

**PETROVIETNAM CAMAU FERTILIZER  
JOINT STOCK COMPANY**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED SEPARATE  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2016**

**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 separate financial statements for the year ended 31 December 2016.

**BOARDS OF MANAGEMENT AND DIRECTORS**

The members of the Boards of Management and Directors of the Company who held office during the year 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

**BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of Directors of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Directors is required to:

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

**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 separate financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of Directors,



**Le Ngọc Minh Tri**  
**Deputy General Director**

20 March 2017

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No.: **611** /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying separate financial statements of PetroVietnam Fertilizer Company Limited (the "Company"), prepared on 20 March 2017, as set out from page 4 to page 35, which comprise the balance sheet as at 31 December 2016, the income statement and cash flow statement for the year ended 31 December 2016, and a summary of significant accounting policies and other explanatory information.

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

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

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

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the separate financial statements.

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

### ***Opinion***

In our opinion, the separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year ended 31 December 2016 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### Emphasis of Matters

- The Company has been officially transformed into a joint stock company since 15 January 2015. The separate financial statements for the year ended 31 December 2016 do not include any adjustments that may arise related to the determination of the State capital portion as the Company has not had a minutes of determination of the State capital portion as at the official date of the Company's transformation into a joint stock company.
- As stated in Note 9 of the Notes to the separate financial statements, the Company has been recording a receivable from Vietnam Oil and Gas Group related to the equitization phase with the amount of approximately VND 276.8 billion. Such amount is the Company's profit for the period from 01 January 2014 to 14 January 2015, which has been overpaid to the Group. The Board of Directors determined that this receivable would be recovered when the Company performs finalization regarding the State capital portion with Vietnam Oil and Gas Group.

Our opinion is not modified in respect of these matters.



**Khúc Thị Lan Anh**

**Deputy General Director**

Audit Practising Registration Certificate

No. 0036-2013-001-1

**For and on behalf of**

**DELOITTE VIETNAM COMPANY LIMITED**

20 March 2017

Hanoi, S.R. Vietnam

**Vu Manh Hung**

**Auditor**

Audit Practising Registration

Certificate No. 2737-2013-001-1

**BALANCE SHEET**
*As at 31 December 2016*

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>4,018,521,887,465</b>	<b>4,414,372,139,313</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>813,252,282,373</b>	<b>1,208,205,261,544</b>
1. Cash	111		481,252,282,373	176,205,261,544
2. Cash equivalents	112		332,000,000,000	1,032,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>2,300,000,000,000</b>	<b>2,702,555,555,556</b>
1. Held-to-maturity investments	123		2,300,000,000,000	2,702,555,555,556
<b>III Short-term receivables</b>	<b>130</b>		<b>476,159,875,570</b>	<b>79,400,468,739</b>
1. Short-term trade receivables	131	7	3,635,161,100	6,819,702,460
2. Short-term advances to suppliers	132	8	17,658,016,630	14,976,365,167
3. Other short-term receivables	136	9	454,866,697,840	57,604,401,112
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>364,880,297,728</b>	<b>382,355,401,362</b>
1. Inventories	141		366,385,361,876	383,068,249,035
2. Provision for devaluation of inventories	149		(1,505,064,148)	(712,847,673)
<b>V. Other short-term assets</b>	<b>150</b>		<b>64,229,431,794</b>	<b>41,855,452,112</b>
1. Short-term prepayments	151	11	28,841,582,279	21,411,788,029
2. Value added tax deductibles	152		32,040,550,899	20,046,317,478
3. Taxes and other receivables from the State budget	153	17	3,347,298,616	397,346,605
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>8,874,102,896,492</b>	<b>10,011,630,888,116</b>
<b>I. Fixed assets</b>	<b>220</b>		<b>8,701,147,653,844</b>	<b>9,796,509,476,321</b>
1. Tangible fixed assets	221	12	8,638,707,373,126	9,728,043,995,280
- Cost	222		13,778,938,844,484	13,602,048,665,814
- Accumulated depreciation	223		(5,140,231,471,358)	(3,874,004,670,534)
2. Intangible assets	227	13	62,440,280,718	68,465,481,041
- Cost	228		95,872,466,668	81,168,329,895
- Accumulated amortisation	229		(33,432,185,950)	(12,702,848,854)
<b>II. Long-term assets in progress</b>	<b>240</b>	<b>14</b>	<b>53,684,893,195</b>	<b>95,437,715,195</b>
1. Construction in progress	242		53,684,893,195	95,437,715,195
<b>III Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>20,826,250,000</b>	<b>16,661,000,000</b>
1. Investments in subsidiaries	251		20,826,250,000	16,661,000,000
<b>IV. Other long-term assets</b>	<b>260</b>		<b>98,444,099,453</b>	<b>103,022,696,600</b>
1. Long-term prepayments	261	11	98,444,099,453	103,022,696,600
<b>TOTAL ASSET (270 = 100 + 200)</b>	<b>270</b>		<b>12,892,624,783,957</b>	<b>14,426,003,027,429</b>

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

**BALANCE SHEET (Continued)**

As at 31 December 2016

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>7,076,467,284,936</b>	<b>8,223,404,481,071</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,522,793,115,206</b>	<b>2,424,393,974,267</b>
1. Short-term trade payables	311	15	694,917,293,842	312,481,162,568
2. Short-term advances from customers	312	16	64,450,940,342	153,444,525,172
3. Taxes and amounts payable to the State budget	313	17	1,979,235,163	5,760,953,880
4. Payables to employees	314		40,096,782,541	66,041,315,539
5. Short-term accrued expenses	315	18	67,194,447,623	342,406,784,754
6. Other current payables	319	19	247,696,737,606	205,744,886,720
7. Short-term loans and obligations under finance leases	320	20	1,350,810,384,314	1,310,820,808,870
8. Bonus and welfare funds	322		55,647,293,775	27,693,536,764
<b>II. Long-term liabilities</b>	<b>330</b>		<b>4,553,674,169,730</b>	<b>5,799,010,506,804</b>
1. Other long-term payables	337	19	1,055,667,075	33,175,238,300
2. Long-term loans and obligations under finance leases	338	20	4,511,046,170,426	5,730,708,043,802
3. Scientific and technological development fund	343		41,572,332,229	35,127,224,702
<b>D. EQUITY</b>	<b>400</b>		<b>5,816,157,499,021</b>	<b>6,202,598,546,358</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>21</b>	<b>5,816,157,499,021</b>	<b>6,202,598,546,358</b>
1. Owner's 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		159,137,253,402	371,396,247,833
3. Retained earnings	421		363,020,245,619	537,202,298,525
- Retained earnings accumulated to the prior year end	421a		-	-
- Retained earnings of the current year	421b		363,020,245,619	537,202,298,525
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>12,892,624,783,957</b>	<b>14,426,003,027,429</b>

  
Huynh Thi Ngoc Ha  
Preparer

  
Dinh Nhu Cuong  
Chief Accountant

  
Le Ngoc Minh Tri  
Deputy General Director

20 March 2017

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

**INCOME STATEMENT**

For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Notes	Current year	From 15/01/2015 to 31/12/2015
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>	<b>24</b>	<b>4,951,519,499,734</b>	<b>5,658,347,926,000</b>
2. Deductions	02	24	61,578,260,352	87,468,200,037
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>		<b>4,889,941,239,382</b>	<b>5,570,879,725,963</b>
4. Cost of sales	11	25	3,602,739,772,210	3,963,088,038,112
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>1,287,201,467,172</b>	<b>1,607,791,687,851</b>
6. Financial income	21	27	285,486,655,090	226,287,628,978
7. Financial expenses	22	28	429,997,146,694	657,236,842,893
- In which: Interest expense	23		203,937,110,047	229,462,755,159
8. Selling expenses	25	29	272,069,185,417	273,900,764,527
9. General and administration expenses	26	29	243,948,057,295	196,900,416,250
<b>10. Operating profit (30=20+(21-22)-(25+26))</b>	<b>30</b>		<b>626,673,732,856</b>	<b>706,041,293,159</b>
11. Other income	31	30	26,118,882,026	6,845,641,304
12. Other expenses	32	30	27,031,577	4,697,656,010
<b>13. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>26,091,850,449</b>	<b>2,147,985,294</b>
<b>14. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>652,765,583,305</b>	<b>708,189,278,453</b>
15. Current corporate income tax expense	51	31	33,466,934,592	1,344,148,816
<b>16. Net profit after corporate income tax (60=50-51)</b>	<b>60</b>		<b>619,298,648,713</b>	<b>706,845,129,637</b>
<b>17. Basic earnings per share</b>	<b>70</b>	<b>32</b>	<b>1,011</b>	<b>1,175</b>

  
Huynh Thi Ngoc Ha  
Preparer

  
Dinh Nhu Cuong  
Chief Accountant

  
Le Minh Ngoc Tri  
Deputy General Director

20 March 2017

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

**CASH FLOW STATEMENT**

For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Current year	From 15/01/2015 to 31/12/2015
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1. Profit before tax</b>	<b>01</b>	<b>652,765,583,305</b>	<b>708,189,278,453</b>
<b>2. Adjustments for:</b>			
Depreciation and amortisation	02	1,285,534,155,836	1,221,409,114,676
Provisions	03	792,216,475	712,847,673
Foreign exchange loss arising from translating foreign currency items	04	72,779,573,574	301,519,401,097
(Gain) from investing activities	05	(159,901,135,909)	(166,686,145,750)
Interest expense	06	203,937,110,047	229,462,755,159
Other adjustments	07	15,000,000,000	-
<b>3. Operating profit before movements in working capital</b>	<b>08</b>	<b>2,070,907,503,328</b>	<b>2,294,607,251,308</b>
Changes in receivables	09	(417,429,377,115)	(14,462,522,655)
Changes in inventories	10	16,682,887,159	(191,534,922,510)
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(38,639,313,956)	98,219,664,674
Changes in prepaid expenses	12	(2,851,197,103)	53,073,856,155
Interest paid	14	(202,163,538,304)	(238,864,572,242)
Corporate income tax paid	15	(5,161,367,983)	(32,974,510,837)
Other cash outflows	17	(62,529,837,030)	(59,859,970,253)
Balance of investment and development fund transeferred to the Group		(286,574,832,277)	-
Cash from equitization transferred to the Group		-	(1,581,808,975,597)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>1,072,240,926,719</b>	<b>326,395,298,043</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(146,607,140,258)	(154,039,307,103)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	354,577,637
3. Cash outflow for lending, buying debt instruments of other entities	23	(5,100,000,000,000)	(3,963,556,166,262)
4. Cash recovered from lending, selling debt instruments of other entities	24	5,502,555,555,556	4,427,282,094,080
5. Interest earned, dividends and profits received	27	164,254,200,318	160,683,323,155
<b>Net cash generated by used in investing activities</b>	<b>30</b>	<b>420,202,615,616</b>	<b>470,724,521,507</b>

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

**CASH FLOW STATEMENT (Continued)**

*For the year ended 31 December 2016*

Unit: VND

ITEMS	Codes	Current year	From 15/01/2015 to 31/12/2015
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	70,000,000,000	-
2. Repayment of borrowings	34	(1,322,487,808,840)	(1,244,783,019,739)
3. Dividends and profits paid	36	(634,944,650,000)	(390,233,293,375)
<b>Net cash (used in) financing activities</b>	<b>40</b>	<b>(1,887,432,458,840)</b>	<b>(1,635,016,313,114)</b>
<b>Net (decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>(394,988,916,505)</b>	<b>(837,896,493,564)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>1,208,205,261,544</b>	<b>2,046,118,634,821</b>
Effect of changes in foreign exchange rates	61	35,937,334	(16,879,713)
<b>Cash and cash equivalents at the end of the period (70=50+60+61)</b>	<b>70</b>	<b>813,252,282,373</b>	<b>1,208,205,261,544</b>

  
Huynh Thi Ngoc Ha  
Preparer

  
Dinh Nhu Cuong  
Chief Accountant

  
Le Minh Ngoc Tri  
Deputy General Director

20 March 2017



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

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

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

PetroVietnam Camau Fertilizer Joint Stock Company (the "Company"), formerly known as PetroVietnam Camau Fertilizer Company Limited - a subsidiary of Vietnam Oil and Gas Group, was established in Vietnam under Corporate Registration Certificate No. 2001012298 issued by Camau Province's Department of Planning and Investment on 24 March 2014.

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 31 December 2016 was 868 (as at 31 December 2015: 857).

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

**1. GENERAL INFORMATION (Continued)**

**The Company's structure (Continued)**

The Company has one branch namely 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. The branch is a dependent accounting unit, located in plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province, has its own seal for transaction and is allowed to open accounts at banks in accordance with Vietnamese laws.

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

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2015.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

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

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

**Financial year**

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

**3. ADOPTION OF NEW ACCOUNTING GUIDANCE**

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain articles of Circular 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises. Circular 53 is effective for the financial years beginning on or after 01 January 2016. The Board of General Director has adopted Circular 53 in the preparation and presentation of the Company's financial statements for the year ended 31 December 2016.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Accounting estimates**

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires 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 separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Directors' best knowledge, actual results may differ from those estimates.

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

**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 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.

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

**Inventories**

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

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 year</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 as a state-owned enterprises. 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.

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

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

**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 year</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 as state-owned enterprises. 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, goodwill and other types of long-term prepayments.

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

Other types of long-term prepayments comprise cost of catalyst, 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 income statement using the straight-line method over the period from fourteen (14) to thirty six (36) months.

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

**Science and Technology Development Fund**

Science and Technology Development Fund is appropriated in order to invest for science and technology activities of the Company. This Fund was formed on the basis of the Company's development demand and technology innovation and is recognized in the operation results of the 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-TCDN dated 18 June 2015 issued by Ministry of Finance on the exchange rate of foreign currencies, the Company applied the buying rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 31 December 2016. 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 the ownership or effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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

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

**Revenue recognition (Continued)**

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**

All borrowing costs are recognised in the income statement when incurred.

**Taxation**

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

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

According to Investment Certificate No. 61101000153 dated 04 December 2012 issued by the People's Committee of Camau Province, the Company is entitled to tax incentives with regard to Camau Fertilizer 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 separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. As at 31 December 2016, there was no significant temporary difference between carrying amount of assets and liabilities on the balance sheet and the corresponding tax bases.

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

**Taxation (Continued)**

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

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

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

**5. CASH AND CASH EQUIVALENTS**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	46,016,273	233,609,517
Bank demand deposits	481,206,266,100	175,971,652,027
Cash equivalents (*)	332,000,000,000	1,032,000,000,000
	<b>813,252,282,373</b>	<b>1,208,205,261,544</b>

(\*) 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.

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

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**6. FINANCIAL INVESTMENTS**

	Closing balance		Opening balance	
	Cost VND	Carrying amount VND	Cost VND	Carrying amount VND
<b>Short-term held-to-maturity investments</b>				
Term deposits with maturity year over 3 months	2,300,000,000,000	2,300,000,000,000	2,702,555,555,556	2,702,555,555,556
<b>Investments in subsidiaries</b>				
	Cost VND	Closing balance Provision VND	Fair value VND	Cost VND
				Provision VND
				Fair value VND
PetroVietnam Packaging Joint Stock Company	20,826,250,000	-	23,741,925,000	16,661,000,000
				-
				26,490,990,000
<b>Operating status of subsidiary during the year</b>				
	Revenue VND	Expenditures VND	Profit after tax VND	Revenue VND
				Expenditures VND
				Profit after tax VND
	153,298,850,980	143,970,916,756	9,206,423,335	144,476,510,268
				134,566,529,895
				8,947,250,575
<b>The significant transactions between the Company and its subsidiary during the year</b>				
	Sales VND	Goods purchases VND	Dividends and profits received VND	Sales VND
				Goods purchases VND
				Dividends and profits received VND
	-	133,069,407,060	4,165,250,000	-
				133,116,824,210
				3,332,200,000

**7. SHORT-TERM TRADE RECEIVABLES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Phu My Chemical and Construction Co., Ltd.	3,600,130,403	6,817,482,477
Other customers	35,030,697	2,219,983
	<b>3,635,161,100</b>	<b>6,819,702,460</b>

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

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Vmark Communications Corporation	6,785,642,866	-
Vimico Equipment and Accessories Co., Ltd.	2,115,198,796	-
Petro Enertech Joint Stock Company	-	4,405,376,200
Hanoi University of Agriculture	1,800,000,000	1,800,000,000
Sac Mau Trading Service Production Company Limited	-	2,011,606,003
Other suppliers	6,957,174,968	6,759,382,964
	<b>17,658,016,630</b>	<b>14,976,365,167</b>

**9. OTHER SHORT-TERM RECEIVABLES**

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Receivable from Oil and Gas Group	393,555,154,634	-
<i>Estimated gas receivable for the year ended 31 December 2016 (i)</i>	116,793,453,543	-
<i>Receivable related to the equitization phase (ii)</i>	276,761,701,091	-
Accrued interest receivable from term deposits	24,203,716,668	32,722,031,077
Capital granted to Camau Gas - Electricity - Fertilizer Project Management Unit (iii)	19,718,000,000	19,718,000,000
Advances to employees	6,366,971,000	1,858,444,400
Receivable from PVI Insurance Ho Chi Minh City	4,053,625,704	-
Collateral, deposits	390,000,000	1,486,690,397
Other receivables	6,579,229,834	1,819,235,238
	<b>454,866,697,840</b>	<b>57,604,401,112</b>
<b>Other short-term receivables from related parties (details presented in Note 34)</b>	<b>415,245,932,412</b>	<b>25,041,611,111</b>

- (i) Estimated gas receivable from Vietnam Oil and Gas Group for the year ended 31 December 2016 was determined and adjusted by the Company at the temporarily settled price in 2016 of USD 1.959/million BTU based on Decision No. 1110/QD-DKVN dated 27 February 2017 of the Chief Executive Officer of Vietnam Oil and Gas Group.
- (ii) Represent profit of the period from 01 January 2014 to 14 January 2015, which had been transferred to Vietnam Oil and Gas Group. This receivable will be recovered when the Company performs finalization regarding the State capital portion with Vietnam Oil and Gas Group.
- (iii) 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.

**10. INVENTORIES**

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	-	-	-	-
Raw materials	173,820,182,777	-	136,936,776,398	-
Tools and supplies	1,686,454,799	-	1,313,881,821	-
Work in progress	53,247,077,817	(1,505,064,148)	181,424,166,910	(712,847,673)
Finished goods	55,116,828,707	-	33,041,628,233	-
Goods	27,061,792,000	-	-	-
Goods on consignment	55,453,025,776	-	30,351,795,673	-
<b>Total</b>	<b>366,385,361,876</b>	<b>(1,505,064,148)</b>	<b>383,068,249,035</b>	<b>(712,847,673)</b>

As at 31 December 2016, the Company made provision of VND 1,505,064,148 for some commercial wastes of which historical cost was higher than net realizable value.

**11. PREPAYMENTS**

	Closing balance	Opening balance
	VND	VND
<b>Short-term</b>		
Assets insurance for Camau Fertilizer Plant	16,920,110,765	14,615,383,401
Advertising pano	2,677,433,264	-
Other short-term prepaid expenses	9,244,038,250	6,796,404,628
	<b>28,841,582,279</b>	<b>21,411,788,029</b>
<b>Long-term</b>		
Goodwill (*)	46,513,175,754	93,026,351,508
Chemical catalyst	23,398,011,981	-
Fixed asset repair expense	20,130,240,727	-
Other long-term prepaid expenses	8402670991	9996345092
	<b>98,444,099,453</b>	<b>103,022,696,600</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 year was VND 46,513,175,754.

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

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**12. TANGIBLE FIXED ASSETS**

	Buildings and structures	Machinery and equipment	Motor vehicles and transmission equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
<b>Opening balance</b>	3,206,721,428,293	10,237,570,308,748	48,244,249,249	50,824,088,280	58,688,591,244	13,602,048,665,814
Transfer from construction in progress	123,590,615,088	6,935,094,850	-	-	-	130,525,709,938
New purchases	9,003,234,501	26,651,444,322	5,278,728,740	5,431,061,169	-	46,364,468,732
<b>Closing balance</b>	<b>3,339,315,277,882</b>	<b>10,271,156,847,920</b>	<b>53,522,977,989</b>	<b>56,255,149,449</b>	<b>58,688,591,244</b>	<b>13,778,938,844,484</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>Opening balance</b>	1,044,687,880,747	2,767,411,692,019	24,290,704,698	21,855,632,949	15,758,760,121	3,874,004,670,534
Charge for the year	293,203,482,564	954,753,523,770	8,465,339,166	9,209,372,014	595,083,310	1,266,226,800,824
<b>Closing balance</b>	<b>1,337,891,363,311</b>	<b>3,722,165,215,789</b>	<b>32,756,043,864</b>	<b>31,065,004,963</b>	<b>16,353,843,431</b>	<b>5,140,231,471,358</b>
<b>NET BOOK VALUE</b>						
<b>Closing balance</b>	<b>2,001,423,914,571</b>	<b>6,548,991,632,131</b>	<b>20,766,934,125</b>	<b>25,190,144,486</b>	<b>42,334,747,813</b>	<b>8,638,707,373,126</b>
<b>Opening balance</b>	<b>2,162,033,547,546</b>	<b>7,470,158,616,729</b>	<b>23,953,544,551</b>	<b>28,968,455,331</b>	<b>42,929,831,123</b>	<b>9,728,043,995,280</b>

As stated further in Note 20, the Company has pledged the entire fixed assets constructed from Camau Fertilizer Plant Project which have the carrying value of VND 8,346,611,298,925 as at 31 December 2016 (as at 31 December 2015: VND 9,594,410,781,795) to secure bank loans.

The cost of the Company's fixed assets as at 31 December 2016 includes VND 88,796,025,913 (as at 31 December 2015: VND 81,791,815,789) of fixed assets which have been fully depreciated but are still in use.

**13. INTANGIBLE ASSETS**

	Land use rights	Copyright, patents	Computer software	Total
	VND	VND	VND	VND
<b>COST</b>				
Opening balance	33,333,655,327	26,039,905,000	21,794,769,568	81,168,329,895
Additions	-	618,949,108	6,836,837,600	7,455,786,708
Transfer from construction in progress	-	5,531,100,065	1,717,250,000	7,248,350,065
<b>Closing balance</b>	<b>33,333,655,327</b>	<b>32,189,954,173</b>	<b>30,348,857,168</b>	<b>95,872,466,668</b>
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	1,851,265,406	3,322,116,196	7,529,467,252	12,702,848,854
Charge for the year	1,926,896,459	10,502,066,971	8,300,373,666	20,729,337,096
<b>Closing balance</b>	<b>3,778,161,865</b>	<b>13,824,183,167</b>	<b>15,829,840,918</b>	<b>33,432,185,950</b>
<b>NET BOOK VALUE</b>				
Closing balance	29,555,493,462	18,365,771,006	14,519,016,250	62,440,280,718
Opening balance	31,482,389,921	22,717,788,804	14,265,302,316	68,465,481,041

**14. CONSTRUCTION IN PROGRESS**

	Closing balance	Opening balance
	VND	VND
<b>Construction in progress</b>		
- Ure storage house	-	70,503,986,360
- Public housing area clearance cost	19,217,326,485	19,217,326,485
- Complex fertilizer production lines from melted Ure	27,028,312,486	2,228,951,028
- Enterprise human resources managing system	3,434,800,673	2,296,400,065
- Personnel management software	-	735,000,000
- Others	4,004,453,551	456,051,257
	<b>53,684,893,195</b>	<b>95,437,715,195</b>

**15. 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 (*)	494,320,135,459	494,320,135,459	163,690,892,638	163,690,892,638
PetroVietnam Power Corporation	33,178,233,697	33,178,233,697	27,038,360,664	27,038,360,664
PetroVietnam Packaging Joint Stock Company	21,196,118,906	21,196,118,906	16,140,949,029	16,140,949,029
Others	146,222,805,780	146,222,805,780	105,610,960,237	105,610,960,237
	<b>694,917,293,842</b>	<b>694,917,293,842</b>	<b>312,481,162,568</b>	<b>312,481,162,568</b>
Trade payables to related parties (details represented in Note 34)	559,797,288,035	559,797,288,035	217,762,308,101	217,762,308,101

**15. SHORT-TERM TRADE PAYABLES (Continued)**

(\*) 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.

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

	<b>Closing balance</b>	<b>Opening balance</b>
	<b>VND</b>	<b>VND</b>
Dang Lan Private Enterprise	11,259,334,800	9,813,473,200
Tuong Nguyen Import & Export Trading and Services Co., Ltd.	5,381,802,353	10,787,671,950
The Man Single Member Limited Liability Company	4,584,358,900	1,598,494,250
Nguyen Khoa Trading., Ltd.	4,017,834,899	4,903,795,499
Hung Thanh Private Enterprise	3,023,291,970	11,003,434,219
Duy Thanh Co., Ltd.	992,381,200	12,992,033,500
Thai Son Trading and Services Co., Ltd.	974,646,000	19,808,755,500
Other customers	34,217,290,220	82,536,867,054
	<b>64,450,940,342</b>	<b>153,444,525,172</b>
<b>Advances from related parties</b> <b>(details represented in Note 34)</b>	<b>-</b>	<b>3,045,961,760</b>

**17. TAXES AND OTHER RECEIVABLE FROM/PAYABLES TO THE STATE BUDGET**

<b>Items</b>	<b>Movement in the year</b>				<b>Closing balance</b>
	<b>Opening balance</b>	<b>Amount payable</b>	<b>Amount net-off</b>	<b>Amount paid</b>	
	<b>VND</b>	<b>VND</b>		<b>VND</b>	<b>VND</b>
<b>a) Receivables</b>					
VAT	-	-	-	157,422,454	157,422,454
Corporate income tax	-	-	-	2,792,529,557	2,792,529,557
Land rental fee	397,346,605	61,920,420	-	61,920,420	397,346,605
<b>Total</b>	<b>397,346,605</b>	<b>61,920,420</b>	<b>-</b>	<b>3,011,872,431</b>	<b>3,347,298,616</b>
<b>b) Payables</b>					
VAT	-	4,394,923,771	-	4,394,923,771	-
Import duty	-	9,559,894,476	-	9,559,894,476	-
Corporate income tax (*)	1,283,640,501	33,466,934,592	32,381,736,667	2,368,838,426	-
Natural resources tax	91,601,280	945,787,580	-	945,788,520	91,600,340
Other taxes	4,385,712,099	25,467,170,395	-	27,965,247,671	1,887,634,823
License tax	-	3,000,000	-	3,000,000	-
Personal income tax	4,256,585,943	23,843,433,722	-	26,821,702,615	1,278,317,050
Other taxes	129,126,156	1,620,736,673	-	1,140,545,056	609,317,773
<b>Total</b>	<b>5,760,953,880</b>	<b>73,834,710,814</b>	<b>32,381,736,667</b>	<b>45,234,692,864</b>	<b>1,979,235,163</b>

**17. TAXES AND OTHER RECEIVABLE FROM/PAYABLES TO THE STATE BUDGET (Continued)**

(\*) In the last accounting period in which the Company operated as a one member limited liability company owned by Vietnam Oil and Gas Group, the Company had declared and paid corporate income tax arising on time deposits interest with the amount of VND 32,381,736,667.

As per Official Letter No. 183/CT-TT-HTNNT dated 14 February 2015 issued by the Tax Department of Camau Province regarding corporate income tax incentives, the Company is entitled to preferential corporate income tax from Camau Fertilizer Production Plant as it meets the requirement that the area has especially difficult socio-economic conditions. Therefore, incomes from deposit interest or services rendered are subject to preferential corporate income tax. During the year, the Company offset the above mentioned corporate income tax with the amount of corporate income tax payable in 2016.

**18. SHORT-TERM ACCRUED EXPENSES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Accrued expenses payable to Vietnam Oil and Gas Group	-	261,721,055,666
- Estimated gas expenses payable for the period from 1 January 2014 to 31 December 2014	-	163,962,886,631
- Estimated gas expenses payable for the period from 15 January 2015 to 31 December 2015	-	97,758,169,035
Interest expense payable	58,538,290,059	56,764,718,316
Guarantee fees	3,948,609,528	4,217,691,813
Insurance and welfare expenses	-	16,387,000,000
Others	4,707,548,036	3,316,318,959
	<b>67,194,447,623</b>	<b>342,406,784,754</b>
<b>Advances from related parties (details represented in Note 34)</b>	-	<b>261,721,055,666</b>

**19. OTHER PAYABLES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>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	151,271,487,337	119,494,557,567
- 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	-
- Payable for equitization	247,500,000	247,500,000
- Other payables	(604,806,897)	-
Safety reward fund (iii)	968,785,241	559,651,591
Trade union fee	884,990,682	1,792,436,236
Short-term deposits received	2,184,282,500	413,527,500
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	15,638,709,394	6,736,231,374
	<b>247,696,737,606</b>	<b>205,744,886,720</b>
<b>Other long-term payables</b>		
Payable to the State Budget for land use right handed over (iv)	1,055,667,075	33,175,238,300
	<b>1,055,667,075</b>	<b>33,175,238,300</b>
<b>Other payable to related parties (details presented in Note 34)</b>	<b>226,843,120,749</b>	<b>195,066,190,979</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.
- (iv) Represent the amount payable to the State budget because the Company received land use rights according to Vietnam Oil and Gas Group's Decision on corporate valuation for equitization purpose. This amount has not been approved by the People's Committee of Camau Province yet and might be adjusted upon final approval of competent authority. During the year, the Company temporarily paid land use fee with the amount of VND 32 billion to the State budget.

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

**FORM B 09-DN**

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

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
<b>Long-term loans</b>						
BNP Paribas Bank, Credit Agricole Bank, Export - Import Bank of China (i)	3,947,680,000,000	3,947,680,000,000	-	449,570,000,000	3,498,110,000,000	3,498,110,000,000
Vietnam Joint Stock Commercial Bank for Industry and Trade (ii)	2,384,475,921,878	2,384,475,921,878	-	452,623,301,607	1,931,852,620,271	1,931,852,620,271
Vietnam Public Joint Stock Commercial Bank - Can Tho Branch (iii)	709,372,930,794	709,372,930,794	-	335,811,996,325	373,560,934,469	373,560,934,469
National Commercial Joint Stock Bank - Sai Gon Branch (iv)	-	-	70,000,000,000	11,667,000,000	58,333,000,000	58,333,000,000
<b>Total</b>	<b>7,041,528,852,672</b>	<b>7,041,528,852,672</b>	<b>70,000,000,000</b>	<b>1,249,672,297,932</b>	<b>5,861,856,554,740</b>	<b>5,861,856,554,740</b>
<b>In which:</b>						
Amount due for settlement within 12 months	1,310,820,808,870				1,350,810,384,314	
Amount due for settlement after 12 months	5,730,708,043,802				4,511,046,170,426	

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.

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

**20. LONG-TERM LOANS AND OBLIGATION UNDER FINANCE LEASES (Continued)**

(ii) This is the loan obtained from the Group under State Investment Credit Agreement No. HDTDDT-CM/PV-VIETINBANK2009 dated 25 September 2009 between Vietnam Oil and Gas Group (the borrower) and Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank - the lender) with the principal of USD 220,000,000 in order to finance "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. 01/2010HDTDDT-NHPT dated 17 June 2010 between the Group and Vietnam Development Bank. The maximum loan term is 38 months from the first disbursement date. Loan interest rate is determined by reference interest plus margin interest (3.15% per annum and fixed during the loan term) on specified date and this interest rate does not exceed 5% at any time of the loan term. The applicable 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:

	<b>Closing balance</b> <b>VND</b>	<b>Opening balance</b> <b>VND</b>
Within one year	1,350,810,384,314	1,310,820,808,870
In the second year	1,034,720,350,155	1,310,820,808,871
In the third to fifth year	2,476,865,820,271	2,939,507,234,930
After five years	999,460,000,000	1,480,380,000,001
	<b>5,861,856,554,740</b>	<b>7,041,528,852,672</b>
Less: Amount due for settlement within 12 months	1,350,810,384,314	1,310,820,808,870
<i>(presented in short-term loans and liabilities)</i>		
<b>Amount due for settlement after 12 months</b>	<b>4,511,046,170,426</b>	<b>5,730,708,043,802</b>

**21. OWNER'S EQUITY**

**Movement in owner's equity**

	Owner's contributed capital VND	Investment and development fund VND	Retained earnings VND
<b>Prior year's opening balance</b>	<b>5,294,000,000,000</b>	<b>286,574,832,277</b>	<b>-</b>
Profit for the year	-	-	706,845,129,637
Appropriation to investment and development fund (i)	-	84,821,415,556	(84,821,415,556)
Appropriation to bonus and welfare funds	-	-	(84,821,415,556)
<b>Current year's 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 year	-	-	619,298,648,713
Appropriation to investment and development fund (i)	-	74,315,837,846	(74,315,837,846)
Appropriation to bonus and welfare funds (i)	-	-	(83,884,863,773)
Payment for equitization	-	(286,574,832,277)	-
Dividend declared	-	-	(635,280,000,000)
<b>Current year's closing balance</b>	<b>5,294,000,000,000</b>	<b>159,137,253,402</b>	<b>363,020,245,619</b>

- (i) In the year, the Company made temporary appropriation to Investment and Development Fund and Bonus and Welfare Funds under Resolution No. 851/NQ-DHDCD dated 21 April 2016 of the Company's General Shareholders.

**Shares**

	<u>Closing balance</u>	<u>Opening balance</u>
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 per share

**Charter capital**

The charter capital of the Company is VND 5,294,000,000,000. As at 31 December 2016, 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>

**Dividends**

According to Resolution No. 851/NQ-DHDCD dated 21 April 2016, the Company's General Shareholders decided to pay dividend in 2015 at the rate of 8% of charter capital, equivalent to the amount of VND 423,520,000,000 and expected to pay dividends in 2016 at the rate of 9% of charter capital.

**21. OWNER'S EQUITY (Continued)**

**Dividend (Continued)**

According to Decision No. 2191/QĐ-DKVN dated 22 November 2016, the General Director decided to temporarily pay the dividends for the first time in 2016 (from remaining profit in 2015 and profit in 2016) at the rate of 4 % of charter capital, equivalent to the amount of VND 211,760,000,000.

**22. OFF-BALANCE SHEET ITEMS**

	<u>Closing balance</u>	<u>Opening balance</u>
<b>Foreign Currencies</b>		
USD	3,052,136	847,539
EUR	1,280.3	0.3

**23. 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 31 December 2016 and all revenue and expenses presented in the income statement for the year ended 31 December 2016 are related to manufacturing and trading fertilizers. Revenue and cost of sales per each goods item and business activity are presented in Note 24 and Note 25.

The Company carries out the distribution of fertilizer products primarily in the Southwest, Southeast and Central Highlands markets. During the year, the Company exported Camau Fertilizer Products to Cambodia with revenue of about VND 411 billion (export turnover in the period from 15 January 2015 to 31 December 2015 was about VND 263 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.

**24. REVENUE**

	<u>Current year</u>	<u>From 15/01/2015</u>
	<u>VND</u>	<u>to 31/12/2015</u>
		<u>VND</u>
Sales of ure	4,469,266,949,185	5,962,121,975,079
- Domestic sales	4,057,791,404,100	5,043,230,014,360
- Export	411,475,545,085	263,823,896,820
Sales of Amoniac	92,613,549,214	112,730,522,160
Sales of merchandise	371,541,205,636	214,323,492,660
Sales of commercial waste	17,929,529,335	24,240,000,000
Other sales	168,266,364	-
	<b>4,951,519,499,734</b>	<b>5,658,347,926,000</b>
<b>Sales deduction</b>		
Sales discounts	61,077,760,352	82,425,685,037
Sales rebates	500,500,000	5,042,515,000
	<b>61,578,260,352</b>	<b>87,468,200,037</b>
<b>Sales in the year with related parties</b> <b>(details represented in Note 34)</b>	<b>1,860,000,000</b>	<b>69,420,000,000</b>

**25. COST OF SALES**

	<b>Current year</b>	<b>From 15/01/2015</b>
	<b>VND</b>	<b>to 31/12/2015</b>
		<b>VND</b>
Cost of Ure sold	3,188,236,855,950	3,687,382,794,668
Cost of Amoniac sold	71,536,461,448	65,400,323,277
Cost of merchandise sold	342,174,238,337	209,592,072,494
Provision for devaluation of inventories	792,216,475	712,847,673
	<b>3,602,739,772,210</b>	<b>3,963,088,038,112</b>

**26. PRODUCTION COST BY NATURE**

	<b>Current year</b>	<b>From 15/01/2015</b>
	<b>VND</b>	<b>to 31/12/2015</b>
		<b>VND</b>
Raw materials and consumables	1,808,199,653,746	2,267,783,119,351
Labours	389,615,971,011	288,136,704,854
Depreciation and amortisation	1,285,534,155,836	1,221,409,114,676
Out-sourced services	287,235,803,470	497,443,819,204
Other monetary expenses	96,970,867,068	78,300,391,947
	<b>3,867,556,451,131</b>	<b>4,353,073,150,032</b>

**27. FINANCIAL INCOME**

	<b>Current year</b>	<b>From 15/01/2015</b>
	<b>VND</b>	<b>to 31/12/2015</b>
		<b>VND</b>
Bank deposit interest	155,735,885,909	166,331,568,113
Foreign exchange gain during construction period of Camau Fertilizer Production Plant	-	53,261,535,084
Devidend received	4,165,250,000	-
Foreign exchange gain	125,585,519,181	6,694,525,781
	<b>285,486,655,090</b>	<b>226,287,628,978</b>

**28. FINANCIAL EXPENSES**

	<b>Current year</b>	<b>From 15/01/2015</b>
	<b>VND</b>	<b>to 31/12/2015</b>
		<b>VND</b>
Interest expense	203,937,110,047	229,462,755,159
Foreign exchange loss	211,409,619,361	411,557,258,857
Guarantee fee	14,539,142,286	16,216,828,877
Other financial expenses	111,275,000	-
	<b>429,997,146,694</b>	<b>657,236,842,893</b>

**29. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	<b>Current year</b>	<b>From 15/01/2015</b>
	<b>VND</b>	<b>to 31/12/2015</b>
		<b>VND</b>
<b>Selling expenses</b>		
Transport, loading and storage expenses	115,068,851,980	79,480,193,743
Social welfare security expenses	43,308,612,978	75,270,924,800
Advertising and communication expenses	42,307,639,338	75,917,878,358
Other selling expenses	71,384,081,121	43,231,767,626
	<b>272,069,185,417</b>	<b>273,900,764,527</b>
<b>General and administration expenses</b>		
Administrative staff expenses	60,170,615,237	51,621,892,048
Management fee payable to Vietnam Oil and Gas Group	22,689,734,166	26,308,033,440
Depreciation and amortization expenses	25,982,755,622	15,090,800,214
Provision for science and technology development fund	15,000,000,000	-
Goodwill	46,513,175,754	43,925,928,545
Other general and administration expenses	73,591,776,516	59,953,762,003
	<b>243,948,057,295</b>	<b>196,900,416,250</b>

**30. OTHER INCOME AND OTHER EXPENSE**

	<b>Current year</b>	<b>From 15/01/2015</b>
	<b>VND</b>	<b>to 31/12/2015</b>
		<b>VND</b>
<b>Other income</b>		
Over-counted inventory (*)	23,214,404,415	-
Insurance premium collection	-	3,536,640,541
Penalty for breach of contract	407,646,593	1,379,534,904
Other income	2,496,831,018	1,929,465,859
	<b>26,118,882,026</b>	<b>6,845,641,304</b>
<b>Other expenses</b>		
Cost of goods damaged	-	3,537,027,135
Tax penalties	-	945,413,470
Other expenses	27,031,577	215,215,405
	<b>27,031,577</b>	<b>4,697,656,010</b>
<b>Other profit</b>	<b>26,091,850,449</b>	<b>2,147,985,294</b>

(\*) According to Volume Examination Certificates of PetroVietnam Energy Corporation - Joint Stock Company for unsold Urea in storage of the Company at 31 December 2016 and 30 June 2016, The estimated value of Urea in stock on such certificates was larger than the book value recored in the Company accounting books by VND 23,214,404,415. The Board of Directors decided to record the amount of unpacked Urea in stock mentioned above into other income line item and determined that such recognition is in accordance with current prevailing regulations.

**31. CURRENT CORPORATE INCOME TAX EXPENSE**

	<u>Current year</u> VND	<u>From 15/01/2015 to 31/12/2015</u> VND
<b>Profit before tax</b>	<b>652,765,583,305</b>	<b>708,189,278,453</b>
<b>Adjustments</b>	<b>11,276,965,378</b>	<b>-</b>
Less: Non taxable profit (Dividends received from subsidiaries)	(4,165,250,000)	-
Addback: Non-deductible expenses	15,442,215,378	-
<b>Taxable income</b>	<b>664,042,548,683</b>	<b>708,189,278,453</b>
- Profit from main activities	662,277,167,630	702,079,511,108
- Profit from other activities	1,765,381,053	6,109,767,345
<b>Tax rate</b>		
- Main activities	5%	0%
- Other activities	20%	22%
<b>Current corporate income tax expense</b>	<b>33,466,934,592</b>	<b>1,344,148,816</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. 2016 is the first 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**

	<u>Current year</u> VND	<u>From 15/01/2015 to 31/12/2015</u> VND
<b>Profit after corporate income tax</b>	<b>619,298,648,713</b>	<b>706,845,129,637</b>
- Appropriation to bonus and welfare funds	(83,884,863,773)	(84,821,415,556)
<b>Earnings for the purpose of calculating basic earnings per share</b>	<b>535,413,784,940</b>	<b>622,023,714,081</b>
Weighted average number of ordinary shares	529,400,000	529,400,000
<b>Basic earnings per share</b>	<b>1,011</b>	<b>1,175</b>

The Company decided to present the "Basic earnings per shares" item in the separate financial statements for the year ended 31 December 2016. 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.

**33. 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 the 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 31 December 2016, the value of the project was about VND 27 billion.

**34. RELATED PARTIES TRANSACTIONS AND BALANCES**

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

<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

**34. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

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

	<b>Current year</b>	<b>From 15/01/2015 to 31/12/2015</b>
	<b>VND</b>	<b>VND</b>
<b>Sales</b>		
South-East PetroVietnam Fertilizer and Chemicals JSC	1,860,000,000	69,420,000,000
	<b>1,860,000,000</b>	<b>69,420,000,000</b>
<b>Purchases</b>		
Vietnam Oil and Gas Group	832,882,827,148	1,481,062,504,249
PetroVietnam Power Corporation	157,120,921,245	199,148,803,439
PetroVietnam Packaging Joint Stock Company	133,069,407,060	133,116,824,210
PVI Insurance Corporation - Camau Branch	1,791,493,760	4,912,793,640
PetroVietnam Urban Development Joint Stock Company	-	1,639,450,725
PetroVietnam Security Service Corporation	13,018,149,462	11,579,812,533
PetroVietnam Transportation Vung Tau Joint Stock Company	11,305,896,000	5,033,160,000
Branch of Vietnam Petroleum Institute - PetroVietnam Research and Development Center for Petroleum Processing	9,661,405,451	6,980,252,083
PVI South Company	51,055,989,330	48,610,713,297
Branch of Vietnam Petroleum Institute - Center for Technology Application and Transfer	-	2,003,660,000
PetroVietnam Maintenance and Repair Joint Stock Company	842,003,431	4,936,621,961
Drilling Mud Corporation	680,143,340	4,501,704,308
PetroVietnam Drilling Technology and Trading Joint Stock Company	-	3,707,156,898
Binh Son Refining and Petrochemical Co., Ltd	-	300,937,990
PetroVietnam Infrastructure and Urban Investment Joint Stock Company	-	32,138,100,000
PTSC Production Services Joint Stock Company	-	2,182,168,201
PetroVietnam Energy Technology Joint Stock Company	-	5,476,652,067
PVI Sunlife Insurance Co., Ltd	30,151,542,679	12,374,500,000
PetroVietnam Machine and Equipment Joint Stock Company	611,846,772	6,591,233,368
PetroVietnam Manpower Training College	2,438,319,987	2,440,137,149
Vietnam Petroleum Institute	9,661,405,451	1,626,319,117
PetroVietnam Central Fertilizer and Chemicals Joint Stock Company	12,164,542,336	218,802,709
	<b>1,266,455,893,452</b>	<b>1,970,582,307,944</b>
Remuneration paid to the Boards of Management and Directors	11,444,499,720	10,031,561,596

**34. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)**

*Significant related party balances were as follows:*

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>Other short-term receivables</b>		
Capital granted to Camau Gas - Power - Fertilizer Project Management Unit	19,718,000,000	19,718,000,000
Accrued interest receivable from Vietnam Public Joint Stock Commercial Bank - Can Tho Branch	1,972,777,778	5,323,611,111
Other receivables from Vietnam Oil and Gas Group	393,555,154,634	-
	<b>415,245,932,412</b>	<b>25,041,611,111</b>
<b>Short-term trade payables</b>		
Vietnam Oil and Gas Group (PetroVietnam)	494,320,135,459	163,690,892,638
PetroVietnam Power Corporation (PV Power)	33,178,233,697	27,038,360,664
PetroVietnam Packaging Joint Stock Company	21,196,118,906	16,140,949,029
PetroVietnam Urban Development Joint Stock Company	75,485,181	1,010,621,230
Vietnam Petroleum Institute - Center for Technology Application and Transfer	4,007,466,690	1,542,818,200
Vietnam Petroleum Institute - Research and Development Center for Petroleum Processing	-	529,574,070
PetroVietnam Security Service Corporation	3,068,115,764	999,784,848
PetroVietnam Transportation Vung Tau Joint Stock Company	2,064,947,000	666,608,000
PetroVietnam Drilling Trading and Technical Service Joint Stock Company	-	2,854,510,812
PetroVietnam Maintenance and Repair Joint Stock Company	-	2,046,948,653
PetroVietnam Maintenance and Repair Corporation	1,886,785,338	1,241,239,957
	<b>559,797,288,035</b>	<b>217,762,308,101</b>
<b>Short-term advances from customers</b>		
South-East PetroVietnam Fertilizer and Chemicals JSC	-	3,045,961,760
	-	<b>3,045,961,760</b>
<b>Short-term accrued expenses</b>		
Vietnam Oil and Gas Group	-	261,721,055,666
	-	<b>261,721,055,666</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	151,271,487,337	119,494,557,567
	<b>226,843,120,749</b>	<b>195,066,190,979</b>

  
**Huynh Thi Ngoc Ha**  
Preparer

  
**Dinh Nhu Cuong**  
Chief Accountant

  
**Lê Ngọc Minh Trí**  
Deputy General Director

20 March 2017