



**PETROVIETNAM CA MAU FERTILIZER
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM SEPARATE
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2018

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

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PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of PetroVietnam Ca Mau Fertilizer Joint Stock Company (the "Company") presents this report together with the Company's interim separate financial statements for the 6-month period ended 30 June 2018.

THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

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

Board of Directors

Mr. Bui Minh Tien	Chairman (appointed on 12 June 2018)
	Member (resigned on 12 June 2018)
Mr. Nguyen Duc Thanh	Chairman (resigned on 12 June 2018)
Ms. Tran Thi Binh	Member
Mr. Tran Chi Nguyen	Member
Mr. Tran My	Member
Mr. Van Tien Thanh	Member (appointed on 12 June 2018)

Executive Board

Mr. Van Tien Thanh	Chief Executive Officer (appointed on 12 June 2018)
	Executive Officer (resigned on 12 June 2018)
Mr. Bui Minh Tien	Chief Executive Officer (resigned on 12 June 2018)
Mr. Hoang Trong Dung	Executive Officer
Mr. Nguyen Duc Hanh	Executive Officer
Mr. Le Ngoc Minh Tri	Executive Officer
Mr. Nguyen Tuan Anh	Executive Officer

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Company is responsible for preparing the interim separate financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2018, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim separate financial statements, the Executive Board is required to:

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

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PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

STATEMENT OF THE EXECUTIVE BOARD (Continued)

EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY (Continued)

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

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

For and on behalf of the Executive Board,




Le Ngoc Minh Tri
Executive Officer

10 August 2018

No.: 202/VN1A-HN-BC

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim separate financial statements of PetroVietnam Fertilizer Company Limited (the "Company"), prepared on 10 August 2018, as set out from page 5 to page 36, which comprise the interim balance sheet as at 30 June 2018, the interim income statement and interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Executive Board' Responsibility for the Interim Separate Financial Statements

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

Auditors' Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2018, 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.

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

Emphasis of Matters

- As stated in Note 1 of the Notes to the interim separate financial statements, the Company has been officially transformed into a joint stock company since 15 January 2015; however, up to the date of this report, the Company has not received the final approval of the competent authorities regarding equitization-related final accounts.
- As stated in Note 17 of the Notes to the interim separate financial statements, according to Contract Annex No. 04 dated 27 November 2014 of Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012 between the Company and Vietnam Oil and Gas Group ("the Group"), the Company adjusted the unit price when calculating gas fee payable to the Group for the 6-month period ended 30 June 2018 at USD 2.345/GJ (VAT exclusive) to ensure the profitability of the Company's fertilizer production with the return on equity ratio of 12% per year, which has been reflected it in the accompanying interim separate financial statements. According to Official Letter No. 1217/PVCFC-NDD dated 01 August 2018, the Company has requested the Group for their approval of the estimated gas price mentioned above and are waiting for the final decision of the Group.

Our conclusion is not modified in respect of these matters.



Dang Chi Dung

Deputy General Director

Audit Practising Registration Certificate

No. 0030-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

10 August 2018

Hanoi, S.R. Vietnam

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

FORM B 01a-DN

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

INTERIM BALANCE SHEET*As at 30 June 2018*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		5,825,883,696,141	4,814,488,440,420
I. Cash and cash equivalents	110	4	1,517,517,826,002	1,895,578,592,820
1. Cash	111		685,517,826,002	393,228,592,820
2. Cash equivalents	112		832,000,000,000	1,502,350,000,000
II. Short-term financial investments	120	5	3,170,000,000,000	2,100,000,000,000
1. Held-to-maturity investments	123		3,170,000,000,000	2,100,000,000,000
III. Short-term receivables	130		588,187,912,323	401,994,588,549
1. Short-term trade receivables	131	6	31,968,225,675	1,332,917,340
2. Short-term advances to suppliers	132	7	173,013,920,412	88,332,890,852
3. Other short-term receivables	136	8	383,205,766,236	311,850,214,848
4. Deficits in assets awaiting solution	139		-	478,565,509
IV. Inventories	140	9	524,751,245,028	346,904,666,856
1. Inventories	141		524,751,245,028	346,904,666,856
2. Provision for devaluation of inventories	149		-	-
V. Other short-term assets	150		25,426,712,788	70,010,592,195
1. Short-term prepayments	151	10	13,540,218,910	25,861,128,945
2. Value added tax deductibles	152		11,198,522,330	43,662,950,934
3. Taxes and other receivables from the State budget	153	16	687,971,548	486,512,316
B. NON-CURRENT ASSETS	200		7,031,134,808,653	7,560,000,032,370
I. Fixed assets	220		6,796,100,521,015	7,424,628,566,327
1. Tangible fixed assets	221	11	6,771,689,981,951	7,392,943,134,797
- Cost	222		13,830,535,760,788	13,815,417,854,700
- Accumulated depreciation	223		(7,058,845,778,837)	(6,422,474,719,903)
2. Intangible assets	227	12	24,410,539,064	31,685,431,530
- Cost	228		85,394,363,908	85,394,363,908
- Accumulated amortisation	229		(60,983,824,844)	(53,708,932,378)
II. Long-term assets in progress	240		210,140,633,573	104,446,521,029
1. Construction in progress	242	13	210,140,633,573	104,446,521,029
III. Long-term financial investments	250	5	20,826,250,000	20,826,250,000
1. Investments in subsidiaries	251		20,826,250,000	20,826,250,000
IV. Other long-term assets	260		4,067,404,065	10,098,695,014
1. Long-term prepayments	261	10	4,067,404,065	7,383,888,431
2. Deferred tax assets	262		-	2,714,806,583
TOTAL ASSETS (270 = 100 + 200)	270		12,857,018,504,794	12,374,488,472,790

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

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

FORM B 01a-DN

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

INTERIM BALANCE SHEET (Continued)

As at 30 June 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Op
C. LIABILITIES	300		6,357,496,085,648	6,251,
I. Current liabilities	310		3,040,248,950,198	2,498,602,341,411
1. Short-term trade payables	311	14	441,977,730,797	436,612,037,922
2. Short-term advances from customers	312	15	156,840,454,061	83,530,106,522
3. Taxes and amounts payable to the State budget	313	16	11,139,674,246	14,910,637,181
4. Payables to employees	314		46,015,135,280	46,823,927,098
5. Short-term accrued expenses	315	17	837,427,935,001	609,977,438,475
6. Other current payables	319	18	225,819,735,615	220,613,015,624
7. Short-term loans and obligations under finance leases	320	19	1,028,529,463,136	1,045,849,764,321
8. Short-term provisions	321	20	266,509,545,189	-
9. Bonus and welfare funds	322		25,989,276,873	40,285,414,268
II. Long-term liabilities	330		3,317,247,135,450	3,753,335,395,582
1. Long-term loans and obligations under finance leases	338	19	3,176,303,598,194	3,649,897,878,291
2. Scientific and technological development fund	343	21	140,943,537,256	103,437,517,291
D. EQUITY	400		6,499,522,419,146	6,122,550,735,797
I. Owners' equity	410	22	6,499,522,419,146	6,122,550,735,797
1. Owners' contributed capital	411		5,294,000,000,000	5,294,000,000,000
- Ordinary shares carrying voting rights	411a		5,294,000,000,000	5,294,000,000,000
2. Investment and development fund	418		284,986,760,545	235,869,469,817
3. Retained earnings	421		920,535,658,601	592,681,265,980
- Retained earnings accumulated to the prior year end	421a		592,537,779,514	97,950,886,496
- Retained earnings of the current period	421b		327,997,879,087	494,730,379,484
TOTAL RESOURCES (440 = 300 + 400)	440		12,857,018,504,794	12,374,488,472,790


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant




Le Ngoc Minh Tri
Executive Officer

10 August 2018

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

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

FORM B 02a-DN

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

INTERIM INCOME STATEMENT

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	25	3,381,867,623,713	3,128,06
2. Deductions	02	25	128,409,150,142	93,6
3. Net revenue from goods sold and services rendered (10=01-02)	10		3,253,458,473,571	3,034,377,139,183
4. Cost of sales	11	26	2,439,613,423,122	1,999,969,564,289
5. Gross profit from goods sold and services rendered (20=10-11)	20		813,845,050,449	1,034,407,574,894
6. Financial income	21	28	90,667,204,816	79,615,843,422
7. Financial expenses	22	29	139,526,114,734	102,895,659,417
- In which: Interest expense	23		83,032,393,660	89,539,759,541
8. Selling expenses	25	30	189,313,090,909	224,096,975,560
9. General and administration expenses	26	30	147,222,149,006	196,550,800,317
10. Operating profit (30=20+(21-22)-(25+26))	30		428,450,900,616	590,479,983,022
11. Other income	31	31	8,598,281,002	1,782,325,841
12. Other expenses	32	31	3,237,509,195	-
13. Profit from other activities (40=31-32)	40	31	5,360,771,807	1,782,325,841
14. Accounting profit before tax (50=30+40)	50		433,811,672,423	592,262,308,863
15. Current corporate income tax expense	51	32	21,786,109,775	31,662,723,786
16. Deferred corporate tax expense	52		2,714,806,583	-
17. Net profit after corporate income tax (60=50-51-52)	60		409,310,756,065	560,599,585,077
18. Basic earnings per share	70	33	712	1,001


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Minh Ngoc Tri
Executive Officer

10 August 2018

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PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

FORM B 03a-DN

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

INTERIM CASH FLOW STATEMENT

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING			
1. Profit before tax	01	433,811,672,423	592,262,308,863
2. Adjustments for:			
Depreciation and amortisation	02	641,904,600,092	644,222,312,652
Provisions	03	266,509,545,189	271,233,786,335
Foreign exchange loss/(gain) arising from translating foreign currency items	04	36,015,167,509	(3,799,101,474)
(Gain) from investing activities	05	(89,733,438,846)	(73,425,999,653)
Interest expense	06	83,032,393,660	89,539,759,541
Other adjustments	07	41,066,103,396	65,258,111,745
3. Operating profit before movements in working capital	08	1,412,606,043,423	1,585,291,178,009
Changes in receivables	09	(123,104,359,479)	95,528,368,152
Changes in inventories	10	(177,846,578,172)	12,681,943,750
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	326,726,745,433	(180,845,413,772)
Changes in prepaid expenses	12	15,637,394,401	66,011,797,493
Interest paid	14	(76,077,443,660)	(95,174,572,529)
Corporate income tax paid	15	(23,264,988,852)	(22,386,393,016)
Other cash outflows	17	(48,539,124,979)	(34,659,826,915)
Net cash generated by operating activities	20	1,306,137,688,115	1,427,082,581,172
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(158,153,541,410)	(18,168,249,602)
2. Cash outflow for lending, buying debt instruments of other entities	23	(3,170,000,000,000)	(2,700,000,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	2,100,000,000,000	2,300,000,000,000
4. Interest earned, dividends and profits received	27	70,500,024,843	73,630,932,986
Net cash(used in) investing activities	30	(1,157,653,516,567)	(344,537,316,616)

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

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

Plot D, Ward 1 Industrial Zone,
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Ca Mau Province, S.R. Vietnam

FORM B 03a-DN

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

INTERIM CASH FLOW STATEMENT (Continued)

For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Current period	Prior period
III. CASH FLOWS FROM FINANCING ACTIVITIES			
2. Repayment of borrowings	34	(526,809,069,682)	(675,000,167,865)
3. Dividends and profits paid	36	(8,920,500)	(262,781,010,300)
Net cash (used in) financing activities	40	(526,817,990,182)	(937,781,178,165)
Net (decrease)/increase in cash (50=20+30+40)	50	(378,333,818,634)	144,764,118,165
Cash and cash equivalents at the beginning of the period	60	1,895,578,592,820	813,252,282,373
Effect of changes in foreign exchange rates	61	273,051,816	-
Cash and cash equivalents at the end of the period (70=50+60+61)	70	1,517,517,826,002	958,016,368,764


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Minh Ngoc Tri
Executive Officer



10 August 2018

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

PETROVIETNAM CA MAU FERTILIZER JOINT STOCK COMPANY

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

FORM B 09a-DN

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

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

PetroVietnam Ca Mau Fertilizer Company Limited was officially transformed into a Joint Stock Company with the name of PetroVietnam Ca Mau Fertilizer Joint Stock Company under Business Registration Certificate for Joint Stock Company No. 2001012298 issued by Ca Mau Province's Department of Planning and Investment on 15 January 2015, with the charter capital of VND 5,294,000,000,000. The Company's stocks were listed on Ho Chi Minh City Stock Exchange on 31 March 2015 under the stock symbol "DCM". However, up to the date of this report, the Company has not received the final approval of the competent authorities regarding equitization-related final accounts.

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

The number of the Company's employees as at 30 June 2018 was 896 (as at 31 December 2017: 892).

Operating industry and principal activities

The business 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 relating to the use of fertilizers and chemicals;
- Warehousing, storage and loading/unloading services;
- Development of natural science and engineering research and experiment, technical testing and analysing;
- Machinery and equipment repair and maintenance.

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

Normal production and business cycle

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

The Company's structure

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

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

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

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

Disclosure of information comparability in the interim separate financial statements

The comparative figures of the interim balance sheet and corresponding notes are the figures of the Company's audited separate financial statements for the year ended 31 December 2017. 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 2017.

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 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accounting estimates

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

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

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

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

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

Investments in subsidiaries

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

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

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

Receivables

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

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

The Company's tangible fixed assets were revalued when it uses equitized from a state-owned enterprise. Their cost and accumulated depreciation 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, copyrights, patents and computer software that are stated at cost less accumulated amortisation.

Increase in value of land use rights is due to asset revaluation and the transfer to land allocated by the State with land use levy when the Company transformed into a joint stock company and is recorded as payables to the State Budget.

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

	Current period (Years)
Land use rights	20 - 50
Copyrights, patents	3
Computer software	3

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

Construction in progress

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

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

Prepayments

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

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

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

Payable provisions

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

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.

Following the guidance in Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group and Official Letter No. 7526/BTC-TCDN dated 08 June 2015 issued by Ministry of Finance on the exchange rate of foreign currencies, the Company applied the buying rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 30 June 2018. The above mentioned rate differs from that stated in Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200").

Revenue recognition

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

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

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

- (a) the amount of revenue can be measured reliably;

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

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

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

Borrowing costs

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

Taxation

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

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

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

- Corporate income tax: The Company is entitled to preferential tax rates, tax exemption and reduction in accordance with provisions of the prevailing law on corporate income tax.
- Land tax: The Company is exempted/reduced from land use tax, land use fees, land and water surface rental in accordance with provisions of the prevailing laws on land and taxation.
- Import duty: The Company is exempted from import duty with regard to equipment, materials, motor vehicles and other goods imported for the implementation of the project on the Plant 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. 2018 is the third year the Company was entitled to a 50% reduction of tax payable. For other operations than Ca Mau Fertilizer Plant Project, the Company is obliged to pay corporate income tax at the normal rate 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 2018, 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> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Cash on hand	4,441,220,120	267,307,343
Bank demand deposits	531,076,605,882	392,961,285,477
Cash in transits	150,000,000,000	-
Cash equivalents (*)	832,000,000,000	1,502,350,000,000
	<u>1,517,517,826,002</u>	<u>1,895,578,592,820</u>

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

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

Opening balance	
Cost	Carrying amount
VND	VND

Term deposits with maturity year over 3 months	3,170,000,000,000	3,170,000,000,000	2,100,000,000,000
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The fair value of investments in the subsidiary is measured at the closing price quoted on the stock market at the end of the period.

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

The significant transactions between the Company and its subsidiary during the year	6,726,673,920	107,203,442,194	-	4,925,613,000	89,274,477,171	3,123,937,500
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6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Hung Thanh Agricultural Materials Company Limite	14,835,000,000	-
Tu Long Private Company	6,950,000,000	-
Tuong Dung An Giang One-member Limited Comp	6,920,500,000	-
PetroVietnam Packaging Joint Stock Company	3,028,273,920	1,314,156,000
Other customers	234,451,755	18,761,340
	31,968,225,675	1,332,917,340
Receivables from related parties (Details presented in Note 36)	3,028,273,920	1,314,156,000

7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Chemical Industry Engineering Joint Stock Compar	52,354,371,832	47,759,883,484
Tuong Nguyen Import & Export Trading and Services Co., Ltd.	52,500,000,000	-
PVD Trading and Technical Services Joint Stock Company	15,120,373,378	15,120,373,378
Yokogawa Vietnam Company Limited	6,121,780,020	5,573,649,360
Saipem S.P.A	4,743,480,000	-
Air Products PLC	3,968,940,000	-
Tri Viet Trading Engineering Company Limited	2,854,300,479	576,254,255
Vimico Equipment and Accessories Co., Ltd.	1,282,294,617	895,294,617
VMARK Communication Corporation	1,155,000,000	2,763,700,000
Other suppliers	32,913,380,086	15,643,735,758
	173,013,920,412	88,332,890,852
Short-term advances to related parties (Details presented in Note 36)	15,864,193,128	17,919,325,565

8. OTHER SHORT-TERM RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Receivable from Vietnam Oil and Gas Group	276,761,701,091	276,761,701,091
- Receivable related to the Company's equitization (i)	276,761,701,091	276,761,701,091
Accrued interest receivable from term deposits	46,278,991,782	27,045,577,779
Withholding tax on payments of foreign loan interest receivable from foreign banks (ii)	30,784,721,633	-
Clearance cost relating to public servants' housing site	18,422,240,837	-
Advances to employees	8,885,326,837	6,147,410,887
Deposits	335,000,000	325,000,000
Other receivables	1,737,784,056	1,570,525,091
	383,205,766,236	311,850,214,848
Other short-term receivables from related parties (details presented in Note 36)	278,271,021,827	278,271,021,827

- (i) Represent profit of the period from 01 January 2014 to 14 January 2015, which had been excessively transferred to Vietnam Oil and Gas Group due to effects of gas price unit adjustments relating to gas volume purchased by the Company from Vietnam Oil and Gas Group during the above-mentioned period. This receivable will be recovered upon the finalization of the Company's State-owned capital portion with Vietnam Oil and Gas Group.
- (ii) Represent the foreign contractor withholding tax amounts paid by Company accumulated the end of 2017 which are receivable from foreign contractors relating to the loan interest under the ECA Loan Agreement between the lending group of BNP Paribas, Export-Import Bank of China and Credit Agricole Bank and Vietnam Oil and Gas Group. The Company paid this withholding tax to the State Budget pursuant to the Minutes dated 26 April 2018 between Ministry of Finance Inspector, Tax Department of Ca Mau Province and the Company (details presented in the Note 34).

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Raw materials	183,531,304,553	-	199,157,194,684	-
Tools and supplies	8,158,565,619	-	4,833,713,407	-
Work in progress	19,226,013,075	-	29,628,137,978	-
Finished goods	135,926,452,998	-	102,585,233,980	-
Goods	177,908,908,783	-	10,700,386,807	-
Total	524,751,245,028	-	346,904,666,856	-

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
Short-term		
Assets insurance for Camau Fertilizer Plant	8,364,203,496	16,751,612,330
Warranty extension and software copyrights	2,907,233,786	4,760,218,148
Advertising pano	-	1,240,979,132
Other short-term prepaid expenses	2,268,781,628	3,108,319,335
	13,540,218,910	25,861,128,945
Long-term		
Tools and supplies	2,933,050,381	4,333,842,837
Fixed asset repair expense	925,126,217	1,195,148,843
Catalyst chemicals	-	1,556,423,768
Other long-term prepaid expenses	209,227,467	298,472,983
	4,067,404,065	7,383,888,431

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

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11. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures		Machinery and equipment		Motor vehicles and transmission equipment		Office equipment		Others		Total	
	VND		VND		VND		VND		VND		VND	
COST												
Opening balance	3,341,005,734,994		10,300,412,922,810		54,704,316,528		60,536,289,124		58,758,591,244		13,815,417,854,700	
Transfer from construction in progress	-		4,295,997,851		-		-		-		4,295,997,851	
New purchases	-		4,704,858,000		5,382,700,674		734,349,563		-		10,821,908,237	
Closing balance	3,341,005,734,994		10,309,413,778,661		60,087,017,202		61,270,638,687		58,758,591,244		13,830,535,760,788	
ACCUMULATED DEPRECIATION												
Opening balance	1,636,717,505,633		4,687,535,223,443		41,164,075,663		40,122,448,236		16,935,466,928		6,422,474,719,903	
Charge for the period	147,595,584,762		481,669,731,019		3,080,242,260		3,715,073,021		310,427,872		636,371,058,934	
Closing balance	1,784,313,090,395		5,169,204,954,462		44,244,317,923		43,837,521,257		17,245,894,800		7,058,845,778,837	
NET BOOK VALUE												
Closing balance	1,556,692,644,599		5,140,208,824,199		15,842,699,279		17,433,117,430		41,512,696,444		6,771,689,981,951	
Opening balance	1,704,288,229,361		5,612,877,699,367		13,540,240,865		20,413,840,888		41,823,124,316		7,392,943,134,797	

As stated further in Note 19, the Company has pledged the entire fixed assets formed under Ca Mau Fertilizer Plant Project which have the carrying value of VND 6,525,160,132,217 as at 30 June 2018 (as at 31 December 2017: VND 7,127,915,909,028) to secure bank loans.

The cost of the Company's tangible fixed assets as at 30 June 2018 includes VND 164,192,047,713 (as at 31 December 2017: VND 121,522,296,313) of tangible fixed assets which have been fully depreciated but are still in use.



12. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Copyright, patents	Computer software	Total
	VND	VND	VND	VND
COST				
Opening balance	22,194,885,567	32,483,466,173	30,716,012,168	85,394,363,908
Closing balance	22,194,885,567	32,483,466,173	30,716,012,168	85,394,363,908
ACCUMULATED AMORTISATION				
Opening balance	3,713,945,734	24,577,542,495	25,417,444,149	53,708,932,378
Charge for the period	638,036,486	4,278,750,738	2,358,105,242	7,274,892,466
Closing balance	4,351,982,220	28,856,293,233	27,775,549,391	60,983,824,844
NET BOOK VALUE				
Closing balance	17,842,903,347	3,627,172,940	2,940,462,777	24,410,539,064
Opening balance	18,480,939,833	7,905,923,678	5,298,568,019	31,685,431,530

The cost of the Company's intangible assets as at 30 June 2018 includes VND 36,489,867,312 (as at 31 December 2017: VND 16,268,335,312) 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 Urea	171,311,621,340	59,991,150,644
Repair and renovation of houses - phase 3	9,822,500,576	5,832,841,102
Improving grain sieve by size	9,466,711,521	9,466,711,521
ERP equipment provision - phase 2	6,189,775,616	-
Importing port project - 500,000 ton p.a.	4,057,519,000	566,491,787
CCTV system - phase 2	-	4,295,997,851
Clearance cost relating to public servants' housing site	-	19,217,326,485
Others	9,292,505,520	5,076,001,639
	210,140,633,573	104,446,521,029

14. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paidoff
	VND	VND	VND	VND
Short-term trade payables				
Vietnam Oil and Gas Group (*)	242,037,286,782	242,037,286,782	198,267,385,610	198,267,385,610
PetroVietnam Power Corporation	45,482,120,373	45,482,120,373	33,178,356,253	33,178,356,253
F.A Joint Stock Company	30,751,987,798	30,751,987,798	16,751,956,855	16,751,956,855
PetroVietnam Packaging Joint Stock Compa	24,609,594,790	24,609,594,790	14,372,160,367	14,372,160,367
Sai Gon Service Trading Packaging Co., Ltd.	15,228,923,701	15,228,923,701	6,093,256,046	6,093,256,046
Tri Viet Trading Engineering Company Limit	4,286,950,407	4,286,950,407	17,521,782,922	17,521,782,922
Sun Life Vietnam Insurance Company Limit	-	-	12,224,099,267	12,224,099,267
Others	79,580,866,946	79,580,866,946	138,203,040,602	138,203,040,602
	441,977,730,797	441,977,730,797	436,612,037,922	436,612,037,922
Trade payables to related parties (details presented in Note 36)	320,072,593,971	320,072,593,971	264,683,951,106	264,683,951,106

(*) Trade payables to Vietnam Oil and Gas Group mainly include the amount payable by the Company for the purchased volume of natural gas from Block PM3 CAA and Block 46-Cai Nuoc under Contract Annex No. 04 dated 17 November 2014 amending Gas Sales Contract No. 3918/HD-DKVN dated 23 May 2012 between the Company and Vietnam Oil and Gas Group.

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance	Opening balance
	VND	VND
Yetak Group Co., Ltd.	22,947,212,500	-
Five Star International Fertilizer Cambodia Co., Ltd.	15,883,592,900	5,857,720,000
Tuong Nguyen Import & Export Trading and Services Co., Ltd.	13,137,900,000	14,503,050,000
Huu Thanh I Company Limited	11,890,813,600	537,150,000
SAYIMEX TA MCHAS SRE Co.,Ltd	10,303,326,000	197,952,750
Nguyen Khoa Trading Co., Ltd.	8,924,764,999	7,352,499,999
Thu Dung Private Enterprise	8,550,000,000	1,491,750,000
Hung Thanh Agricultural Materials Company Limited	7,459,311,100	5,910,128,600
Tuong Dung Private Enterprise	6,839,300,000	5,273,000,000
Hoang Ngan General Trading Company Limited	5,900,000,000	-
Huu Nghi Company Limited	2,461,400,000	6,261,232,500
Dang Lan Service Trade Company Limited	1,959,100,000	8,810,500,000
The Man One-Member Limited Liability Company	1,329,358,900	3,404,358,900
Other customers	39,254,374,062	23,930,763,773
	156,840,454,061	83,530,106,522

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 year			Closing balance VND
		Amount receivable/ payable VND	Amount net-off	Amount received/ paid VND	
a) Receivables					
Value added tax	89,165,711	1,874,642,282	1,874,642,281	-	89,165,710
Import duty	-	10,161,374,898	-	10,362,834,131	201,459,233
Land rental fee	397,346,605	77,400,525	-	77,400,525	397,346,605
Total	486,512,316	12,113,417,705	1,874,642,281	10,440,234,656	687,971,548
b) Payables					
VAT	-	1,370,770,402	3,999,996	1,366,588,588	181,818
Corporate income tax	11,269,741,784	21,786,109,775	-	23,264,988,852	9,790,862,707
Natural resources tax	133,396,460	1,232,144,910	-	1,184,682,060	180,859,310
Land rental fee	3,393,246,267	8,967,735,598	-	11,617,972,764	743,009,101
Other taxes	114,252,670	43,166,159,910	-	42,855,651,270	424,761,310
Total	14,910,637,181	76,522,920,595	3,999,996	80,289,883,534	11,139,674,246

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Estimated gas fee payable for the year ended 31 December 2017 (i)	479,181,172,915	479,181,172,915
Estimated gas fee payable for 6-month period ended 30 June 2018 (ii)	243,305,939,380	-
Interest expense payable	64,124,253,894	64,210,848,827
Management fee payable to Vietnam Oil and Gas Group	13,357,082,852	-
Insurance and welfare expenses	6,954,950,000	-
Transportation and storage expenses	6,276,987,697	-
Guarantee fees	3,027,905,423	4,370,452,035
Trade discounts	-	45,183,361,668
Goods purchases and others accruals	21,199,642,840	17,031,603,030
	837,427,935,001	609,977,438,475
Advances from related parties (details presented in Note 36)	792,888,353,886	543,392,021,742

(i) Represents the estimated gas fee payable to Vietnam Oil and Gas Group for the year ended 31 December 2017 which was determined and adjusted by the Company using the unit price temporarily settled in 2017 of USD 3.038/million BTU as per Decision No. 1245/QD-DKVN dated 01 March 2018 of the Chief Executive Officer of Vietnam Oil and Gas Group.

(ii) Represents the estimated gas fee payables to Vietnam Oil and Gas Group for the 6-month period ended 30 June 2018 which was determined and adjusted at the unit price estimated at USD 2.345/GJ (VAT exclusive) in accordance with the Contract Annex No. 04 dated 27 November 2014 of Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012 between the Company and the Group to ensure the profitability of fertilizer production with the return on equity ratio of 12% per year. According to the Official Letter No. 1217/PVCFC-NDD dated 01 August 2018, the Company has requested the Group for their approval of their estimated gas price mentioned above and are waiting for the final decision of the Group.

18. OTHER PAYABLES

	Closing balance	Opening balance
	VND	VND
Camau Gas - Power - Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
- Input VAT for gas purchased in the construction period before official commercial operations	49,897,065,571	49,897,065,571
- Other payables	5,954,347,858	5,954,347,858
Vietnam Oil and Gas Group	152,890,357,958	152,890,357,958
- 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
- Corporate income tax payable in the period from 01/01/2015 to 14/01/2015	1,176,849,040	1,176,849,040
- Payable for equitization	247,500,000	247,500,000
- Other payables	(162,785,316)	(162,785,316)
Safety reward fund (iii)	9,202,767,875	2,155,892,699
Trade union fee	1,210,430,620	1,004,320,525
Social insurance	292,178,490	-
Health insurance	51,560,910	-
Unemployment insurance	26,897,800	-
Short-term deposits received	920,613,800	571,366,000
Other short-term payables	5,373,514,733	8,139,665,013
	225,819,735,615	220,613,015,624
Other short-term payable to related parties (details presented in Note 36)	208,741,771,387	208,741,771,387

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

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

19. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Items	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increase	Decrease	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Long-term loans						
BNP Paribas Bank, Credit Agricole Bank, Export - Import Bank of China (i)	2,991,780,000,000	2,991,780,000,000	24,200,000,000	242,660,000,000	2,773,320,000,000	2,773,320,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	1,566,206,851,105	1,566,206,851,105	11,694,488,400	237,712,968,867	1,340,188,370,638	1,340,188,370,638
Vietnam Public Joint Stock Commercial Bank - Can Tho Branch (iii)	28,672,198,008	28,672,198,008	-	28,672,198,008	-	-
National Commercial Joint Stock Bank - Sai Gon Branch (iv)	41,095,902,807	41,095,902,807	-	17,763,902,807	23,332,000,000	23,332,000,000
Saigon - Hanoi Commercial Joint Stock Bank (v)	67,992,690,692	67,992,690,692	-	-	67,992,690,692	67,992,690,692
Total	4,695,747,642,612	4,695,747,642,612	35,894,488,400	526,809,069,682	4,204,833,061,330	4,204,833,061,330

In which:

Amount due for settlement within 12 months 1,045,849,764,321

Amount due for settlement after 12 months 3,649,897,878,291

1,028,529,463,136

3,176,303,598,194

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 "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, adjustable every 06 months from the first withdrawal date. The loan interest is payable every 6 months. As at 30 June 2018, the outstanding principal balance is USD 121,000,000 (as at 31 December 2017: USD 132,000,000).

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(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 that of Vietinbank's USD-6-month saving deposit with interest paid in arrears plus (+) 2.5% per annum; the interest rate is adjustable every 6 months from the first withdrawal date. The late payment penalty rate equals the interest rate plus 1% per annum. The loan interest is payable every 3 months. As at 30 June 2018, the outstanding principal balance is USD 58,472,442 (as at 31 December 2017: USD 69,102,442).

(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 "Ca Mau 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 at the interest rate determination date plus a margin of 3.15% per annum (fixed during the loan term) which shall 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 payable 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 Ca Mau Fertilizer Plant to secure the loans represented in paragraphs (i), (ii), (iii) 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") - Saigon Branch 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 Urea 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 interest rate is determined by the average 12-month saving rate for individuals with interests paid in arrears quoted by five (05) banks: Joint Stock Commercial Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Bank for Agriculture and Rural Development of Vietnam, Joint Stock Commercial Bank for Industry and Trade of Vietnam and NCB at the time of interest rate determination plus (+) a margin of 2% per annum. The loan is secured by the future assets formed under the Project of "Packed Urea Warehouse construction with the capacity of 10,000 tons at Ca Mau Fertilizer Plant".

(v) This is the loan under the Credit Agreement No. 559/2017/HDTDH-PN/SHB.110100 dated 8 November 2017 between Saigon - Hanoi Commercial Joint Stock Bank ("SHB") and the Company with the credit limit of VND 615,700,000,000, for the purpose of investing in the construction project of "Composite fertilizer production from melted Urea with the capacity of 300,000 tons/year". The loan term is 60 months from the first disbursement date. The loan bears an interest rate of 7.5% per annum for the first 12 months from the first disbursement, and then the interest rate is adjustable every 3 months with the adjusted interest rate determined by the average 12-month saving rate for individuals with interests paid in arrears quoted by four (04) banks: Joint Stock Commercial Bank for Investment and Development of Vietnam, Joint Stock Commercial Bank for Foreign Trade of Vietnam, Joint Stock Commercial Bank for Industry and Trade of Vietnam and SHB at the time of interest rate determination plus (+) a margin of 1.7% per annum. The loan is secured by the assets formed under the project of "Composite fertilizer production from melted Urea with the capacity of 300,000 tons/year".

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Long-term loans are repayable as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Within one year	1,028,529,463,136	1,045,849,764,321
In the second year	1,005,038,013,139	998,952,169,069
In the third to fifth year	1,919,145,585,055	2,118,778,855,137
After five years	252,120,000,000	532,166,854,085
	4,204,833,061,330	4,695,747,642,612
Less: Amount due for settlement within 12 months	1,028,529,463,136	1,045,849,764,321
<i>(presented in short-term loans)</i>		
Amount due for settlement after 12 months	3,176,303,598,194	3,649,897,878,291

20. PAYABLE PROVISIONS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade discounts (i)	128,409,150,142	-
Accrual of periodical repair and maintenance expenses	94,471,849,848	-
Advertisement and communication expenses (ii)	20,352,936,521	-
Social security expenses (ii)	23,275,608,678	-
	266,509,545,189	-

- (i) During the period, the Company has accrued trade discounts based on the sale policy approved by the Executive Board which mainly include those for Urea products at the rate of 4.6% of revenue. This trade discount amount will be adjusted upon finalization at the end of the financial year.
- (ii) During the period, the Company has accrued advertisement and communication expenses and social security expenses based on the business plan for the year 2018 pursuant to the Resolution No. 8305/NQ-DKVN dated 27 December 2017 of Member Council of Vietnam Oil and Gas Group. The accrued advertisement and communication expenses and social security expenses will be adjusted upon finalization at the end of the financial year.

21. SCIENCE AND TECHNOLOGY DEVELOPMENT FUND

	<u>Current period</u> VND	<u>Prior period</u> VND
Opening balance	103,437,517,291	41,572,332,229
Fund increase in the period (i)	41,066,103,396	65,258,111,745
Fund used in the period	(3,560,083,431)	(3,950,841,263)
Closing balance	140,943,537,256	102,879,602,711

- (i) The science and technology development fund is supplemented by an amount equal to 10% of the Company's taxable profit in accordance with Resolution No. 1196/NQ-PVCFC dated 12 June 2018 passed at the Company's General Shareholders' Meeting.

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

22. OWNER'S EQUITY

Movement in owner's equity

	Owners' contributed capital	Investment and development fund	Retained earnings	Total
	VND	VND	VND	VND
Prior period's opening balance	5,294,000,000,000	159,137,253,402	363,020,245,619	5,816,157,499,021
Profit for the period	-	-	560,599,585,077	560,599,585,077
Appropriation to investment and development fund	-	67,271,950,209	(67,271,950,209)	-
Appropriation to bonus and welfare funds	-	-	(30,410,199,629)	(30,410,199,629)
Dividend paid	-	-	(264,700,000,000)	(264,700,000,000)
Prior period's closing balance	5,294,000,000,000	226,409,203,611	561,237,680,858	6,081,646,884,469
Current period's opening balance	5,294,000,000,000	235,869,469,817	592,681,265,980	6,122,550,735,797
Profit for the period	-	-	409,310,756,065	409,310,756,065
Current period's appropriation to investment and development fund (i)	-	49,117,290,728	(49,117,290,728)	-
Current period's appropriation to bonus and welfare funds (i)	-	-	(32,195,586,250)	(32,195,586,250)
Additional appropriation to bonus and welfare funds from 2017 profit after tax	-	-	(143,486,466)	(143,486,466)
Current period's closing balance	5,294,000,000,000	284,986,760,545	920,535,658,601	6,499,522,419,146

- (i) In the period, the Company made temporary appropriation to Investment and Development Fund and Bonus and Welfare Funds under Resolution No. 1196/NQ-PVCFC dated 12 June 2018 passed the Company's General Shareholders' Meeting.

Shares

	Closing balance	Opening balance
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 per share

Charter capital

The charter capital of the Company is VND 5,294,000,000,000. As at 30 June 2018, 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
	5,294,000,000,000	100%	5,294,000,000,000

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

Dividends

According to Resolution No. 1196/NQ-PVCFC dated 12 June 2018, the Company's General Shareholders declared 2017 dividends at the rate of 9% of charter capital, equivalent to the amount of VND 476,460,000,000, to be paid in the quarter III of the year 2018.

23. OFF-BALANCE SHEET ITEMS

	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies		
USD	2,897,600	1,756,520
EUR	1,280	1,280

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 interim balance sheet as at 30 June 2018 and all revenue and expenses presented in the interim income statement for the 6-month period ended 30 June 2018 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 Ca Mau Fertilizer Products to Cambodia with revenue of about VND 304 billion (6-month period ended 30 June 2017: about VND 289 billion) - accounting for insignificant proportion (approximately 9%) of gross revenue from goods sold and services rendered of the Company. Thus, most of production and business activities of the Company are carried out in the territory of Vietnam.

25. REVENUE

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Sales of urea	2,661,029,619,764	2,704,478,235,226
- Domestic sales	2,396,787,660,000	2,414,672,966,000
- Export	264,241,959,764	289,805,269,226
Sales of Amoniac	10,358,950,505	81,128,159,094
Sales of fertilizers	645,795,520,956	294,484,359,850
- Domestic sales	605,622,638,254	294,484,359,850
- Export	40,172,882,702	-
Sales of wastes and other fertilizers	63,466,532,170	47,855,715,440
Revenue from services rendered	1,217,000,318	116,198,600
	3,381,867,623,713	3,128,062,668,210
Sales deduction		
Sales discounts	128,409,150,142	89,900,699,027
Sales return	-	3,784,830,000
	128,409,150,142	93,685,529,027
Sales in the year with related parties (details presented in Note 36)	6,726,673,920	4,925,613,000

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26. COST OF SALES

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Cost of Urea sold	1,786,805,240,584	1,672,937,174,782
Cost of Amoniac sold	4,936,805,114	43,001,142,944
Cost of fertilizers sold	617,557,398,804	274,058,889,632
Reversal of provision for devaluation of inventories	-	(1,505,064,148)
Cost of other fertilizers	30,313,978,620	11,477,421,079
	2,439,613,423,122	1,999,969,564,289

27. PRODUCTION COST BY NATURE

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Raw materials and consumables	1,006,568,401,287	861,838,355,009
Labours	186,909,066,366	217,795,929,560
Depreciation and amortisation	641,904,600,092	644,222,312,652
Out-sourced services	202,213,961,016	215,723,947,580
Other monetary expenses	213,252,153,265	207,254,911,373
	2,250,848,182,026	2,146,835,456,174

28. FINANCIAL INCOME

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Bank deposit interest	89,733,438,846	70,302,062,153
Devidend received	-	3,123,937,500
Foreign exchange gain	933,765,970	6,189,843,769
	90,667,204,816	79,615,843,422

29. FINANCIAL EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Interest expense	83,032,393,660	89,539,759,541
Foreign exchange loss	50,415,709,354	6,884,460,492
Guarantee fee	5,261,958,581	6,471,439,384
Other financial expenses	816,053,139	-
	139,526,114,734	102,895,659,417

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

30. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current period	Prior period
	VND	VND
Selling expenses		
Selling staff expenses	13,195,902,145	11,428,892,856
Transport, loading and storage expenses	59,543,566,771	99,847,975,504
Advertising and communication expenses	41,322,112,241	48,177,274,295
Social welfare security expenses	30,000,000,000	33,700,000,000
Selling expenses of commercial goods	29,613,513,057	11,798,655,905
Depreciation and amortization expenses	350,098,031	222,327,318
Other selling expenses	15,287,898,664	18,921,849,682
	189,313,090,909	224,096,975,560
General and administration expenses		
Administrative staff expenses	39,519,184,766	42,207,178,040
Management fee payable to Vietnam Oil and Gas Group	13,425,253,356	14,548,076,540
Depreciation and amortization expenses	12,187,353,923	13,520,606,001
Provision for science and technology development fund	41,066,103,396	65,258,111,745
Goodwill	-	23,256,587,877
Outsourced services	19,384,881,316	14,659,605,588
Other general and administration expenses	21,639,372,249	23,100,634,526
	147,222,149,006	196,550,800,317

31. OTHER INCOME AND EXPENSES

	Current period	Prior period
	VND	VND
Other income		
Sales of obsolete tools and supplies	4,120,554,545	-
Penalty for breach of contract	2,187,651,808	821,961,714
Insurance premium collection	2,048,929,397	-
Other income	241,145,252	960,364,127
	8,598,281,002	1,782,325,841
Other expenses		
Tax penalties	2,827,018,150	-
Other expenses	410,491,045	-
	3,237,509,195	-
Other profit	5,360,771,807	1,782,325,841

32. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Profit before tax	433,811,672,423	592,262,308,863
Adjustments	(44,772,870,757)	(3,123,937,500)
Less: Non taxable profit (Dividends received from subsidiary)	-	(3,123,937,500)
Added back: Non-deductible expenses	410,491,045	-
Added back: prior year's deductible temporary differences deducted in current period	(45,183,361,802)	-
Taxable profit after establishment of science and technology development fund	389,038,801,666	589,138,371,363
- Profit from main operating activities	386,779,317,508	574,433,003,246
- Profit from other activities	2,259,484,158	14,705,368,117
Tax rate		
- Main operating activities	5%	5%
- Other activities	20%	20%
Corporate income tax expense based on taxable profit in the current period	19,790,862,707	31,662,723,786
Adjustments for corporate income tax expense in previous years to the current period	1,995,247,068	-
Current corporate income tax expense	21,786,109,775	31,662,723,786

According to Official Letter No. 4641/TCT-CS issued by the General Department of Taxation on 02 December 2008 in response to Vietnam Oil and Gas Group on tax incentives for Ca Mau Fertilizer Plant Project, the Company is entitled to tax incentives 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 nine following years. 2018 is the third year the Company is entitled to 50% reduction in tax payable regarding profit generated by the main operating activities of Ca Mau Fertilizer Production Plant Project.

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

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

33. BASIC EARNINGS PER SHARE

	Current period	Prior period
Profit after corporate income tax (VND)	409,310,756,065	560,599,585,077
- Appropriation to bonus and welfare funds (VND)	(32,195,586,250)	(30,410,199,629)
Earnings for the purpose of calculating basic earnings per share (VND)	377,115,169,815	530,189,385,448
Weighted average number of ordinary shares	529,400,000	529,400,000
Basic earnings per share (VND)	712	1,001

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

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 2018. According to the Company's assessment, the presentation of such item in both separate and consolidated financial statements would provide users of these financial statements with more adequate information about operating effectiveness of the holding company in particular and the whole company in general.

34. CONTINGENT LIABILITIES

According to the Minutes dated 26 April 2018 between Ministry of Finance Inspector, Tax Department of Ca Mau Province and the Company, interest payable to the lending group of BNP Paribas, China Export Import Bank and Credit Agricole Bank under the ECA Loan Agreement is not subject to value added tax but subject to corporate income tax for foreign contractors. The Company has paid on behalf of these banks the corporate income tax for the foreign contractors with the amount of VND 30,784,721,633 relating to the interest amounts the Company paid to the banks accumulated to 31 December 2017. The Company paid the amount on 29 June 2018.

However, the Company and Vietnam Oil and Gas Group are still in the process of working with the General Department of Taxation, Ministry of Finance and the above lending group to determine the obligations of the parties relating to this foreign contractors' tax. Therefore, the Company has not completed necessary documents as well as recorded any penalties for late tax payments which may incur in the interim separate financial statements until there is final decision from competent authorities.

35. 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 of Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012, gas price in the contract is the price to ensure the profitability of producing fertilizers with the return on equity ratio of 12% per year (excluding VAT and other indirect taxes). The gas price temporarily calculated for billing and monthly payment in the year is the price stated in a document approving the annual business plan released by Vietnam Oil and Gas Group.
- According to Resolution No. 8305/NQ-DKVN dated 27 December 2017 of Members' Council of Vietnam Oil and Gas Group ("the Group") on approving the Company's business plan for the year 2018, estimated gas price that the Company has to pay to the Group for the year 2018 is USD 1.34/GJ (VAT exclusive). As stated in Note 17, the Company has adjusted the gas fee payable to Vietnam Oil and Gas Group for the 6-month period ended 30 June 2018 at the unit price estimated at USD 2.345/GJ (VAT exclusive) to ensure the profitability of fertilizer production with the return on equity ratio of 12% per year and reflected it in the interim separate financial statements. According to the Official Letter No. 1217/PVCFC-NDD dated 01 August 2018, the Company has requested the Group for their approval of their estimated gas price mentioned above and are waiting for the final decision of the Group.
- According to Decision No. 615/QD-PVCFC dated 24 March 2016, the Executive Board 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 2018, the value of the project was about VND 171 billion.

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- According to Decision No. 1718/QD-PVCFC dated 09 September 2016 of the Executive Board on the approval of the Feasibility Study Report of the "Project for Composite Fertilizer Production from melted Urea with the capacity of 500,000 ton/year" and Decision No. 2376/QD-PVCFC dated 20 December 2017 of the General Director on the approval of construction design – construction budget of "Project for Composite Fertilizer Production from melted Urea with the capacity of 500,000 ton/year", total investment including value added tax is VND 117,944,069,265. The expected implementation period is for 2016 to 2019 with the structure of investment capital comprising 70% of the loan and 30% of the equity of the Company. As of 30 June 2018, the value of the project was about VND 4 billion.

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

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

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

	Current year	Prior period
	VND	VND
Sales		
PetroVietnam Packaging Joint Stock Company	6,726,673,920	4,925,613,000
	6,726,673,920	4,925,613,000
Purchases		
Vietnam Oil and Gas Group	571,150,664,609	386,767,588,380
PetroVietnam Power Corporation	147,211,393,957	116,393,724,512
PetroVietnam Packaging Joint Stock Company	107,203,442,194	89,274,477,171
PVI South Company	16,830,756,096	22,968,762,136
PVI Insurance Corporation - Camau Branch	7,322,018,873	3,157,591,527
PetroVietnam Security Service Corporation	6,215,516,239	5,825,177,844
PV Oil Sai Gon	5,585,344,060	-
PetroVietnam Transportation Vung Tau Joint Stock Company	3,296,513,360	4,093,460,000
Petroleum Pipeline and Tank Construction Joint Stock Company	3,085,079,525	-
Vietnam Petroleum Institute	2,723,660,159	-
PVI Insurance Corporation - Ho Chi Minh City Branch	2,246,502,658	-
South-West PetroVietnam Fertilizer and Chemical Joint Stock Company	1,149,585,055	-
South-East PetroVietnam Fertilizer and Chemical Joint Stock Company	1,063,226,729	-
Cuu Long Petro Gas Transportation Joint Stock Company - Con Son Branch	970,640,000	-
PetroVietnam Infrastructure and Urban Investment Joint	454,427,820	-
Indochina Petroleum Transportation Joint Stock Company	218,780,925	-
Drilling Mud Corporation	-	801,855,272
	876,727,552,259	629,282,636,842
Remuneration paid to the Board of Directors and Executive Board	9,034,907,619	10,105,277,152

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

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Significant related party balances as at 30 June 2018 were as follows:

	Closing balance	Opening balance
	VND	VND
Short-term receivables from customers		
PetroVietnam Packaging Joint Stock Company	3,028,273,920	1,314,156,000
	3,028,273,920	1,314,156,000
Other short-term receivables		
Vietnam Oil and Gas Group	276,761,701,091	276,761,701,091
PetroVietnam Packaging Joint Stock Company	1,509,320,736	1,509,320,736
	278,271,021,827	278,271,021,827
Short-term advances to suppliers		
PVD Trading and Technical Services Joint Stock	15,120,373,378	15,120,373,378
Vietnam Petroleum Institute	743,819,750	114,809,750
PetroVietnam Manpower Training College	-	1,737,289,058
Petroleum Pipeline and Tank Construction Joint Stock Company	-	946,853,379
	15,864,193,128	17,919,325,565
Short-term trade payables		
Vietnam Oil and Gas Group	242,037,286,782	198,267,385,610
PetroVietnam Power Corporation	45,482,120,373	33,178,356,253
PetroVietnam Packaging Joint Stock Company	24,609,594,790	14,372,160,367
PetroVietnam Security Service Corporation	2,060,904,558	1,178,774,401
PetroVietnam Transportation Vung Tau Joint Stock Company	1,055,729,700	448,935,340
PetroVietnam Manpower Training College	-	7,876,619,308
Drilling Mud Corporation	-	3,321,395,000
Other related parties	4,826,957,768	6,040,324,827
	320,072,593,971	264,683,951,106
Short-term accrued expenses		
Vietnam Oil and Gas Group	728,764,099,992	479,181,172,915
	792,888,353,886	543,392,172,915
Other current payables		
Vietnam Oil and Gas Group	152,890,357,958	152,890,357,958
Camau Gas - Power - Fertilizer Project Management Unit	55,851,413,429	55,851,413,429
	208,741,771,387	208,741,771,387


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


Le Ngoc Minh Tri
Executive Officer



10 August 2018