>196,550,800,317</b>	<b>109,256,265,317</b>



**31. CURRENT CORPORATE INCOME TAX EXPENSE**

	Current period VND	Prior period VND
<b>Profit before tax</b>	<b>592,262,308,863</b>	<b>366,721,134,020</b>
<b>Adjustments</b>	<b>(3,123,937,500)</b>	<b>(4,165,250,000)</b>
Less: Non taxable profit (Dividends received from subsidiaries)	(3,123,937,500)	(4,165,250,000)
Addback: Non-deductible expenses	-	-
<b>Taxable profit</b>	<b>589,138,371,363</b>	<b>362,555,884,020</b>
- Income from main activities	574,433,003,246	362,111,841,643
- Income from other activities	14,705,368,117	444,042,377
<b>Tax rate</b>		
- Main activities	5%	5%
- Other activities	20%	20%
<b>Current corporate income tax expense</b>	<b>31,662,723,786</b>	<b>18,194,400,558</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 Camau 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 profit and 50% reduction in tax payable for the 9 years thereafter. 2017 is the second year the Company is entitled to 50% reduction in tax payable regarding profit generated by the main operating activities of Camau Fertilizer Production Plant Project.

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

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

**32. BASIC EARNINGS PER SHARE**

	Current period VND	Prior period VND
<b>Profit after corporate income tax</b>	<b>560,599,585,077</b>	<b>348,526,733,462</b>
- Appropriation to bonus and welfare funds	(30,410,199,629)	(41,823,208,015)
<b>Earnings for the purpose of calculating basic earnings per share</b>	<b>530,189,385,448</b>	<b>306,703,525,447</b>
Weighted average number of ordinary shares	529,400,000	529,400,000
<b>Basic earnings per share</b>	<b>1,001</b>	<b>579</b>

The Company decided to present the "Basic earnings per shares" item in the interim separate financial statements for the 6-month period ended 30 June 2017. According to the Company's assessment, the further presentation of such item in both separate and consolidated financial statements would provide users of the financial statements with more adequate information about operating effectiveness of the parent company in particular and the whole company in general.



## NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

**33. CONTINGENT LIABILITIES**

For the loan under the ECA Loan Agreement between lending group of BNP Paribas, China Export Import Bank and Credit Agricole Bank and the borrower, Vietnam Oil and Gas Group, the General Department of Taxation has not made a final decision on whether the Company is exempt from withholding tax on the interest paid. According to Official Letter No. 1610/TCT-HTQT dated 25 April 2017 of the General Department of Taxation to the Vietnam Oil and Gas Corporation, the General Department of Taxation and Vietnam Oil and Gas Group are in the process of considering and advising problems relating to the application of the Double Taxation Avoidance Agreement on foreign loan contracts, including the above-mentioned loan contract. In case the Company is obliged to pay withholding tax, the total withholding tax payable to 30 June 2017 is approximately VND 26 billion. The Board of General Directors has decided not to recognize the above-mentioned withholding tax amount in the interim separate financial statements until the official decision of the General Department of Taxation.

**34. OTHER COMMITMENTS**

- According to Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012 between Vietnam Oil and Gas Group and PetroVietnam Camau Fertilizer Company Limited (currently known as PetroVietnam Camau Fertilizer Joint Stock Company), the Company will purchase natural gas of Block PM3 CAA and Block 46 - Cai Nuoc from the Group within 20 years from the official operation date with the output of 457.38 million m<sup>3</sup> 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 year is the price stated in a document approving the annual business plan which is released by Vietnam Oil and Gas Group.
- According to Resolution No. 8409/NQ-DKVN dated 29 December 2016 of Members' Council of Vietnam Oil and Gas Group ("the Group") on approving the Company's business plan for the year 2017, estimated gas price the Company has to pay to the Group for the year 2017 is USD 1.52/MmBTU. This estimated gas price will be officially adjusted by the Group when there are fluctuations affecting the Company's performance results to ensure the efficiency of fertilizer production at the rate of return on average equity of 12% per year.
- According to Decision No. 615/QD-PVCFC dated 24 March 2016, the Board of Directors approved the Feasibility Study Report of the "Project for Composite Fertilizer Production from melted Urea" with the capacity of 300,000 ton/year with total investment including value added tax of VND 879,588,574,880. The expected implementation period of the project is 33 months with the structure of investment capital comprising 70% of the loan and 30% of the equity of the Company. As of 30 June 2017, the value of the project was about VND 32 billion.

**35. RELATED PARTIES TRANSACTIONS AND BALANCES*****List of related parties with significant transactions and balances for the period:***

<b>Related parties</b>	<b>Relationship</b>
Vietnam Oil and Gas Group	Parent Company
Subsidiaries, joint ventures and associates of Vietnam Oil and Gas Group	Entities under the same owner
PetroVietnam Packaging Joint Stock Company	Entity under the Company's control



## NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

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

	<u>Current period</u> VND	<u>Prior period</u> VND
<b>Sales</b>		
South-East PetroVietnam Fertilizer and Chemicals JSC	-	1,860,000,000
PetroVietnam Packaging Joint Stock Company	4,925,613,000	-
	<b>4,925,613,000</b>	<b>1,860,000,000</b>
<b>Purchases</b>		
Vietnam Oil and Gas Group	386,767,588,380	441,770,988,924
PetroVietnam Power Corporation	116,393,724,512	77,731,168,975
PetroVietnam Packaging Joint Stock Company	89,274,477,171	62,996,619,300
PVI South Company	22,968,762,136	23,198,769,765
PetroVietnam Security Service Corporation	5,825,177,844	6,501,828,870
PetroVietnam Transportation Vung Tau Joint Stock Company	4,093,460,000	2,224,100,000
PVI Insurance Corporation - Camau Branch	3,157,591,527	793,252,833
Drilling Mud Corporation	801,855,272	-
Branch of Vietnam Petroleum Institute - PetroVietnam Research and Development Center for Petroleum Processing	-	281,947,136
PetroVietnam Investment and Transportation Joint Stock Company	-	5,328,750,000
	<b>629,282,636,842</b>	<b>620,827,425,803</b>
<b>Remuneration paid to the Boards of Management and Directors</b>	<b>10,105,277,152</b>	<b>8,428,179,370</b>

*Significant related party balances were as follows:*

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>Short-term trade receivables</b>		
PetroVietnam Packaging Joint Stock Company	1,820,496,000	-
	<b>1,820,496,000</b>	-
<b>Other short-term receivables</b>		
Vietnam Oil and Gas Group	276,761,701,091	393,555,154,634
Camau Gas - Power - Fertilizer Project Management Unit	19,718,000,000	19,718,000,000
PetroVietnam Packaging Joint Stock Company	1,097,141,853	-
PVI Insurance Company - Ho Chi Minh City	-	4,053,625,704
	<b>297,576,842,944</b>	<b>417,326,780,338</b>

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>Short-term trade payables</b>		
Vietnam Oil and Gas Group (PetroVietnam)	269,627,608,278	494,320,135,459
PetroVietnam Power Corporation (PV Power)	41,583,920,430	33,178,233,697
PetroVietnam Packaging Joint Stock Company	8,590,625,836	21,196,118,906
PetroVietnam Security Service Corporation	2,079,162,728	3,068,115,764
PetroVietnam Transportation Vung Tau Joint Stock Company	1,990,432,340	2,064,947,000
South West PetroVietnam Fertilizer and Chemicals Joint Stock Company	1,114,371,094	-
Vietnam Petroleum Institute - Center for Technology Application and Transfer	506,365,403	4,007,466,690
PetroVietnam Urban Development Joint Stock Company	75,485,181	75,485,181
PetroVietnam Maintenance and Repair Corporation	-	1,886,785,338
	<b>325,567,971,290</b>	<b>559,797,288,035</b>
<b>Short-term accrued expenses</b>		
Vietnam Oil and Gas Group	8,105,624,323	-
	<b>8,105,624,323</b>	-
<b>Other current payables</b>		
Camau Gas - Power - Fertilizer Project Management Unit	75,571,633,412	75,571,633,412
Vietnam Oil and Gas Group	151,876,294,234	151,271,487,337
	<b>227,447,927,646</b>	<b>226,843,120,749</b>

  
**Huynh Thi Ngoc Ha**  
 Preparer

  
**Dinh Nhu Cuong**  
 Chief Accountant

  
**Le Ngoc Minh Tri**  
 Deputy General Director

21 August 2017

