

PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

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CORPORATE INFORMATION

Enterprise registration certificate

No. 2001012298 dated 24 March 2011 which was initially issued by the Department of Planning and Investment of Ca Mau Province with the latest 6th amendment dated 14 June 2018.

Board of Directors

Mr. Tran Ngoc Nguyen	Chairman
Mr. Nguyen Duc Hanh	Member
Mr. Van Tien Thanh	Member
Mr. Tran My	Member
Mr. Truong Hong	Member
	(Appointed on 28 April 2021)
Ms. Do Thi Hoa	Member
	(Appointed on 28 April 2021)
Mr. Le Duc Quan	Member
	(Resigned on 28 April 2021)
Ms. Nguyen Minh Phuong	Member
	(Resigned on 28 April 2021)

Board of Supervision

Ms. Phan Thi Cam Huong	Head
Mr. Do Minh Duong	Member
	(Appointed on 28 April 2021)
Mr. Tran Van Binh	Member
	(Appointed on 28 April 2021)

Board of Management

Mr. Van Tien Thanh	General Director
Mr. Le Ngoc Minh Tri	Deputy General Director
Mr. Nguyen Tuan Anh	Deputy General Director
Ms. Nguyen Thi Hien	Deputy General Director
Mr. Tran Chi Nguyen	Deputy General Director
Mr. Nguyen Thanh Tung	Deputy General Director

Legal representative

Mr. Van Tien Thanh	General Director
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Registered office

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

Auditor

PwC (Vietnam) Limited

STATEMENT OF RESPONSIBILITY OF THE BOARD OF MANAGEMENT OF THE COMPANY IN RESPECT OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Board of Management of PetroVietnam Camau Fertilizer Joint Stock Company ("the Company") is responsible for preparing consolidated interim financial statements of the Company and its subsidiary (together, "the Group") which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2021, and of the consolidated interim results of its operations and its consolidated interim cash flows for the six-month period then ended. In preparing these consolidated interim financial statements, the Board of Management is required to:

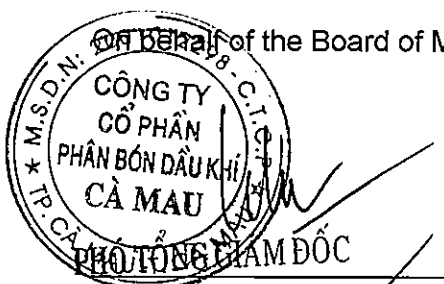
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated interim financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated interim financial position of the Group and enable consolidated interim financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated interim financial statements. The Board of Management is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud or error.

The Legal Representative has authorized Mr. Le Ngoc Minh Tri – Deputy General Director of the Company to sign the consolidated interim financial statements for the six-month period ended 30 June 2021 as per Power of Attorney No 151/UQ-PVCFC dated 31 December 2020.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated interim financial statements as set out on pages 5 to 55 which give a true and fair view of the consolidated interim financial position of the Group as at 30 June 2021, and of the consolidated interim results of its operations and its consolidated interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements.



Le Ngoc Minh Tri
Deputy General Director
Authorised signature

Ho Chi Minh City, SR Vietnam
20 August 2021



REPORT ON THE REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PETROVIETNAM CAMAU FERTILIZER JOINT STOCK COMPANY

We have reviewed the accompanying consolidated interim financial statements of PetroVietnam Camau Fertilizer Joint Stock Company ("the Company") and its subsidiary (together, "the Group") which were prepared on 30 June 2021 and approved by the Board of Management on 20 August 2021. The consolidated interim financial statements comprise the consolidated interim balance sheet as at 30 June 2021, the consolidated interim income statement and the consolidated interim cash flow statement for the six-month period then ended, and explanatory notes to the consolidated interim financial statements including significant accounting policies, as set out on pages 5 to 55.

Responsibility of The Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated interim financial statements; and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of the consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on this consolidated interim financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

A review of interim financial information 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 consolidated interim financial statements do not present fairly, in all material respects, the consolidated interim financial position of the Group as at 30 June 2021, its consolidated interim financial performance and consolidated interim cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated interim financial statements.

Emphasis of Matter

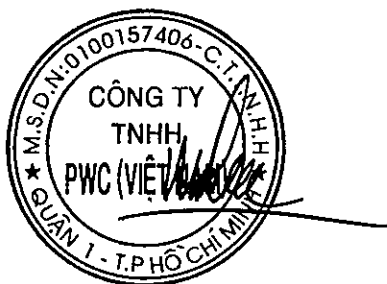
As presented in Note 42 of the Notes to the consolidated interim financial statements, as at the approval date of the consolidated interim financial statements, the relevant authorities have not approved the equitization finalization by the time that the Company officially became a joint stock company. Our review conclusion is not modified in respect of this matter.

Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 12 March 2021. In addition, the consolidated interim financial statements of the Group for the six-month period ended 30 June 2020 were also audited by this auditor who expressed an unmodified conclusion on those statements on 21 August 2020.

The report on the review of consolidated interim financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran
Audit Practising Licence No.
0048-2018-006-1
Authorised signatory

Report reference number: HCM11093
Ho Chi Minh City, 20 August 2021

CONSOLIDATED INTERIM BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
100	CURRENT ASSETS		5,196,709,864,131	3,978,192,126,939
110	Cash and cash equivalents	3	1,159,558,420,808	509,995,350,873
111	Cash		859,558,420,808	289,995,350,873
112	Cash equivalents		300,000,000,000	220,000,000,000
120	Short-term investment		2,932,000,000,000	2,302,000,000,000
123	Investments held to maturity	4	2,932,000,000,000	2,302,000,000,000
130	Short-term receivables		190,031,892,909	217,396,300,223
131	Short-term trade accounts receivable	5	14,988,090,925	44,753,555,075
132	Short-term prepayments to suppliers	6	54,199,351,706	15,505,616,232
136	Other short-term receivables	7	158,097,466,086	157,278,122,406
137	Provision for doubtful debts – short-term		(37,253,015,808)	(140,993,490)
140	Inventories	8	886,077,063,018	834,134,886,038
141	Inventories		886,077,063,018	834,430,472,995
149	Provision for decline in value of inventories		-	(295,586,957)
150	Other current assets		29,042,487,396	114,665,589,805
151	Short-term prepaid expenses	9(a)	21,039,983,784	39,702,860,677
152	Value added tax ("VAT") to be reclaimed	14(a)	7,500,301,283	74,460,526,799
153	Tax and other receivables from the State	14(a)	502,202,329	502,202,329

The notes on pages 11 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2021 VND	31.12.2020 VND
200	LONG-TERM ASSETS		4,116,694,027,414	4,739,288,564,672
210	Long-term receivable		3,000,000	3,000,000
216	Other long-term receivables		3,000,000	3,000,000
220	Fixed assets		4,053,096,152,331	3,955,428,596,723
221	Tangible fixed assets	10(a)	4,008,199,150,629	3,899,631,024,527
222	Historical cost		15,048,103,106,634	14,272,460,795,228
223	Accumulated depreciation		(11,039,903,956,005)	(10,372,829,770,701)
227	Intangible fixed assets	10(b)	44,897,001,702	55,797,572,196
228	Historical cost		147,746,262,372	146,711,262,372
229	Accumulated amortisation		(102,849,260,670)	(90,913,690,176)
240	Long-term asset in progress		51,434,938,145	760,955,297,273
242	Construction in progress	11	51,434,938,145	760,955,297,273
260	Other long-term assets		12,159,936,938	22,901,670,676
261	Long-term prepaid expenses	9(b)	10,810,403,410	17,258,713,922
262	Deferred income tax assets	19	1,349,533,528	5,642,956,754
270	TOTAL ASSETS		9,313,403,891,545	8,717,480,691,611

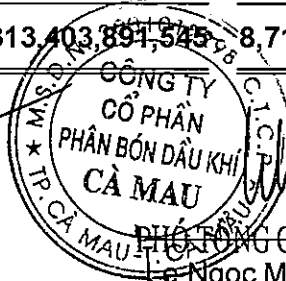
The notes on pages 11 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
300	LIABILITIES		2,578,847,011,468	2,391,033,021,663
310	Short-term liabilities		2,258,358,159,651	2,050,151,784,755
311	Short-term trade accounts payable	12	755,580,604,455	709,126,800,176
312	Short-term advances from customers	13	428,932,144,247	118,183,078,862
313	Tax and other payables to the State	14(b)	24,781,134,737	31,066,794,231
314	Payable to employees		53,883,431,588	98,041,055,868
315	Short-term accrued expenses	15	311,115,209,410	126,023,426,538
319	Other short-term payables	16	130,303,741,392	127,381,799,366
320	Short-term borrowings	17(a)	358,021,040,465	685,406,563,747
321	Provision for short-term liabilities	18	67,804,275,340	-
322	Bonus and welfare fund	20	127,936,578,017	154,922,265,967
330	Long-term liabilities		320,488,851,817	340,881,236,908
338	Long-term borrowings	17(b)	69,616,808,093	137,062,222,093
343	Fund for science and technology development	21	250,872,043,724	203,819,014,815
400	OWNERS' EQUITY		6,734,556,880,077	6,326,447,669,948
410	Capital and reserves		6,734,556,880,077	6,326,447,669,948
411	Owners' capital	22, 23	5,294,000,000,000	5,294,000,000,000
411a	- Ordinary shares with voting rights		5,294,000,000,000	5,294,000,000,000
414	Owners' other capital	23	3,665,420,000	3,665,420,000
418	Investment and development fund	23	552,951,630,517	418,967,418,595
421	Undistributed earnings	23	855,847,302,882	583,467,405,249
421a	- Undistributed post-tax profits of previous years		582,216,583,840	110,778,820,045
421b	- Post-tax profits of current period/year		273,630,719,042	472,688,585,204
429	Non-controlling interests	24	28,092,526,678	26,347,426,104
440	TOTAL RESOURCES		9,313,403,891,545	8,717,480,691,611


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant


PHÓ TỔNG GIÁM ĐỐC
Le Ngoc Minh Tri
Deputy General Director
Authorised signature
20 August 2021

The notes on pages 11 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM INCOME STATEMENT

Code	Note	For the six-month period ended	
		30.6.2021 VND	30.6.2020 VND
01	Revenue from sales of goods and rendering of services	4,436,422,601,160	3,379,728,672,940
02	Less deductions	(200,106,478,361)	(103,363,340,886)
10	Net revenue from sales of goods and rendering of services	4,236,316,122,799	3,276,365,332,054
11	Cost of goods sold and services rendered	(3,441,467,445,695)	(2,659,681,291,967)
20	Gross profit from sales of goods and rendering of services	794,848,677,104	616,684,040,087
21	Financial income	70,116,354,569	61,148,626,289
22	Financial expenses	(15,771,054,710)	(44,693,547,951)
23	- Including: Interest expense	(5,348,304,412)	(30,621,663,668)
25	Selling expenses	(155,468,124,847)	(171,758,974,867)
26	General and administration expenses	(211,180,209,254)	(83,311,331,452)
30	Net operating profit	482,545,642,862	378,068,812,106
31	Other income	2,592,273,486	6,528,553,099
32	Other expenses	(929,741,800)	(1,218,977,557)
40	Net other income	1,662,531,686	5,309,575,542
50	Net accounting profit before tax	484,208,174,548	383,378,387,648
51	Business income tax ("BIT") - current	(31,718,971,188)	(17,215,019,338)
52	BIT - deferred	(4,293,423,226)	(6,952,794,022)
60	Net profit after tax	448,195,780,134	359,210,574,288
Attributable to:			
61	Shareholders of the Company	445,906,487,945	356,543,234,753
62	Non-controlling interests	2,289,292,189	2,667,339,535
70	Basic earnings per share		615
71	Diluted earnings per share		615

Huynh Thi Ngoc Ha
Preparer

Dinh Nhu Cuong
Chief Accountant

Le Ngoc Minh Tri
Deputy General Director
Authorised signature
20 August 2021

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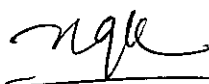
CONSOLIDATED INTERIM CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended	
		30.6.2021	30.6.2020
Code	Note	VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	484,208,174,548	383,378,387,648
	Adjustments for:		
02	Depreciation and amortisation	677,938,365,322	656,706,156,484
03	Provisions	104,620,710,701	142,363,810,733
04	Unrealised foreign exchange (gains)/losses	(1,213,357,192)	1,195,515,558
05	Profits from investing activities	(57,524,154,842)	(56,161,373,468)
06	Interest expense	5,348,304,412	30,621,663,668
07	Other adjustments	53,364,416,311	-
08	Operating profit before changes in working capital	1,266,742,459,260	1,158,104,160,623
09	Decrease in receivables	62,827,196,817	81,161,173,744
10	(Increase)/decrease in inventories	(51,646,590,023)	9,503,253,447
11	Increase/(decrease) in payables	507,250,290,868	(935,689,928,612)
12	Decrease in prepaid expenses	30,901,218,776	39,285,075,342
14	Interest paid	(8,855,458,400)	(36,763,078,705)
15	BIT paid	(36,466,305,766)	(19,196,828,188)
17	Other payments on operating activities	(72,943,436,470)	(48,774,806,491)
20	Net cash inflows from operating activities	1,697,809,375,062	247,629,021,160
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(76,494,413,074)	(122,728,372,715)
23	Term deposits granted	(2,500,000,000,000)	(1,470,000,000,000)
24	Collection of term deposits	1,870,000,000,000	1,570,000,000,000
27	Interest received	51,909,568,537	58,811,968,411
30	Net cash (outflows)/inflows from investing activities	(654,584,844,537)	36,083,595,696
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	480,628,347,066	1,252,505,276,021
34	Repayments of borrowings	(873,850,184,348)	(1,442,651,844,418)
36	Dividends paid	(43,880,500)	(14,449,500)
40	Net cash outflows from financing activities	(393,265,717,782)	(190,161,017,897)
50	Net increase in cash and cash equivalents	649,958,812,743	93,551,598,959
60	Cash and cash equivalents at beginning of period	509,995,350,873	471,173,323,541
61	Effect of foreign exchange differences	(395,742,808)	(1,182,426,344)
70	Cash and cash equivalents at end of period	1,159,558,420,808	563,542,496,156

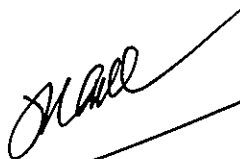
The notes on pages 11 to 55 are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM CASH FLOW STATEMENT (continued)
(Indirect method)

Additional information relating to the consolidated interim cash flow statement is presented in Note 38.



Huynh Thi Ngoc Ha
Preparer



Dinh Nhu Cuong
Chief Accountant


PHÓ TỔNG GIÁM ĐỐC

Le Ngoc Minh Tri
Deputy General Director
Authorised signature
20 August 2021

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

1 GENERAL INFORMATION

PetroVietnam Camau Fertilizer Joint Stock Company ("the Company"), formerly known as PetroVietnam Camau Fertilizer One Member Limited Liability Company - a subsidiary of Vietnam Oil and Gas Group, was established in Vietnam pursuant to Enterprise registration certificate No. 2001012298 initially issued by the Department of Planning and Investment of Ca Mau Province on 24 March 2011.

On 12 April 2012, the Company received Investment registration certificate No. 61101000153 issued by the People's Committee of Ca Mau Province to construct "Ca Mau Fertilizer Factory" project at An Khanh Commune, U Minh District, Ca Mau Province, for a period of 20 years from the date of this Investment registration certificate. The total charter capital of this project is VND19,658.46 billion. On 13 November 2018, the Department of Planning and Investment of Ca Mau Province issued Investment registration certificate No. 8568610502 as a replacement of Investment registration certificate No. 61101000153 issued by the People's Committee of Ca Mau Province.

PetroVietnam Camau Fertilizer One Member Limited Liability Company was officially transformed into a joint stock company named PetroVietnam Camau Fertilizer Joint Stock Company pursuant to the fifth amended Enterprise registration certificate No. 2001012298 issued by the Department of Planning and Investment of Ca Mau Province on 15 January 2015. The Company's charter capital is VND5,294 billion, equivalent to 529,400,000 shares with par value at VND10,000 per share.

The Company's stocks were listed on Ho Chi Minh City Stock Exchange ("HOSE") on 31 March 2015 with the stock code as "DCM" according to Notice No. 342/TB-SGDHCM dated 20 March 2015 of the HOSE.

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

The principal activities of the Company include:

- 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 of development of natural science and engineering technical testing and analysing;
- Machinery and equipment repair and maintenance;
- Establishment of website, processing rental data;
- Trading agricultural products and materials; and
- Trading real estate, land use rights belonging to owners, users or tenants.

As at 30 June 2021 and 31 December 2020, the Company had one subsidiary - PetroVietnam Packaging Joint Stock Company ("the subsidiary"). General information about the subsidiary is as below:

Name	Principal activities	Place of incorporation and operation	% of ownership and voting rights	
			30.6.2021	31.12.2020
PetroVietnam Packaging Joint Stock Company	Package manufacturing	Bac Lieu	51.03	51.03

1 GENERAL INFORMATION (continued)

As at 30 June 2021 and 31 December 2020, the Company had 2 branches that are dependent accounting units, located in plot D, Ward 1 Industrial Zone, Ngo Quyen Street, Ward 1, Ca Mau City, Ca Mau Province. These branches are granted with branch stamps and allowed to open accounts at banks in accordance with Vietnamese laws and regulations. Details of these branches are as follows:

- Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company - Project Management Unit which was established under Decision No. 1109/QD-PVCFC dated 1 June 2016 of the Board of Directors of the Company: is responsible for managing construction projects of the Company.
- Branch of PetroVietnam Ca Mau Fertilizer Joint Stock Company – Research and Development Center which was established under Decision No. 442/QD-PVCFC dated 27 March 2017 of the Board of Directors of the Company: is responsible for researching and developing new products.

The normal business cycle of the Company and its subsidiary (together, “the Group”) is 12 months.

As at 30 June 2021, the Group had 1,225 employees (as at 31 December 2020: 1,203 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated interim financial statements

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements. The consolidated interim financial statements have been prepared under the historical cost convention.

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

The consolidated interim financial statements in the Vietnamese language are the official statutory consolidated interim financial statements of the Group. The consolidated interim financial statements in the English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Group’s fiscal year is from 1 January to 31 December. The consolidated interim financial statements are prepared for the six-month period from 1 January to 30 June.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Currency

The consolidated interim financial statements are measured and presented in the Vietnamese Dong ("VND" or "Dong"). The Group determines their accounting currency based on the currency which is mainly used in sales of goods, which has a significant impact on selling prices of goods, which is normally used to list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on costs of labour, materials and other production or operating costs and normally used as payments for those costs.

In addition, the Group also uses this currency to raise financial resources and regularly collect this currency from business operations and savings.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated interim income statement.

According to 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 the Ministry of Finance ("Official Letter 4360 and Official Letter 7526") on the exchange rates of foreign currencies, the Group applies the buying rates announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies when preparing consolidated interim financial statements. These exchange rates differ from those stipulated in Circular No. 200/2014/TT-BTC dated 22 December 2014 issued by the Ministry of Finance guiding the accounting regime for enterprises. The Board of Management assesses that exchange differences arising from using the different exchange rates are immaterial.

The exchange differences arising from using the exchange rates stipulated in "Official Letter 4360 and Official Letter 7526" are recognised as income or expense in the consolidated interim income statement.

2.5 Basis of consolidation

Subsidiary

Subsidiary is entity over which the Group has the power to govern the financial and operating policies in order to gain future benefits from its activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is de-consolidated from the date that control ceases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continue)****Subsidiary (continue)**

The purchase method of accounting is used to account for the acquisition of subsidiary by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated interim income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated.

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests ("NCI") as transactions with external parties to the Group.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

The divestment of the Group's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received from divestment of Group's interest in the subsidiary is recorded directly in the undistributed earnings under equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continue)****Non-controlling transactions and interests (Continue)**

In a divestment of the Group's interest in a subsidiary that results in a loss of control, the difference between the Group's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated interim income statement. The retained interest in the entity will be accounted for as either an investment in another entity or investment to be equity accounted for since the divestment date.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, demand deposits and other short-term investments with an original maturity of three months or less.

2.7 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into long-term and short-term receivables on the consolidated interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the specific identification method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Group applies the perpetual system for inventories.

Provision is made, when necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this period and the provision of the previous period are recognised as an increase or decrease of cost of goods sold in the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments held to maturity**

Investments held to maturity are investments which the Group has a positive intention and ability to hold until maturity.

Investment held to maturity include bank term deposits. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in the value of investments held to maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified into short-term and long-term investments held to maturity on the consolidated interim balance sheet based on remaining period from the consolidated interim balance sheet date to the maturity date

2.10 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes any expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated interim income statement when incurred.

The Company's tangible and intangible fixed assets were revalued when the state-owned enterprise was equitized. Historical cost and accumulated depreciation were adjusted based on the valuation results which were approved by the relevant authorities in accordance with regulations, the adjusted depreciation commenced when the Company officially became a joint stock company.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Land use rights	20 – 43 years
Plant, building and structures	5 – 25 years
Machinery, equipment	5 – 12 years
Motor vehicles	5 – 8 years
Office equipment	3 – 6 years
Patents	3 years
Computer software	3 – 6 years
Others	3 – 6 years

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)**

The increase in value of land use rights, deriving from revaluation and change to the form in which the State allocates land to the Company and collects land rental after the Company's equitization, is recognised in Tax and other payables to the State.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the consolidated interim income statement.

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined including construction costs; costs of tools and equipment; compensation costs; project management expenditures; construction consulting expenditures; and capitalised borrowing costs for qualifying assets in accordance with the Group's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated interim income statement on a straight-line basis over the terms of the lease.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated interim balance sheet. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services; and
- Other payables are non-trade payables, and payables not relating to purchases of goods and services.

Payables are classified into long-term and short-term payables on the consolidated interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Borrowings

Borrowings include borrowings from banks.

Borrowings are classified into long-term and short-term borrowings on the consolidated interim balance sheet based on the remaining period from the consolidated interim balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Group determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on the assets. The capitalisation rate is the weighted average of the interest rates applicable to the Group's borrowings that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated interim income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid due for to pending invoices or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a financial expense. Changes in the provision balance during the accounting period are recorded as an increase or decrease in operating expenses.

2.17 Capital and reserves

Owners' capital is recorded according to the actual amounts contributed at the par value of the shares.

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

Undistributed earnings record the Group's results after BIT at the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Appropriation of profit**

The Group's results after BIT is appropriated in accordance with the Resolution of the General Meeting of shareholders, including: dividend distribution and fund appropriation according to the Company's charter and Vietnamese regulations.

According to the Company's charter, dividend is recognised as a liability in the consolidated interim financial statements of the accounting period based on the closing date of shareholder list following the Resolution of the Board of Directors after the dividend distribution plan is approved at the General Meeting of shareholders.

Profit after BIT could be distributed to shareholders after approval at the General Meeting of shareholders, and after appropriation to other funds in accordance with the Company's charter and Vietnamese regulations.

The Group's fund is as below:

Investment and development fund

Investment and development fund is appropriated at a rate of no more than 30% of profit after BIT of the Group and approved at the General Meeting of shareholders. This fund is used for expanding the production scale, business or in-depth investment.

Science and technology development fund

The science and technology development fund is appropriated at a rate of no more than 10% of taxable profit of the Group and approved at the General Meeting of shareholders, in order to build investment fund for science and technology activities of the Group. This fund is developed upon on the Group's development and technology innovation demand and recognised to the consolidated operation results of the period. This fund is presented as a liability on the consolidated interim balance sheet.

Bonus and welfare fund

Bonus and welfare fund is appropriated at a rate of the employees' average salary of the three-month period and approved at the General Meeting of shareholders, and used for bonus and welfare payment for employees. This fund is presented as a liability on the consolidated interim balance sheet.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition****(a) Revenue from sales of goods**

Revenue from the sale of goods is recognised in the consolidated interim income statement when all five (5) following conditions are satisfied:

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation. In cases where the Group gives promotional goods to customers associated with their purchases, the Group allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the consolidated interim income statement.

(b) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated interim income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated interim balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Sales deductions**

Sales deductions include trade discounts. Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that period.

Sales deductions for sales of products, goods or rendering of services which are sold or rendered in the period but are incurred after the consolidated interim balance sheet date but before the issuance of the consolidated interim financial statements are recorded as a deduction from the revenue of the period.

2.21 Cost of goods sold and services rendered

Cost of goods sold and services rendered are the cost of finished goods, merchandise, materials sold or services rendered during the period, and recorded on the basis of matching with revenue and on a prudence basis.

2.22 Financial expenses

Financial expenses are expenses incurred in the period for financial activities including interest expense, losses from foreign exchange differences, guarantee fees and payment discount.

2.23 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, merchandise, and providing services.

2.24 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes of the Group.

2.25 Current and deferred income tax

Income tax include all income tax which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income tax payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred income tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the income tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated interim financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiary and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, key management personnel, including the Board of Directors and the Board of Management of the Group, close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering a related party relationship, the Group considers the substance of the relationship, not merely the legal form.

2.27 Segment reporting

A segment is a component which can be separated by the Group engaged in sales of goods or rendering of services ("business segment"), or providing products or services within a particular economic environment ("geographical segment"). Each segment is subject to risks and returns that are different from those of other segments.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated interim financial statements in order to help users of consolidated interim financial statements understand and evaluate the Group's operations in a comprehensive way.

2.28 Accounting estimates

The preparation of consolidated interim financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated interim financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated interim financial statements and the reported amounts of revenues and expenses during the accounting period.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful lives of fixed assets (Note 2.10, 10); and
- Estimated short-term provision (Note 18).

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed by the Board of Management to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	30.6.2021 VND	31.12.2020 VND
Cash on hand	1,930,134,773	1,012,932,449
Cash at bank	857,628,286,035	288,982,418,424
Cash equivalents (*)	300,000,000,000	220,000,000,000
	<u>1,159,558,420,808</u>	<u>509,995,350,873</u>

(*) Cash equivalents mainly include term deposits in VND at banks with original maturities of 3 months or less and earn interest at rates ranging from 2.9% to 3.3% per annum (as at 31 December 2020: 3.65% per annum).

4 INVESTMENTS HELDS TO MATURITY

	As at 30.6.2021		As at 31.12.2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits (*)	2,932,000,000,000	2,932,000,000,000	2,302,000,000,000	2,302,000,000,000
	<u>2,932,000,000,000</u>	<u>2,932,000,000,000</u>	<u>2,302,000,000,000</u>	<u>2,302,000,000,000</u>

(*) As at 30 June 2021, short-term deposits include the deposit in VND at local commercial banks with original terms of 3 to 12 months and earn interest at rates ranging from 3.5% to 5.35% per annum (as at 31 December 2020: 3.6% to 5.35% per annum).

As at 30 June 2021, the deposit amounting VND100 billion at Joint Stock Commercial Bank for Foreign Trade of Vietnam – Thu Thiem Branch was used as a security for short-term loans at this bank (Note 17).

As at 30 June 2021, the Company had a deposit of VND332 billion at Ocean Commercial Joint Stock Bank – Ca Mau Branch ("OceanBank"). According to Official Letter No. 17/2015/CV-GDCNCM dated 14 May 2015 of OceanBank, under the instruction of the State Bank of Vietnam ("SBV"), OceanBank has been temporarily suspending payment to institutional customers who had deposits at OceanBank from 11 February 2015. On 23 February 2021, the Company sent Official Letter No. 233/PVCFC-TCKT to the SBV and OceanBank on the payment of this deposit and has not received the response. This deposit is currently applied the interest rate of 4% per annum and periodic interest is transferred to the Company's account opened at OceanBank. Because the SBV has taken over OceanBank and transformed the operational model of OceanBank into Ocean Commercial One Member Limited Liability Bank owned by the State since 8 May 2015, the Board of Management assesses that the deposit mentioned above is still collectible, there is no risk of loss and therefore no provision for loss of asset has been recognised.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2021		31.12.2020	
	Amount VND	Provision VND	Amount VND	Provision VND
Third parties				
Minh Dung Import Export One Member Limited Liability Company	12,071,800,000	-	3,952,500,000	-
Vitaco Green Nature Co., Ltd	625,862,922	-	-	-
Grow A Joint Stock Company	454,915,940	(27,424,782)	-	-
Nguyen Khoa Trading Co., Ltd	-	-	7,960,000,000	-
Baconco Co., Ltd	-	-	7,225,255,750	-
Tuong Dung An Giang One Member Limited Liability Company	-	-	6,393,500,000	-
Hiep Loan Import Export Co., Ltd	1,086,750,000	-	5,974,450,000	-
Others	748,762,063	(28,502,166)	12,709,868,925	(140,993,490)
Related parties (Note 39(b))	-	-	537,980,400	-
	<u>14,988,090,925</u>	<u>(55,926,948)</u>	<u>44,753,555,075</u>	<u>(140,993,490)</u>

As at 30 June 2021 and 31 December 2020, the balances of short-term trade accounts receivable, which were past due, were VND132,133,320 and VND281,986,980, respectively.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2021 VND	31.12.2020 VND
Third parties		
Air Products and Chemicals, In.	9,877,930,000	-
Tri Viet Trading Engineering Co., Ltd	5,854,540,659	245,316,659
Bateco Vietnam Joint Stock Company	-	2,853,160,182
Others	35,797,472,696	12,022,792,816
Related parties (Note 39(b))	2,669,408,351	384,346,575
	<u>54,199,351,706</u>	<u>15,505,616,232</u>

7 OTHER RECEIVABLES

(a) Short-term

	As at 30.6.2021		As at 31.12.2020	
	Book value	Provision	Book value	Provision
Third parties				
Receivable from withholding tax on interest of foreign borrowings (i)	43,142,486,637	(37,197,088,860)	42,851,089,549	-
Interest receivables from term deposits	24,152,438,360	-	18,537,852,055	-
Receivable from purchase discount	-	-	13,439,746,830	-
Advances from employee	3,343,680,300	-	2,505,620,800	-
Deposits	3,804,006,516	-	335,000,000	-
Others	6,230,364,460	-	2,184,323,359	-
Related parties (Note 37(b))				
Receivables from Vietnam Oil and Gas Group (ii)	77,424,489,813	-	77,424,489,813	-
	<u>158,097,466,086</u>	<u>(37,197,088,860)</u>	<u>157,278,122,406</u>	<u>-</u>

- (i) The balance includes accumulated withholding tax that the Company paid for the period from 1 January 2013 to 30 June 2021 which is receivable from foreign contractors related to the interest on the loans under the ECA Credit Loan Agreement between group of banks (including BNP Paribas, Export-Import Bank of China and Credit Agricole Bank) and Vietnam Oil and Gas Group. The Company paid this tax according to the working minutes dated 26 April 2018 of the Department of Finance Inspectorate, the Tax Department of Ca Mau Province and Company (Note 41(a)).

As at 30 June 2021, the provision for short-term receivables is related to withholding tax paid for the period from 1 January 2013 to 31 December 2016 in relation to interest on the loans from BNP Paribas and Credit Agricole Corporate; and withholding tax paid for the period from 1 January 2013 to 30 June 2021 in relation to interest on the loan from Export-Import Bank of China.

- (ii) The balance represents profits of the period from 1 January 2014 to 14 January 2015, which was overpaid to Vietnam Oil and Gas Group due to price adjustments of gas that the Company purchased from Vietnam Oil and Gas Group during that period. This receivable will be collected when the Company's equitization is finalised.

As at 30 June 2021 and 31 December 2020, there was no balance of short-term receivable that was past due or not past due but doubtful.

8 INVENTORIES

	As at 30.6.2021		As at 31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	512,599,667,364	-	514,156,735,209	-
Tools and supplies	14,433,594,238	-	22,005,575,983	-
Work in progress	62,198,403,027	-	46,951,110,161	-
Finished goods	199,296,617,915	-	138,886,900,543	(295,586,957)
Merchandises	97,548,780,474	-	112,430,151,099	-
	<u>886,077,063,018</u>	<u>-</u>	<u>834,430,472,995</u>	<u>(295,586,957)</u>

Movements in the provision for decline in value of inventories during the period/year are as follows:

	For the six- month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	295,586,957	-
Increase	-	295,586,957
Reversal	<u>(295,586,957)</u>	<u>-</u>
End of period/year	<u>-</u>	<u>295,586,957</u>

9 PREPAID EXPENSES

(a) Short-term

	30.6.2021 VND	31.12.2020 VND
Insurance	5,341,021,554	5,942,721,832
Software warranty costs	1,990,195,572	5,411,686,281
Others	13,708,766,658	28,348,452,564
	<u>21,039,983,784</u>	<u>39,702,860,677</u>

9 PREPAID EXPENSES (continued)

(b) Long-term

	30.6.2021 VND	31.12.2020 VND
Repair and maintenance	4,900,255,443	10,970,158,182
Tools and supplies	4,440,009,742	4,368,403,878
Others	1,470,138,225	1,920,151,862
	<u>10,810,403,410</u>	<u>17,258,713,922</u>

Movement in long-term prepaid expenses during the period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	56,961,574,599	77,776,708,373
Increase	27,378,401,777	98,134,748,084
Allocation	(52,489,589,182)	(118,949,881,858)
End of period/year	<u>31,850,387,194</u>	<u>56,961,574,599</u>

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10 FIXED ASSETS

(a) Tangible fixed assets

	Plant, buildings and structures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
Historical cost						
As at 1 January 2021	3,553,580,528,138	10,501,077,536,795	73,539,495,539	84,893,260,941	59,369,973,815	14,272,460,795,228
New purchases	364,840,451	10,830,815,191	-	672,638,526	-	11,868,294,168
Transfers from construction in progress (Note 11)	308,169,411,277	461,394,637,332	-	-	-	769,564,048,609
Others	-	-	-	(5,790,031,371)	-	(5,790,031,371)
As at 30 June 2021	3,862,114,779,866	10,973,302,989,318	73,539,495,539	79,775,868,096	59,369,973,815	15,048,103,106,634
Accumulated depreciation						
As at 1 January 2021	2,558,205,899,076	7,677,936,193,359	58,390,810,688	59,794,428,551	18,502,439,027	10,372,829,770,701
Charge for the period	161,709,798,302	500,092,681,745	2,253,456,852	2,919,833,861	98,414,544	667,074,185,304
As at 30 June 2021	2,719,915,697,378	8,178,028,875,104	60,644,267,540	62,714,262,412	18,600,853,571	11,039,903,956,005
Net book value						
As at 1 January 2021	995,374,629,062	2,823,141,343,436	15,148,684,851	25,098,832,390	40,867,534,788	3,899,631,024,527
As at 30 June 2021	1,142,199,082,488	2,795,274,114,214	12,895,227,999	17,061,605,684	40,769,120,244	4,008,199,150,629

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10 FIXED ASSETS (continued)

(a) Tangible fixed assets (continued)

The Group has pledged the fixed assets built from projects including Camau Fertilizer Production Factory, Material import port with capacity of 500,000 tons/year of Ca Mau Fertilizer Production Factory and Factory producing Complex Fertilizer from Molten Urea as collaterals for the Group's bank loans. The carrying value of these assets as at 30 June 2021 was VND3,900,591,351,654 (as at 31 December 2020: VND3,579,716,861,942) (Note 17).

PetroVietnam Packaging Joint Stock Company ("the subsidiary") has pledged the fixed assets built from Bac Lieu Petroleum Packaging Factory Project and assets formed from loans at Vietnam Joint Stock Commercial Bank for Industry and Trade – Bac Lieu Branch whose carrying value was VND21,140,269,767 as at 30 June 2021 (as at 31 December 2020: VND23,319,884,656) as collaterals for the Group's bank loans (Note 17).

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was VND333,837,449,681 (as at 31 December 2020: VND317,917,027,708).

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10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Patents VND	Computer software VND	Total VND
Historical cost				
As at 1 January 2021	22,194,885,567	14,080,000,000	110,436,376,805	146,711,262,372
New purchases	-	-	1,035,000,000	1,035,000,000
As at 30 June 2021	22,194,885,567	14,080,000,000	111,471,376,805	147,746,262,372
Accumulated amortisation				
As at 1 January 2021	7,573,890,220	14,080,000,000	69,259,799,956	90,913,690,176
Charge for the period	638,036,486	-	11,297,534,008	11,935,570,494
As at 30 June 2021	8,211,926,706	14,080,000,000	80,557,333,964	102,849,260,670
Net book value				
As at 1 January 2021	14,620,995,347	-	41,176,576,849	55,797,572,196
As at 30 June 2021	13,982,958,861	-	30,914,042,841	44,897,001,702

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2021 was VND63,853,494,341 (as at 31 December 2020: VND63,853,494,341).

11 CONSTRUCTION IN PROGRESS

Details of construction in progress by projects are as follows:

	As at 30.6.2021 VND	As at 31.12.2020 VND
Factory producing Complex Fertilizer from Molten Urea (*)	28,963,833,514	748,149,371,686
MB vent gas recovery system	12,645,370,689	3,953,884,558
Packaging warehouse - Production	4,515,487,702	3,871,758,521
CO2 separation system	-	2,745,101,039
Others	5,310,246,240	2,235,181,469
	<u>51,434,938,145</u>	<u>760,955,297,273</u>

- (*) The Company has pledged the assets built from Factory producing Complex Fertilizer from Molten Urea Project whose carrying value was VND28,963,833,514 as at 30 June 2021 (as at 31 December 2020: VND748,149,371,686) as collaterals for the Group's bank loans (Note 17).

Movements in construction in progress during the period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	760,955,297,273	698,579,632,340
Purchase	60,043,689,481	81,384,243,694
Transfers to fixed assets (Note (10a))	(769,564,048,609)	(19,008,578,761)
End of period/year	<u>51,434,938,145</u>	<u>760,955,297,273</u>

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	As at 30.6.2021		As at 31.12.2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Hung Thanh Agricultural Materials Co., Ltd	11,154,827,500	11,154,827,500	-	-
Phu Gia Trading Production Development Investment Co., Ltd	10,157,840,000	10,157,840,000	-	-
Le Vu Technical Technology Co., Ltd	5,646,437,500	5,646,437,500	-	-
Quan Chau Co., Ltd	4,338,589,226	4,338,589,226	-	-
Thanh An Development and Investment Service Trading Co., Ltd	3,911,600,000	3,911,600,000	7,815,959,250	7,815,959,250
Southern Industrial Material Trading Production Co., Ltd	42,350,000	42,350,000	2,344,118,000	2,344,118,000
Sun Life Vietnam Co., Ltd	4,717,500,000	4,717,500,000	40,000,000,000	40,000,000,000
Others	109,431,429,848	109,431,429,848	184,755,543,316	184,755,543,316
Related parties (Note 39(b))	606,180,030,381	606,180,030,381	474,211,179,610	474,211,179,610
	<u>755,580,604,455</u>	<u>755,580,604,455</u>	<u>709,126,800,176</u>	<u>709,126,800,176</u>

As at 30 June 2021 and 31 December 2020, there was no balance of short-term trade accounts payable that was past due.

13 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2021 VND	31.12.2020 VND
Yetak Group Co., Ltd	94,436,135,400	27,676,624,079
Sayimex Ta Mchas Sre Co., Ltd	69,606,107,880	16,999,189,280
Hung Thanh Agricultural Material Co., Ltd	41,921,663,240	16,138,922,240
Chhun Sok An CO., Ltd	37,713,073,619	-
Tuan Vu Fertilizer Service Trading Co., Ltd	22,606,159,400	-
Minh Khoa Service Trading Co., Ltd	18,111,983,000	-
Hour Sarin Aphivath Kasekem Co., Ltd	17,768,904,500	-
Huu Thanh I Co., Ltd	14,031,531,600	-
Nguyen Khoa Trading Co., Ltd	13,025,789,999	-
Minh Dung Import Export One Member Limited Liability Company	12,001,850,000	-
Others	87,708,945,609	57,368,343,263
	<u>428,932,144,247</u>	<u>118,183,078,862</u>

14 TAX AND PAYABLES TO/RECEIVABLES FROM THE STATE

Movements in taxes and payables to/receivables from the State are as follows:

	As at 1.1.2021 VND	Receivable/payable during the period VND	Net-off VND	Payment/refund during the period VND	As at 30.6.2021 VND
a) Receivables					
VAT to be reclaimed	74,460,526,799	37,658,819,199	(1,484,084,857)	(103,134,959,858)	7,500,301,283
VAT overpaid	104,855,724	-	-	-	104,855,724
Land rental	397,346,605	80,190,633	-	(80,190,633)	397,346,605
	<u>74,962,729,128</u>	<u>37,739,009,832</u>	<u>(1,484,084,857)</u>	<u>(103,215,150,491)</u>	<u>8,002,503,612</u>
b) Payables					
VAT on importation	-	10,926,591,894	(8,369,185,651)	(4,042,921,374)	309,866,476
BIT - current	1,795,381,607	31,718,971,188	-	(36,466,305,766)	22,206,397,883
Personal income tax	26,953,732,461	16,638,150,220	-	(16,683,572,805)	2,026,580,378
VAT payables	2,072,002,963	1,484,084,857	(1,484,084,857)	-	-
Natural resource tax	-	1,285,545,150	-	(1,292,932,350)	221,616,000
Other taxes	229,003,200	817,630,381	-	(817,630,381)	16,674,000
	<u>31,066,794,231</u>	<u>62,870,973,690</u>	<u>(9,853,270,508)</u>	<u>(59,303,362,676)</u>	<u>24,781,134,737</u>

15 SHORT-TERM ACCRUED EXPENSES

	30.6.2021 VND	31.12.2020 VND
Third parties		
Trade discount payable (*)	198,169,648,292	56,512,371,793
Cost of purchasing goods and services	32,744,484,235	21,346,111,775
Social security	5,000,000,000	-
Interest expense	1,518,122,550	5,035,488,008
Guarantee payable	128,528,128	500,143,854
Voluntary retirement insurance, postpaid benefits	27,682,416,333	
Others	25,605,841,309	28,255,087,453
Related party		
Non-deductible VAT	20,266,168,563	14,374,223,655
	<u>311,115,209,410</u>	<u>126,023,426,538</u>

(*) Trade discount payable is estimated in accordance with the sales policy approved by the Board of Management of the Company, which is mainly the trade discount of finished goods – Urea product.

16 OTHER SHORT-TERM PAYABLES

	30.6.2021 VND	31.12.2020 VND
Third parties		
Safety bonus fund	13,916,894,677	5,182,233,141
Union fund	627,177,165	2,620,361,383
Short-term deposits	1,999,032,000	1,145,292,000
Other short-term payables	11,616,441,836	16,245,836,628
Dividend payables	435,993,000	479,873,500
Related parties (Note 39(b))		
Payable to Camau Gas Power Fertilizer Project Management Board	55,851,413,429	55,851,413,429
- Input VAT on gas purchase in the period before officially commercial operation	49,897,065,571	49,897,065,571
- Other payables	5,954,347,858	5,954,347,858
Payable to Vietnam Oil and Gas Group	45,856,789,285	45,856,789,285
- Equitization payable		
+ Profit payable for the period from 1 January 2014 to 14 January 2015	12,219,608,894	12,219,608,894
+ Overpaid the CIT in 2014	32,375,616,667	32,375,616,667
+ CIT payable for the period from 1 January 2015 to 14 January 2015	1,176,849,040	1,176,849,040
+ Others	247,500,000	247,500,000
- Other payables	(162,785,316)	(162,785,316)
	<u>130,303,741,392</u>	<u>127,381,799,366</u>

As at 30 June 2021 and 31 December 2020, there was no balance of other short-term payables that was past due.

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17 BORROWINGS

(a) Short-term

	As at 1.1.2021 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2021 VND
Borrowing from banks (i)	155,758,063,000	480,628,347,066	(539,850,910,066)	(959,100,000)	95,576,400,000
Current portion of long-term borrowings	529,648,500,747	67,445,414,000	(333,999,274,282)	(650,000,000)	262,444,640,465
	<u>685,406,563,747</u>	<u>548,073,761,066</u>	<u>(873,850,184,348)</u>	<u>(1,609,100,000)</u>	<u>358,021,040,465</u>

(i) Detail of Short-term borrowings as below:

	Year of maturity	30.6.2021 VND	31.12.2020 VND
Joint Stock Commercial Bank for Foreign Trade Of Vietnam - Thu Thiem Branch	2021	95,576,400,000	155,758,063,000

Including short-term loan in United States dollar ("USD") from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Thu Thiem branch with the term of 2 months to support the Group's working capital, bearing interest rate of 1.6% per annum. As at 30 June 2021, the outstanding original balance is USD4,170,000, equivalent to VND95,576,400,000. The security of this loan is term deposit of VND100 billion at this bank.

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17 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2021 VND	Increase VND	Decrease VND	Revaluation VND	As at 30.6.2021 VND
Borrowing from banks (ii)	666,710,722,840	-	(333,999,274,282)	(650,000,000)	332,061,448,558
Current portion of long-term borrowings	(529,648,500,747)	(67,445,414,000)	333,999,274,282	650,000,000	(262,444,640,465)
	<u>137,062,222,093</u>	<u>(67,445,414,000)</u>	<u>-</u>		<u>69,616,808,093</u>

(ii) Details of the borrowing are as follows:

	Maturity date	30.6.2021 VND	31.12.2020 VND
Saigon - Ha Noi Commercial Joint Stock Bank (*)	25/11/2022	197,676,867,586	263,566,281,586
Group of banks (BNP Paribas, Credit Agricole Bank and Export-Import Bank of China) (*)	21/07/2021	114,599,999,997	368,559,999,997
Ho Chi Minh City Development Joint Stock Commercial Bank - Ca Mau Branch (*)	30/08/2021	12,656,260,307	25,312,520,589
Vietnam Joint Stock Commercial Bank for Industry And Trade - Bac Lieu Branch (**)	06/09/2024	7,128,320,668	9,271,920,668
		<u>332,061,448,558</u>	<u>666,710,722,840</u>

17 BORROWINGS (continued)

(b) Long-term

(*) These are long-term loans in USD and VND of the Company to finance purchases and constructions of fixed assets of the Company. These loans are secured by assets formed from the loans. Floating interest rate is applied in accordance with the lender's regulations, interest rates range from 1.8% to 4% per annum for loans in USD and from 7.84% to 9.1% per annum for loans in VND.

(**) This is a long-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Lieu Branch of the subsidiary under credit facility contracts of 3 to 7 years to finance purchases and constructions of fixed assets of the subsidiary. The loan is secured by assets built from Bac Lieu Petroleum Packaging Factory Project and other assets formed from the loan. The loan is applied floating interest rate.

18 PROVISION FOR OTHER LIABILITIES

	30.6.2021 VND	31.12.2020 VND
Provision for repair and maintenance (*)	52,804,275,340	-
Others	15,000,000,000	-
	<u>67,804,275,340</u>	<u>-</u>

(*) During the period, the Group made provision for repair and maintenance according to the 2021 production and business plan as approved under the Resolution No. 6259/NQ-DKVN dated 22 December 2020 of the Board of Members of Vietnam Oil and Gas Group.

19 DEFERRED TAX ASSET

Movements in deferred income tax during the period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	5,642,956,754	7,168,817,432
Consolidated interim income statement charge (Note 35)	<u>(4,293,423,226)</u>	<u>(1,525,860,678)</u>
End of period/year	<u>1,349,533,528</u>	<u>5,642,956,754</u>

19 DEFERRED TAX ASSET (continued)

Details of deferred tax assets:

	30.6.2021 VND	31.12.2020 VND
Trade discount that has not been invoiced	-	4,156,620,880
Unrealized profit	1,349,533,528	1,486,335,874
	<u>1,349,533,528</u>	<u>5,642,956,754</u>

20 BONUS AND WELFARE FUND

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	154,922,265,967	104,358,451,427
Fund appropriation during the period/year (Note 23)	40,615,212,505	123,120,879,530
Adjusted appropriation to bonus and welfare fund from 2020 profit (Note 23)	(528,642,500)	(315,244,328)
Utilisation during the period/year	<u>(67,072,257,955)</u>	<u>(72,241,820,662)</u>
End of period/year	<u>127,936,578,017</u>	<u>154,922,265,967</u>

Bonus and welfare fund was appropriated in the six-month period ended 30 June 2021 according to the Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the General Meeting of Shareholders of the Company.

21 SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	203,819,014,815	137,797,154,046
Fund appropriation during the period/year	53,364,416,311	79,425,415,134
Utilisation during the period/year	<u>(6,311,387,402)</u>	<u>(13,403,554,365)</u>
End of period/year	<u>250,872,043,724</u>	<u>203,819,014,815</u>

21 SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND (continued)

The scientific and technological development fund was appropriated in the six-month period ended 30 June 2021 at the rate of 10% of the Company's taxable profit according to the Resolution No. 169/NQ-PVCFC dated 28 January 2021 of the General Meeting of Shareholders of the Company.

22 OWNERS' CAPITAL

(a) Number of shares

	<u>As at 30.6.2021</u>		<u>As at 31.12.2020</u>	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>529,400,000</u>	-	<u>529,400,000</u>	-
		=		=
Number of shares issued	<u>529,400,000</u>	-	<u>529,400,000</u>	-
		-		-
Number of existing shares in circulation	<u>529,400,000</u>	-	<u>529,400,000</u>	-
		=		=

(b) Details of owners' shareholding

	<u>As at 30.6.2021</u>		<u>As at 31.12.2020</u>	
	Ordinary shares	%	Ordinary shares	%
Vietnam Oil and Gas Group	4,000,230,570	75.56	4,000,230,570	75.56
Other shareholders	<u>1,293,769,430</u>	<u>24.44</u>	<u>1,293,769,430</u>	<u>24.44</u>
Number of shares	<u>5,294,000,000</u>	<u>100</u>	<u>5,294,000,000</u>	<u>100</u>

(c) Movement of share capital

During the six-month period ended 30 June 2021 and the year ended 31 December 2020, there was no change in the total share value.

Par value per share: VND10,000.

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23 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Investment and development fund VND	Owners' other capital VND	Undistributed earnings VND	Non-controlling interests VND	Total VND
As at 1 January 2020	5,294,000,000,000	352,538,306,337	3,665,420,000	428,845,630,394	27,277,893,348	6,106,327,250,079
Net profit for the year	-	-	-	661,046,074,192	1,400,260,079	662,446,334,271
Appropriation to investment and development fund from 2020 profit	-	-	-	(66,429,112,258)	-	-
Appropriation to bonus and welfare fund from 2020 profit	-	66,429,112,258	-	(122,670,431,407)	(450,448,123)	(123,120,879,530)
Adjusted appropriation to bonus and welfare fund from 2019 profit	-	-	-	315,244,328	-	315,244,328
Dividend distribution from 2019 profit	-	-	-	(317,640,000,000)	(1,880,279,200)	(319,520,279,200)
As at 31 December 2020	5,294,000,000,000	418,967,418,595	3,665,420,000	583,467,405,249	26,347,426,104	6,326,447,669,948
Net profit for the period	-	-	-	445,906,487,945	2,289,292,189	448,195,780,134
Appropriation to investment and development fund from 2021 profit (i)	-	133,984,211,922	-	(133,984,211,922)	-	-
Appropriation to bonus and welfare fund from 2021 profit (i)	-	-	-	(40,071,020,890)	(544,191,615)	(40,615,212,505)
Adjusted appropriation to bonus and welfare fund from 2020 profit	-	-	-	528,642,500	-	528,642,500
As at 30 June 2021	5,294,000,000,000	552,951,630,517	3,665,420,000	855,847,302,882	28,092,526,678	6,734,556,880,077

(i) The Company appropriated the investment and development fund and bonus and welfare fund from the 2021 profit in accordance with the Resolution No. 854/NQ-PVCFC dated 27 April 2021 of the General Meeting of Shareholders of the Company and the Resolution 01/NQ-DHCD dated 22 April 2021 of the General Meeting of Shareholders of the subsidiary.

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24 NON-CONTROLLING INTEREST

	30.6.2021 VND	31.12.2020 VND
Share capital	23,503,490,000	23,503,490,000
Other funds	4,573,285,409	4,246,073,548
Undistributed earnings	15,751,269	(1,402,137,444)
	<u>28,092,526,678</u>	<u>26,347,426,104</u>

Movements in non-controlling interests during the period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	26,347,426,104	27,277,893,348
Profit attributable to non-controlling interests	2,289,292,189	1,400,260,079
Appropriation to bonus and welfare fund	(544,191,615)	(450,448,123)
Dividends paid	-	(1,880,279,200)
Ending of period/year	<u>28,092,526,678</u>	<u>26,347,426,104</u>

25 DIVIDENDS

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	479,873,500	445,217,500
Dividends payable during the period/year	-	317,640,000,000
Dividends paid in cash	(43,880,500)	(317,605,344,000)
End of period/year	<u>435,993,000</u>	<u>479,873,500</u>

26 BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the period, excluding ordinary shares repurchased by the Company and held as treasury shares. The details are as follows:

	For the six-month period ended	
	30.6.2021	30.6.2020
Net profit attributable to shareholders (VND)	445,906,487,945	356,543,234,753
Less amount allocated to bonus and welfare fund (VND) (*)	(40,071,020,890)	(30,921,643,000)
	<u>405,835,467,055</u>	<u>325,621,591,753</u>
Weighted average number of ordinary shares in issue (shares)	529,400,000	529,400,000
Basic earnings per share (VND)	<u>767</u>	<u>615</u>

(*) The bonus and welfare fund appropriation for the six-month period ended 30 June 2021 is based on the Group's 2021 profit distribution plan according to the Resolution of the Annual General Meeting of Shareholders No. 854/NQ- PVCFC dated 27 April 2021 of the Company, and Resolution of the Board of Directors No. 02/NQ-PPC-HD dated 21 January 2021 and Resolution of the General Meeting of Shareholders No. 01/NQ-ĐHCD dated 22 April 2021 of the subsidiary.

The bonus and welfare fund appropriation for the six-month period ended 30 June 2020 was based on the Group's 2020 profit distribution plan according to the Resolution of the Annual General Meeting of Shareholders No. 1161/NQ-PVCFC dated 25 June 2020 of the Company and Resolution of the General Meeting of Shareholders No. 01/NQ-ĐHCD dated 24 June 2020 of subsidiary.

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period and the ordinary shares expected to be issued. The Company did not have any ordinary shares potentially diluted during the period and up to the date of these consolidated interim financial statements. Hence the diluted earnings per share is equal to the basic earnings per share.

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27 OFF CONSOLIDATED INTERIM BALANCE SHEET ITEMS

As at 30 June 2021 and 31 December 2020, included in cash and cash equivalent were balances held in foreign currencies as follows:

	30.6.2021	31.12.2020
Foreign currencies		
USD	15,526,539	13,787,485
EUR	1,280	1,280

28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Revenue from sales of goods and rendering of services		
Revenue from sales of finished goods -		
Urea	3,311,788,423,310	2,734,446,499,920
-Domestic	2,407,595,939,050	2,164,829,394,500
-Export	904,192,484,260	569,617,105,420
Revenue from sales of finished goods -		
NPK	161,538,495,000	-
Revenue from sales of merchandises -		
Fertilizer	637,468,975,500	504,762,914,650
-Domestic	603,246,397,500	497,859,448,600
-Export	34,222,578,000	6,903,466,050
Revenue from sales of other finished goods and substandard products	325,082,060,938	140,519,258,370
Revenue from rendering of services	544,646,412	-
	<u>4,436,422,601,160</u>	<u>3,379,728,672,940</u>
Sales deductions		
Trade discounts	(200,106,478,361)	(103,148,740,886)
Sales returns	-	(214,600,000)
	<u>(200,106,478,361)</u>	<u>(103,363,340,886)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of finished goods	3,618,789,999,537	2,771,602,417,404
Net revenue from sales of merchandises	616,981,476,850	504,762,914,650
Net revenue from rendering of services	544,646,412	-
	<u><u>4,236,316,122,799</u></u>	<u><u>3,276,365,332,054</u></u>

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29 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Cost of finished goods - Urea	2,519,550,540,883	2,116,832,117,852
Cost of merchandises sold - Fertilizer	551,195,644,702	446,795,729,415
Cost of finished goods - NPK	123,539,650,053	-
Cost of other finished goods and substandard products	247,181,610,057	96,053,444,700
	<u>3,441,467,445,695</u>	<u>2,659,681,291,967</u>

30 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Interest income from term deposits	57,524,154,842	56,161,373,468
Realised foreign exchange gains	11,378,842,535	4,987,252,821
Net gain from foreign currency translation at period-end	1,213,357,192	-
	<u>70,116,354,569</u>	<u>61,148,626,289</u>

31 FINANCIAL EXPENSES

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Interest expenses	5,348,304,412	30,621,663,668
Payment discounts	1,564,550,000	-
Guarantee fees	180,898,582	1,387,812,927
Realised foreign exchange losses	8,677,301,716	11,428,850,353
Net loss from foreign currency translation at period-end	-	1,255,221,003
	<u>15,771,054,710</u>	<u>44,693,547,951</u>

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32 SELLING EXPENSES

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Transportation and warehouse fees	42,667,626,308	76,360,451,837
Marketing fees	22,572,554,526	39,191,653,363
Outsource services expenses	22,818,105,767	13,252,176,230
Staff costs	19,516,579,916	12,221,036,740
Social security expenses	12,966,626,000	4,999,999,998
Self-employed sales expenses	3,356,542,913	1,659,909,949
Depreciation and amortisation	3,148,392,571	7,989,791,767
Others	28,421,696,846	16,083,954,983
	<u>155,468,124,847</u>	<u>171,758,974,867</u>

33 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Science and technology fund appropriation	53,364,416,311	-
Staff costs	49,971,171,668	32,144,868,499
Provision for receivable from withholding tax on interest of foreign borrowings (Note 7)	37,197,088,860	-
Outsource services expenses	23,468,615,037	21,421,168,398
Depreciation and amortisation	9,322,685,666	7,689,394,265
Others	37,856,231,712	22,055,900,290
	<u>211,180,209,254</u>	<u>83,311,331,452</u>

34 OTHER INCOME AND EXPENSES

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Other income		
Disposal of tools and supplies	552,260,727	-
Compensation and bonus	-	4,617,945,459
Others	2,040,012,759	1,910,607,640
	<u>2,592,273,486</u>	<u>6,528,553,099</u>
Other expenses		
Others	(929,741,800)	(1,218,977,557)
	<u>1,662,531,686</u>	<u>5,309,575,542</u>

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35 BIT

The BIT on the Group's accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2020: 20%) as follows:

	For the six-month period ended	
	30.6.2021	30.6.2020
	VND	VND
Net accounting profit before tax	484,208,174,548	383,378,387,648
Tax calculated at a rate of 20%	14,251,441,705	3,309,546,941
Tax calculated at a rate of 17%	765,464,223	125,131,052
Tax calculated at a rate of 5%	19,541,798,688	19,896,800,597
Effect of:		
Expenses not deductible for tax purposes	88,636,474	-
Over-provision in previous years	1,646,691,782	836,334,770
Others	(281,638,458)	-
BIT charge (*)	<u>36,012,394,414</u>	<u>24,167,813,360</u>
BIT charged to the consolidated interim income statement:		
BIT – current	31,718,971,188	17,215,019,338
BIT – deferred (Note 19)	4,293,423,226	6,952,794,022
	<u>36,012,394,414</u>	<u>24,167,813,360</u>

(i) BIT rate of the Company

According to Investment Certificate No. 61101000153 dated 4 December 2012 issued by the People's Committee of Camau province, the Company is entitled to tax incentives with regard to Camau Fertilizer Production Plant project as follows:

- BIT: the Company is entitled to preferential tax rates, tax exemption and reduction in accordance with provisions of the prevailing law on BIT.
- Land: exempted, reduced land use tax, land use fees, land rental and water rental comply with the current land law and tax law.
- Import tax: exempt from import tax on equipment, supplies, means of transport and other goods to carry out the Project in accordance with the Law on Import Tax and Export Tax.

According to Official Letter No. 4641/TCT-CS issued by the General Department of Taxation on 2 December 2018 replying Vietnam Oil and Gas Group on tax incentives for Camau Fertilizer Factory Project, the Company is entitled to BIT incentives at the rate of 10% for 15 years since the beginning of production and business activities, BIT exemption for 4 years from having taxable profit and 50% reduction in tax payable for the 9 consecutive years thereafter. The year 2017 is the second year the Company is entitled to 50% reduction in tax payable regarding profit generated by the main operating activities of Camau Fertilizer Factory Project.

35 BIT (continued)

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

(ii) BIT rate of the subsidiary

- For packaging production and trading activities: According to Decision No. 22/2010/QĐ-UBND dated 1 September 2010 from the People's Committee of Bac Lieu Province and Investment Certificate No. 60221000003 issued by the Industrial Park Authority of Bac Lieu Province on 23 June 2013 and the current regulations, the subsidiary is entitled to BIT incentives as follows: The preferential tax rate of 20% for a period of 10 years and the preferential tax rate of 17% from 1 January 2016; BIT exemption for 2 years from having taxable profit (2012) and 50% reduction in tax payable for the 4 consecutive years thereafter applicable to enterprises newly established in areas having difficult social-economic conditions.
- For fertilizer production and trading activities: According to Official Letter No. 380/CT-TTHT dated 2 April 2018 of the Tax Department of Bac Lieu province, the project of Bac Lieu Petroleum Fertilizer Factory has been identified as a new investment project. Therefore the subsidiary is entitled to BIT incentives as follows: The preferential tax rate of 10% for a period of 10 years; BIT exemption for 2 years from having taxable profit and 50% reduction in tax payable for the 4 consecutive years thereafter applicable to enterprises newly established in areas having difficult social-economic conditions.

- (*) The BIT charge for the period is based the current interpretation of tax regulations. However, these regulations are subject to periodic update and the final BIT determination is subject to review and possible adjustments by the tax authorities.

36 COSTS OF OPERATIONS BY FACTOR

Costs of operation by factor represent all costs incurred during the period from the Group's operating activities, excluding cost of merchandises for trading activities. Details are as follows:

	For the six-month period ended	
	30.6.2021 VND	30.6.2020 VND
Raw materials	1,987,098,768,273	1,368,672,767,469
Depreciation and amortisation	677,938,365,322	656,706,156,484
Staff costs	233,231,552,684	156,670,706,551
Outside service expenses	160,739,516,416	186,739,984,829
Provision for receivable from withholding tax on interest of foreign borrowings	37,197,088,860	-
Others	167,759,762,618	117,867,932,807
	<u>3,263,965,054,173</u>	<u>2,486,657,548,140</u>

37 SEGMENT REPORTING

The Board of Management of the Company determines that the decisions of the Group are based primarily on the geographic areas in which the Group supplies products and services. As a result, the primary segment reporting of the Group is presented in respect of the Group's geographical segments.

Segment information based on the geographical locations of the Group is as follows:

	For the six-month period ended 30 June 2021		
	Domestic VND	Export VND	Total VND
Net revenue	3,297,901,060,539	938,415,062,260	4,236,316,122,799
Cost of goods sold and services rendered	(2,736,744,747,062)	(704,722,698,633)	(3,441,467,445,695)
Net operating profit by division	561,156,313,477	233,692,363,627	794,848,677,104
General operating expenses			(366,648,334,101)
Financial incomes			70,116,354,569
Financial expenses			(15,771,054,710)
Other incomes			2,592,273,486
Other expenses			(929,741,800)
Profit before tax			484,208,174,548
BIT – current			(31,718,971,188)
BIT – deferred			(4,293,423,226)
Net profit after tax			448,195,780,134

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37 SEGMENT REPORTING (continue)

	For the six-month period ended 30 June 2020		
	Domestic VND	Export VND	Total VND
Net revenue	2,710,875,807,825	565,489,524,229	3,276,365,332,054
Cost of goods sold and services rendered	(2,186,824,240,938)	(472,857,051,029)	(2,659,681,291,967)
Net operating profit by division	524,051,566,887	92,632,473,200	616,684,040,087
General operating expenses			(255,070,306,319)
Financial incomes			61,148,626,289
Financial expenses			(44,693,547,951)
Other incomes			6,528,553,099
Other expenses			(1,218,977,557)
Profit before tax			383,378,387,648
BIT – current			(17,215,019,338)
BIT – deferred			(6,952,794,022)
Net profit after tax			359,210,574,288

38 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(a) Amount of loan actually withdrawn during the period

	For the six-month period ended	
	30.6.2021 VND	30.6.2020 VND
Proceeds from borrowings following normal borrowing contracts	480,628,347,066	1,252,505,276,021

(b) Amount of loan principal actually paid during the period

	For the six-month period ended	
	30.6.2021 VND	30.6.2020 VND
Repayments for borrowings following normal borrowing contracts	873,850,184,348	1,442,651,844,418

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39 RELATED PARTY DISCLOSURES

During the period, the Group has transactions and balances with related parties as below:

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Other related parties	Fellow group entities (Subsidiaries, joint ventures and associates of Vietnam Oil and Gas Group)

(a) Related party transactions

During the period, the following transactions were carried out with related parties:

		For the six-month period ended	
		30.6.2021	30.6.2020
		VND	VND
i) Sales of goods and rendering of services			
Petrovietnam Transportation Vung Tau Joint Stock Company		-	45,397,100
		=	=
ii) Purchases of goods and services			
Vietnam Oil and Gas Group	1,309,942,825,678		914,090,137,385
PetroVietnam Power Corporation	175,777,805,531		135,608,611,055
PetroVietnam Fertilizer and Chemicals Corporation - Petrochemicals Trading Branch	62,229,938,401		58,897,339,480
PVI South Company	35,135,944,984		-
PV Gas - Ca Mau	6,673,082,776		10,358,251,725
PetroVietnam Security Service Corporation	7,613,006,016		7,632,361,150
Petrovietnam Transportation Vung Tau Joint Stock Company	-		3,665,846,457
Saigon Petro Vietnam Oil Joint Stock Company	4,346,274,152		2,529,642,736
South-East Petrovietnam Fertilizer And Chemicals Joint Stock Company	-		2,033,476,162
South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company	-		1,162,281,280
Vietnam Petroleum Institute			507,056,000
Mekong Petroleum Joint Stock Company	1,078,671,817		291,420,000
Indochina Petroleum Transportation Joint Stock Company	-		265,498,496
Mekong Petroleum Joint Stock Company - Bac Lieu Branch - Petrol Station No. 17			107,043,430
Petrovietnam Securities Incorporated	-		200,000,000
PetroVietnam Chemical and Services Joint Stock Company	-		60,978,000
	1,602,797,549,355		1,137,409,943,356

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39 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

		For the six-month period ended	
		30.6.2021	30.6.2020
		VND	VND
iii) Compensation of key management			
Name	Position		
Tran Ngoc Nguyen	Chairman of the Board of Directors ("BoD")	1,157,633,402	881,059,192
Van Tien Thanh	Member of the BoD - General Director	1,166,277,258	834,999,674
Le Duc Quang	Member of the BoD	772,008,661	-
Tran My	Member of the BoD	971,654,221	669,430,068
Nguyen Duc Hanh	Member of the BoD	971,654,221	669,430,068
Nguyen Minh Phuong	Independent member of the BoD	152,727,273	-
Truong Hong	Independent member of the BoD	87,272,727	-
Do Thi Hoa	Independent member of the BoD	87,272,727	-
Tran Chi Nguyen	Deputy General Director	971,654,221	733,583,914
Le Ngoc Minh Tri	Deputy General Director	971,654,221	669,430,068
Nguyen Tuan Anh	Deputy General Director	952,633,457	632,510,048
Nguyen Thi Hien	Deputy General Director	933,417,921	607,217,993
Nguyen Thanh Tung	Deputy General Director	725,108,037	639,417,169
Dinh Nhu Cuong	Chief Accountant	888,673,178	621,765,906
Phan Thi Cam Huong	Head of the Board of Supervision	892,026,469	636,309,971
Do Minh Duong	Member of the Board of Supervision	701,790,076	447,459,577
Tran Van Binh	Member of the Board of Supervision	97,043,615	383,531,636
Nguyen Quoc Huy	Member of the Board of Supervision	26,727,273	-
		12,527,228,958	8,426,145,284

(b) Period end balances with related parties

	30.6.2021 VND	31.12.2020 VND
i) Short-term trade accounts receivable (Note 5)		
Binh Son Refining and Petrochemical Joint Stock Company	-	537,980,400

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39 RELATED PARTY DISCLOSURES (continued)

(b) Period end balances with related parties (continue)

	30.6.2021 VND	31.12.2020 VND
ii) Prepayments to suppliers (Note 6)		
PVD Trading and Technical Services Joint Stock Company	2,106,807,719	
Vietnam Petroleum Institute	562,600,632	161,825,875
Saigon Petro Vietnam Oil Joint Stock Company	-	222,520,700
	<u>2,669,408,351</u>	<u>384,346,575</u>
iii) Other short-term receivables (Note 7)		
Vietnam Oil and Gas Group	<u>77,424,489,813</u>	<u>77,424,489,813</u>
iv) Short-term trade accounts payable (Note 12)		
Vietnam Oil and Gas Group	488,217,144,662	378,769,809,435
PetroVietnam Power Corporation	62,634,294,166	60,286,586,665
PetroVietnam Fertilizer and Chemicals Corporation - Petrochemicals Trading Branch	30,153,767,626	22,613,229,726
Petroleum Trading Joint Stock Company	11,325,158,569	745,860,994
PetroVietnam Security Service Corporation	4,277,760,868	1,404,272,470
Petro Capital and Infrastructure Investment Joint Stock Company	2,234,448,180	1,780,020,360
PetroVietnam Transportation Vung Tau Joint Stock Company	2,040,929,418	1,343,662,100
Vietnam Petroleum Institute	1,657,486,874	1,577,398,316
PV Gas - Ca Mau	1,094,389,824	1,521,325,380
PVD Technical Training and Certification Joint Stock Company	1,045,476,016	1,807,487,581
South-West PetroVietnam Fertilizer and Chemicals Joint Stock Company	787,820,663	658,706,602
Mekong Petroleum Joint Stock Company	276,480,000	-
South-East PetroVietnam Fertilizer And Chemicals Joint Stock Company	201,670,765	332,277,754
Saigon Petro Vietnam Oil Joint Stock Company	193,447,650	519,869,390
Indochina Petroleum Transportation Joint Stock Company	39,755,100	73,949,920
PetroVietnam Technical Safety Registration Co., Ltd	-	381,019,328
Branch Of PetroVietnam Fertilizer And Chemicals Corporation - Phu My Urea Plant	-	395,703,589
	<u>606,180,030,381</u>	<u>474,211,179,610</u>

39 RELATED PARTY DISCLOSURES (continued)

(b) Period end balances with related parties (continue)

	30.6.2021 VND	31.12.2020 VND
v) Short-term accrued expense (Note 15)		
Vietnam Oil and Gas Group	20,266,168,563	14,374,223,655
vi) Other short-term payables (Note 16)		
Vietnam Oil and Gas Group	45,856,789,285	45,856,789,285
Camau Gas - Power - Fertilizer Project Management Board	55,851,413,429	55,851,413,429
	<u>101,708,202,714</u>	<u>101,708,202,714</u>

40 OTHER COMMITMENTS

(a) Operating commitments

- (i) According to Gas Sales Agreement No. 3918/HD-DKVN dated 23 May 2012 between Vietnam Oil and Gas Group and the Company and the 7th amendment dated 13 December 2018, the Group purchases natural gas of Block PM3 CAA and Block 46 - Cai Nuoc from Vietnam Oil and Gas Group in 20 years from the official operation date with standard gas of 457.38 million m3 per annum.

New natural gas price is applied from 1 January 2019 to 31 December 2031 according to the Appendix dated 27 May 2020 of the Gas Sales Agreement No.3918/HDD-DKVN dated 23 May 2012.

- (ii) Under non-cancellable operating leases, the future minimum lease payments are as follows:

	<u>Rent land, warehouse</u>	
	30.6.2021 VND	31.12.2020 VND
Under 1 year	924.137.176	356.400.000
From 1 to 5 years	1.801.148.703	534.600.000
Over 5 years	14.133.178.292	15.756.126.995
Total minimum payables	<u>16.858.464.171</u>	<u>16.647.126.995</u>

40 OTHER COMMITMENTS (continued)

(b) Capital commitment

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements is as follows:

	30.6.2021 VND	31.12.2020 VND
Property, plant and equipment	115,635,935,723	67,710,338,185

41 CONTINGENT LIABILITIES

- (a)** According to the working minutes dated 26 April 2018 of the Department of Finance Inspectorate, the Tax Department of Ca Mau Province and Company, interest of borrowings paid to BNP Paribas, Export-Import Bank of China and Credit Agricole Bank ("the Banks") under the ECA Loan Agreement is not subject to VAT but subject to BIT - foreign contractor withholding tax. As at 30 June 2021, the accumulated BIT - foreign contractor withholding tax relating to these borrowings that the Company paid on behalf of the Banks was VND43,142,486,637, which is recognised as other receivable.

The Company and Vietnam Oil and Gas Group are working with the General Department of Taxation, the Ministry of Finance and the Banks to determine the obligations towards this BIT - foreign contractor withholding tax. The Group has not recognised the late payment penalty which is possible to be incurred as the final conclusion of the authorities has not been issued.

- (b)** Currently, the Group has land lease contracts to support the Group's production and business activities. As at the date of these consolidated interim financial statements, the lessors and the Group have not yet determined how to deal with the assets built on the leased land after the termination of the leases due to long lease terms (which can be up to 50 years) and therefore, the Group assessed that dismantling and restoring costs only incur when the lease terms end and the Group does not continue to apply for an extension of the lease terms. Therefore, the Group has not recognised the provision for dismantling and restoring costs related to these leases in the consolidated interim financial statements.


42 OTHER MATTERS

- (a) According to the Inspection minutes – Restructuring state-owned enterprise at Petrovietnam Ca Mau Fertilizer One Member Limited Company dated 30 July 2018 issued by the Government inspection team, the Government inspection team reviewed and verified valuation report, charter capital of the joint stock company, finalisation of the State capital and exploring strategic investors. The Company is working with Vietnam Oil and Gas Group on points noted in this minutes for explanation. The Company will make relevant adjustments (if any) upon the final conclusion of the authority on the equitization.

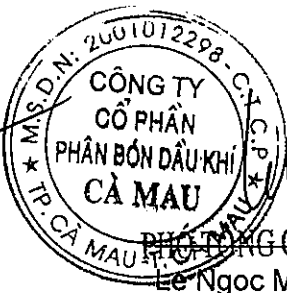
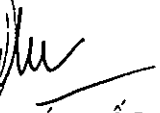
As at the date of these consolidated interim financial statements, fixed assets, other receivables and payables from/to PetroVietnam Oil and Gas Group that are related to equitization have not been finalised by the authority.

- (b) In light of the current situation, the new Corona virus ("Covid-19") Delta is causing some volatility to the world economy. At the issuance date of these consolidated interim financial statements, the Group's production and business activities may be affected due to the instability caused by the Covid-19 pandemic in Vietnam. The Group has carefully assessed the potential impacts of Covid-19 on production and business activities and management plan, as well as quickly review the Group's production and business strategy and negotiate with suppliers and customers to resolve the current situation. The Board of Management of the Company will continue to assess the effects for the next financial period.

The consolidated interim financial statements were approved by the Board of Management on 20 August 2021.


Huynh Thi Ngoc Ha
Preparer


Dinh Nhu Cuong
Chief Accountant



PHÓ TỔNG GIÁM ĐỐC
Le Ngoc Minh Tri
Deputy General Director
Authorised signature
20 August 2021