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HOLDING COMPANY - PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC
(Incorporated in the Socialist Republic of Vietnam)

REVIEWED SEPARATE FINANCIAL STATEMENTS

For the period from 01 January 2015 to 30 June 2015

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STATEMENT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Company") presents this report together with the Company's separate financial statements for the period from 01 January 2015 to 30 June 2015.

THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

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

Board of Management

Mr. Le Cu Tan	Chairman
Ms. Nguyen Thi Hien	Vice Chairwoman
Mr. Cao Hoai Duong	Member
Mr. Nguyen Hong Vinh	Member
Mr. Dinh Quang Hoan	Member

Board of General Directors

Mr. Cao Hoai Duong	General Director
Mr. Tu Cuong	Deputy General Director
Mr. Hoang Viet Dung	Deputy General Director
Mr. Le Van Quoc Viet	Deputy General Director
Mr. Nguyen Van Tong	Deputy General Director
Mr. Duong Tri Hoi	Deputy General Director
Ms. Le Thi Thu Huong	Deputy General Director
Mr. Huynh Kim Nhan	Chief Accountant

BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of General Directors of the Company is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the period in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of General Directors is required to:

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

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

STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)

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

For and on behalf of the Board of General Directors,

M.S.D.N: 0303165480 - C.T.C.P
TỔNG CÔNG TY PHÂN BÓN VÀ HÓA CHẤT DẦU KHÍ CÔNG TY CỔ PHẦN
QUẬN 1 - TP. HỒ CHÍ MINH

Nguyen Van Tong
Deputy General Director

28 August 2015
Ho Chi Minh City, S.R. Vietnam

Deloitte.

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REVIEW REPORT ON SEPARATE FINANCIAL STATEMENTS

To: **The Shareholders**
The Boards of Management and General Directors
The Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC

We have reviewed the accompanying financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 28 August 2015 as set out from page 4 to page 38, which comprise the balance sheet as at 30 June 2015, the statement of income, the statement of cash flows for the period from 01 January 2015 to 30 June 2015, and a summary of significant accounting policies and other explanatory information. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to issue a review report on these financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of, in all material respects, the financial position of the Company as at 30 June 2015, the results of its operations and its cash flows for the period from 01 January 2015 to 30 June 2015 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Emphasis of Matters

As stated in Note 3, since 01 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. Accordingly, certain figures of the balance sheet as at 31 December 2014, of the income statement and of the cash flow statement for the period from 1 January 2014 to 30 June 2014 of PetroVietnam Camau Fertilizer Joint Stock Company have been reclassified due to effects of adoption of Circular 200 on the preparation and presentation of the financial statements to enhance their comparability with the current period's figures.

M.S.D.N: 0100112500 - C.T.T.N.H.H - CÔNG TY TRÁCH NHIỆM HỮU HẠN DELOITTE VIỆT NAM - Q. ĐỐNG ĐA - TP. HÀ NỘI

Dang Chi Dung
Deputy General Director
Audit Practising Registration Certificate
No. 0030-2013-001-1

Do Trung Kien
Auditor
Audit Practising Registration Certificate
No. 1924-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

28 August 2015
Hanoi, S.R. Vietnam

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BALANCE SHEET

As at 30 June 2015

FORM B 01a-DN
Unit: VND

ASSETS	Codes	Notes	30/6/2015	31/12/2014 (Reclassified)
A. CURRENT ASSETS	**100**		**6,673,003,035,452**	**6,544,156,632,162**
I. Cash and cash equivalents	**110**	**5**	**4,867,449,920,383**	**4,757,994,590,292**
1. Cash	111		157,449,920,383	77,994,590,292
2. Cash equivalents	112		4,710,000,000,000	4,680,000,000,000
II. Short-term financial investments	**120**	**6**	**70,000,000,000**	**71,245,382,915**
1. Held-to-maturity investments	123		70,000,000,000	71,245,382,915
III. Short-term receivables	**130**		**625,103,967,156**	**369,748,546,089**
1. Short-term trade receivables	131	7	394,838,338,774	141,279,226,421
2. Short-term advances to suppliers	132	8	90,333,140,617	88,504,082,423
3. Other short-term receivables	136	9	261,472,790,620	261,556,944,534
4. Provision for short-term doubtful debts	137		(121,591,707,289)	(121,591,707,289)
5. Deficits in assets awaiting solution	139		51,404,434	-
IV. Inventories	**140**	**11**	**983,952,288,019**	**1,206,413,629,582**
1. Inventories	141		983,952,288,019	1,206,413,629,582
V. Other short-term assets	**150**		**126,496,859,894**	**138,754,483,284**
1. Short-term prepayments	151	12	17,704,868,428	15,139,650,768
2. Value added tax deductibles	152		105,639,172,692	119,101,991,777
3. Taxes and other receivables from the State budget	153	20	3,152,818,774	4,512,840,739
B. NON-CURRENT ASSETS	**200**		**2,935,890,446,532**	**3,094,226,227,660**
I. Long-term receivables	**210**		**50,000,000**	**50,000,000**
1. Other long-term receivables	216	9	50,000,000	50,000,000
II. Fixed assets	**220**		**1,625,689,364,133**	**1,729,120,290,338**
1. Tangible fixed assets	221	13	825,031,747,691	921,539,345,696
- Cost	*222*		*6,965,202,811,730*	*6,959,961,960,095*
- Accumulated depreciation	*223*		*(6,140,171,064,039)*	*(6,038,422,614,399)*
2. Intangible assets	227	14	800,657,616,442	807,580,944,642
- Cost	*228*		*1,038,440,033,508*	*1,037,801,033,508*
- Accumulated amortisation	*229*		*(237,782,417,066)*	*(230,220,088,866)*
III. Investment properties	**230**	**15**	**339,651,095,310**	**344,282,761,982**
- Cost	231		393,409,024,336	391,906,232,192
- Accumulated depreciation	232		(53,757,929,026)	(47,623,470,210)
IV. Long-term assets in progress	**240**		**394,960,590,703**	**240,638,327,232**
1. Long-term construction in progress	242	16	394,960,590,703	240,638,327,232
V. Long-term financial investments	**250**	**6**	**519,123,378,829**	**701,104,947,899**
1. Investment in subsidiaries	251		463,249,800,000	466,456,800,000
2. Investments in joint-ventures, associates	252		662,700,000,000	662,700,000,000
3. Equity investments in other entities	253		20,502,000,000	20,502,000,000
4. Provision for impairment of long-term financial investments	254		(627,328,421,171)	(448,553,852,101)
VI. Other long-term assets	**260**		**56,416,017,557**	**79,029,900,209**
1. Long-term prepayments	261	12	15,590,993,878	25,208,466,648
2. Deferred tax assets	262	17	40,825,023,679	53,821,433,561
TOTAL ASSET (270=100 + 200)	**270**		**9,608,893,481,984**	**9,638,382,859,822**

The notes set out on pages 8 to 38 are an integral part of these separate financial statements

BALANCE SHEET (Continued)

As at 30 June 2015

FORM B 01a-DN
Unit: VND

RESOURCES	Codes	Notes	30/6/2015	31/12/2014 (Reclassified)
C. LIABILITIES	**300**		**899,766,967,312**	**943,975,122,967**
I. Current liabilities	**310**		**747,805,122,930**	**889,320,636,150**
1. Short-term trade payables	311	18	256,219,728,345	366,222,768,585
2. Short-term advances from customers	312	19	76,712,428,119	60,340,273,284
3. Taxes and amounts payable to the State budget	313	20	52,673,044,346	37,919,588,000
4. Payables to employees	314		56,582,890,072	59,936,083,892
5. Short-term accrued expenses	315	21	117,074,381,571	57,064,219,158
6. Other current payables	319	22	35,980,630,802	45,576,760,104
7. Short-term provisions	321	23	91,019,799,597	217,105,262,533
8. Bonus and welfare funds	322		61,542,220,078	45,155,680,594
II. Long-term liabilities	**330**		**151,961,844,382**	**54,654,486,817**
1. Long-term unearned revenue	336		2,518,203,928	2,853,964,450
2. Long-term loans and obligations under finance leases	338	24	91,337,500,000	-
3. Long-term provisions	342	23	7,083,333,334	-
4. Scientific and technological development fund	343		51,022,807,120	51,800,522,367
D. EQUITY	**400**		**8,709,126,514,672**	**8,694,407,736,855**
I. Owner's equity	**410**	**25**	**8,709,126,514,672**	**8,694,407,736,855**
1. Owner's contributed capital	411		3,800,000,000,000	3,800,000,000,000
- Ordinary shares carrying voting rights	*411a*		*3,800,000,000,000*	*3,800,000,000,000*
- Preference shares	*411b*		-	-
2. Share premium	412		21,179,913,858	21,179,913,858
3. Treasury shares	415		(2,296,824,120)	(2,296,824,120)
4. Foreign exchange reserve	417		(719,794)	(719,794)
5. Investment and development fund	418		3,444,814,857,841	3,444,814,857,841
6. Retained earnings	421		1,445,429,286,887	1,430,710,509,070
- Retained earnings accumulated to the prior period end	*421a*		*806,260,241,770*	*1,007,866,370,295*
- Retained earnings of the current period	*421b*		*639,169,045,117*	*422,844,138,775*
TOTAL RESOURCES (440=300+400)	**440**		**9,608,893,481,984**	**9,638,382,859,822**

Hoang Thi Lan Anh	Huynh Kim Nhan	Nguyen Van Tong
Preparer	**Chief Accountant**	**Deputy General Director**

28 August 2015

The notes set out on pages 8 to 38 are an integral part of these separate financial statements

INCOME STATEMENT

For the period from 01 January 2015 to 30 June 2015

FORM B 02a-DN
Unit: VND

ITEMS	Codes	Notes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
1.Gross revenue from goods sold and services rendered	**01**	**28**	**4,282,530,682,830**	**3,923,323,282,964**
2. Deductions	02	28	46,940,001,334	31,476,901,881
3. Net revenue from goods sold and services rendered (10=01-02)	**10**	**28**	**4,235,590,681,496**	**3,891,846,381,083**
4. Cost of sales	11	29	2,908,619,281,674	2,799,026,556,576
5. Gross profit from goods sold and services rendered (20=10-11)	**20**		**1,326,971,399,822**	**1,092,819,824,507**
6. Financial income	21	31	164,935,358,054	182,698,061,337
7. Financial expenses	22	32	179,584,367,624	119,734,220,379
8. Selling expenses	25	33	286,627,376,500	291,039,254,342
9. General and administration expenses	26	33	173,403,844,974	195,289,633,094
10. Operating profit (30=20+(21-22)-(25+26))	**30**		**852,291,168,778**	**669,454,778,029**
11. Other income	31		2,235,559,362	3,434,726,954
12. Other expenses	32		262,493,008	1,316,401,931
13. Profit from other activities (40=31-32)	**40**		**1,973,066,354**	**2,118,325,023**
14. Accounting profit before tax (50=30+40)	**50**		**854,264,235,132**	**671,573,103,052**
15. Current corporate income tax expense	51	34	129,619,568,150	65,860,906,588
16. Deferred corporate tax (income)/expense	52	17	12,996,409,882	(5,846,384,537)
17. Net profit after corporate income tax (60=50-51-52)	**60**		**711,648,257,100**	**611,558,581,001**

M.S.D.N: 0303165480 - C.T.C.P
TỔNG CÔNG TY PHÂN BÓN VÀ HÓA CHẤT DẦU KHÍ CÔNG TY CỔ PHẦN
QUẬN 1 - TP. HỒ CHÍ MINH

Hoang Thi Lan Anh	Huynh Kim Nhan	Nguyen Van Tong
Preparer	**Chief Accountant**	**Deputy General Director**

28 August 2015

CASH FLOW STATEMENT

For the period from 01 January 2015 to 30 June 2015

FORM B 03a-DN
Unit: VND

ITEMS	Codes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014 (Reclassified)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1.Profit before tax	***01***	***854,264,235,132***	***671,573,103,052***
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	115,445,236,656	112,139,142,205
Provisions	03	271,033,408,468	184,160,778,801
Foreign exchange loss arising from translating foreign currency items	04	33,095,831	-
(Gain) from investing activities	05	(163,791,426,556)	(182,689,147,374)
3. Operating profit before movements in working capital	***08***	***1,076,984,549,531***	***785,183,876,684***
(Increase) in receivables	09	(194,053,404,741)	(236,037,577,434)
Decrease/(Increase) in inventories	10	222,461,341,563	(104,637,795,060)
Decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	(264,987,776,250)	(28,862,539,515)
Decrease in prepaid expenses	12	7,052,255,110	11,423,270,374
Corporate income tax paid	15	(116,595,788,344)	(8,451,280,259)
Other cash outflows	17	(110,641,549,799)	(90,803,119,543)
Net cash generated by operating activities	***20***	***620,219,627,070***	***327,814,835,247***
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(198,836,839,354)	(43,290,630,977)
2. Cash recovered from lending, selling debt instruments of other entities	24	1,245,382,915	261,807,915,817
3. Equity investments in other entities	25	-	(28,563,000,000)
4. Cash recovered from investments in other entities	26	4,606,214,100	-
5. Interest earned, dividends and profits received	27	160,666,348,901	184,208,959,277
Net cash (used in)/generated by investing activities	***30***	***(32,318,893,438)***	***374,163,244,117***
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	91,337,500,000	-
2. Dividends and profits paid	36	(569,739,284,625)	(942,341,724,125)
Net cash (used in) financing activities	***40***	***(478,401,784,625)***	***(942,341,724,125)***
Net increase/(decrease) in cash (50=20+30+40)	**50**	**109,498,949,007**	**(240,363,644,761)**
Cash and cash equivalents at the beginning of the period	**60**	**4,757,994,590,292**	**3,651,611,169,091**
Effect of changes in foreign exchange rates	61	(43,618,916)	-
Cash and cash equivalents at the end of the period (70=50+60+61)	**70**	**4,867,449,920,383**	**3,411,247,524,330**

Hoang Thi Lan Anh	**Huynh Kim Nhan**	**Nguyen Van Tong**
Preparer	**Chief Accountant**	**Deputy General Director**

28 August 2015

The notes set out on pages 8 to 38 are an integral part of these separate financial statements

NOTES TO THE SEPARATE FINANCIAL STATEMENTS **FORM B 09a-DN**

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

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Company"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 11th amendment on 16 July 2013, issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Company officially transformed its operation into parent-subsidiary model in accordance with Resolution No. 01/ND-DHDCD passed at the Shareholders' General Meeting. Accordingly, the Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC was established from functional departments of PetroVietnam Fertilizer and Chemicals Joint Stock Company, project management units and Phu My Fertilizer Plant. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 5 November 2007 with stock symbol "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group which holds 61.37 % of its charter capital.

The total number of employees of the Corporation as at 30 June 2015 was 1,151 (31 December 2014: 1,144).

Operating industries and principal activities

The operating industries of the Corporation include:

- Production and trading of fertilizer, liquid ammonia, industrial gas, other chemicals.
- Provision of technical services relating to production and trading of fertilizer and other related chemicals (excluding heavily toxic chemicals).
- Relevant technical consultancy and architecture activities.
- Production, transmission and distribution of electricity.
- Trading of real estates, land use rights in all kinds.
- Sales of agriculture and forestry products (excluding wood, bamboo) and living animals.
- Goods transport services by inbound waterway and trucks, processing of oil and gas-related products and minerals.
- Services of vocational training.
- Services directly supporting waterway transportation; loading and unloading goods; maritime and shipping agency and goods storage.

The principal activities of the Corporation are production and trading of fertilizer used in agriculture.

Normal production and business cycle

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

The Corporation's structure

As at 30 June 2015, the Corporation has 06 subsidiaries, 02 associates, 01 branch, 01 plant and 01 representative office as follows:
- Phu My Fertilizer Plant
- Ho Chi Minh Branch
- Representative office in Myanmar

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued) **FORM B 09a-DN**

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

1. GENERAL INFORMATION (Continued)

The Corporation's structure (Continued)

Details of subsidiaries and associates of the Corporation are as follows:

	Place of incorporation and operation	Proportion of ownership interest(%)	Proportion of voting power held (%)	Principal activity	Relationship
Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75	75	Trading of fertilizer and chemicals	Subsidiary
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75	75	Trading of fertilizer and chemicals	Subsidiary
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75	75	Trading of fertilizer and chemicals	Subsidiary
Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi City	75	75	Trading of fertilizer and chemicals	Subsidiary
Phu My Fertilizer Packaging JSC (*)	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages	Subsidiary
PetroVietnam Southern Building and Development JSC	Ho Chi Minh City	81.38	81.38	Construction and installation of civil and industrial works and services provision	Subsidiary
PetroVietnam Urban Development JSC	Can Tho City	25.99	25.99	Construction and installation of civil and industrial works and services provision	Associate
PetroVietnam Petrochemical and Textile Fiber JSC	Hai Phong City	35.63	35.63	Production and sale of polyester fibers	Associate

(*) The Corporation does not own more than 50% of the capital of Phu My Fertilizer Packaging Joint Stock Company, but still holds dominant power because it reserves a right to appoint or dismiss a majority of members of the Board of Directors of this subsidiary. As assessed by the Board of General Directors, the Corporation's dominant power over Phu My Fertilizer Packaging Joint Stock Company has been determined reliably and recognition of this company as one of the Corporation's subsidiaries is in accordance with the nature of economic transactions and in compliance with accounting standards and current accounting regime.

Disclosure of information comparability in the financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

The Corporation's separate financial statements are prepared based on the aggregation of financial statements of the head office of PetroVietnam Fertilizer and Chemicals Corporation - JSC and its dependent accouting units. The major transactions and balances between the head office and its dependent accounting units are eliminated in the Corporation's separate financial statements.

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

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December. These interim separate financial statements are prepared for the period from 01 January 2015 to 30 June 2015.

3. ADDOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on accounting regime for enterprises

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accounting estimates

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

Financial instruments

Initial recognition

Financial assets

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Initial recognition (Continued)

Financial liabilities

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

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

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

Held-to-maturity investments are measured at cost less provision for doubtful debts (if any).

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

Investments in subsidiaries

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

Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries, joint ventures and associates are initially recognised at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

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

Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment.

Receivables

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

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

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any).

In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible fixed assets and depreciation (Continued)

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

	From 01/01/2015 to 30/6/2015
	Years
Buildings, structures	10 - 25
Machinery, equipment	3 - 6
Motor vehicles	6
Office equipment	3 - 5
Others	3

With respect to repairing expenses of fixed assets at Phu My Fertilizer Plant which is on a cyclical basis, the Company shall be permitted to accrue such expenses to operating expenses in advance on the basis of annual budget. If actual expenses of repairs are higher than the accrued expenses, then the difference shall be directly charged to operating expenses. If the actual expenses of repairs are lower than the accrued expenses, then the difference shall be accounted for as a reduction of operating expenses of the period.

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

Intangible assets and amortization

Intangible assets represent patent rights, land use rights, computer software and other intangible assets which are stated at cost less accumulated amortization. The patent rights and other intangible assets are amortized using the straight-line method over 6 years. The computer software is amortized using the straight-line method over 3 years. Indefinite-term land use rights are not amortized.

Operating leases

Operating leases include office and land rentals. Payments under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Construction in progress

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Company to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation while investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs.

Investment properties, which are composed of land use rights and buildings and structures of Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City; Cuu Long Supermarket-Office Building in Ca Mau Province; Sao Phuong Bac Hotel in Sapa Town, Lao Cai Province; PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City held by the Corporation to earn rentals, are stated at cost less accumulated depreciation.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives as follows:

	From 01/01/2015 to 30/6/2015
	Years
Land use rights	44 - 50
Buildings and structures	25

The Corporation does not depreciate investment properties which are indefinite-term land use rights.

Prepayments

Prepayments include asset isurance premium, land rentals, spare parts and other types of long-term prepayments. Where:

Prepaid land rentals are charged to the income statement on the straight-line basis over the rental term.

Spare parts which are put in use at Phu My Fertilizer Plant are charged to the income statement on the straight-line basis over 6 years in accordance with the depreciation duration of production lines.

Other types of prepayments comprise of tools and supplies issued for consumption are charged to the income statement on the straight-line basis from 1.5 to 2 years.

Provisions

Provisions are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the Board of General Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Science and Technology Development Fund

Science and Technology Development Fund are appropriated in order to invest for science and technology activities of the Corporation. This Fund was formed on the basis of the Corporation's development demand and technology innovation and is recognized in the operation results of the period.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

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

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

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

Revenue from leasing investment property is recognized in the income statement on the straight-line basis over the lease term.

Financial income mainly comprises interest on demand and term deposits, dividend income from short-term and long-term investments, and foreign exchange gains. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Foreign currencies

The Corpration applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the buying exchange rates announced on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to the shareholders.

Foreign exchange loss arising from translation of the financial statements of Cambodian branch as at 30 June 2015 was not recognized in profit or loss in the period, but presented in the "Foreign exchange reserve" line item in the Corporation's balance sheet instead.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying rate announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 30 June 2015. The abovementioned rate differs from that stated in Circular No. 200/2014/TT-BTC issued on 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises. However, such difference has no material influence on the Corporation's separate financial statements for the period from 01 January 2015 to 30 June 2015.

Taxation

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

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

For fertilizer production at Phu My Fertilizer Plant: the Corporation is obliged to pay corporate income tax at the rate of 15% of its assessable income. The Corporation is entitled to corporate income tax exemption for four years from the first profit-making year (2004) and a 50% reduction in tax payable for the seven years thereafter (from 2008). The period from 01 January 2015 to 30 June 2015 is the first period the Corporation applied the tax rate of 15% for the fertilizer production.

For other business activities, the Corporation is obliged to pay corporate income tax at the rate of 22% of its taxable income.

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

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

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

The determination of corporate income tax due and deferred tax is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and its ultimate determination depends on the results of tax authorities' examination.

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

5. CASH AND CASH EQUIVALENTS

	30/6/2015	31/12/2014
	VND	VND
Cash on hand	724,798,567	538,978,228
Cash in bank	156,725,121,816	77,455,612,064
Cash equivalents (*)	4,710,000,000,000	4,680,000,000,000
	4,867,449,920,383	**4,757,994,590,292**

(*) Cash equivalents represent the time deposits for terms from 1 to 3 months at commercial banks and credit institutions with interest rates ranging from 4.0% to 5.0% per annum.

6. FINANCIAL INVESTMENTS

	30/6/2015		31/12/2014	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
Held-to-maturity investments				
Term deposits	70,000,000,000	70,000,000,000	71,245,382,915	71,245,382,915

Held-to-maturity investments as at 30 June 2015 represent time deposits with original terms of more than 3 months and remaining terms of less than 12 months from the reporting date at commercial banks with interest rates ranging from 5.0% to 5.7% per annum.

6. FINANCIAL INVESTMENTS (Continued)

	30/6/2015			31/12/2014		
	Cost	Provision	Fair value	Cost	Provision	Fair value
	VND	VND	VND	VND	VND	VND
Investments in subsidiaries	**463,249,800,000**	-	**442,125,000,000**	**466,456,800,000**	-	-
Central PetroVietnam Fertilizer and Chemicals JSC	75,000,000,000	-	112,500,000,000	75,000,000,000	-	-
SouthWest PetroVietnam Fertilizer and Chemicals JSC	127,500,000,000	-	172,125,000,000	127,500,000,000	-	-
SouthEast PetroVietnam Fertilizer and Chemicals JSC	93,750,000,000	-	157,500,000,000	93,750,000,000	-	-
Northern PetroVietnam Fertilizer and Chemicals JSC	90,000,000,000	-	-	90,000,000,000	-	-
Phu My Fertilizer Packaging Joint Stock Company	18,203,000,000	-	-	21,410,000,000	-	-
PetroVietnam Southern Building and Development JSC	58,796,800,000	-	-	58,796,800,000	-	-
Investments in associates	**662,700,000,000**	**(626,992,550,885)**	-	**662,700,000,000**	**(448,217,981,815)**	-
PetroVietnam Urban Development JSC	100,000,000,000	(99,646,443,264)	-	100,000,000,000	(88,530,185,091)	-
PetroVietnam Petrochemical and Textile Fiber JSC	562,700,000,000	(527,346,107,621)	-	562,700,000,000	(359,687,796,724)	-
Investments in others entities	**20,502,000,000**	**(335,870,286)**	-	**20,502,000,000**	**(335,870,286)**	-
Petroleum Information Technology Telecom and Automation JSC	3,600,000,000	(335,870,286)	-	3,600,000,000	(335,870,286)	-
Ut Xi Aquatic Products Processing Corporation	16,902,000,000	-	-	16,902,000,000	-	-

As stipulated in Circular No. 200/2014/TT-BTC dated 22 December 2014, the fair value of the investments as at 30 June 2015 should be presented. The Corporation has determined the fair value of investments in Central PetroVietnam Fertilizer and Chemicals JSC, SouthEast PetroVietnam Fertilizer and Chemicals JSC and SouthWest PetroVietnam Fertilizer and Chemicals JSC based on listed price of shares on the stock exchange and the number of shares currently held by the Corporation. For the remaining investments, these companies have not had their shares listed on the stock market yet and the Corporation was unable to collect reliable information in order to determine their fair value. Accordingly, the fair value of such investments as at 30 June 2015 has not been determined and presented in the Notes to the separate financial statements as per Circular No. 200/2014/TT-BTC.

6. FINANCIAL INVESTMENTS (Continued)

	From 01/01/2015 to 30/6/2015			From 01/01/2014 to 30/6/2014		
	Revenue	Expenditures	Profit/(loss) after tax	Revenue	Expenditures	Profit/(loss) after tax
	VND	VND	VND	VND	VND	VND
Operating status of subsidiaries during the period						
Central PetroVietnam Fertilizer and Chemicals JSC	1,328,636,470,981	1,298,013,272,149	11,873,676,406	1,346,008,487,243	1,318,871,460,537	22,250,771,976
SouthWest PetroVietnam Fertilizer and Chemicals JSC	1,364,582,122,688	1,336,972,784,870	14,011,464,156	1,182,582,606,937	1,162,450,215,962	18,145,381,167
SouthEast PetroVietnam Fertilizer and Chemicals JSC	1,333,806,307,603	1,310,267,395,941	11,268,065,445	1,472,360,006,775	1,452,462,146,506	15,392,060,717
Northern PetroVietnam Fertilizer and Chemicals JSC	828,675,261,002	795,239,796,495	18,187,878,220	751,542,781,452	734,043,856,061	17,168,298,856
Phu My Fertilizer Packaging Joint Stock Company	149,638,109,592	142,770,312,104	5,304,545,090	106,362,270,230	100,202,168,053	4,900,404,124
PetroVietnam Southern Building and Development JSC	86,454,460,167	83,424,410,868	2,490,777,148	78,214,331,385	75,326,828,689	3,102,389,674
Operating status of associates during the period						
PetroVietnam Urban Development JSC (1)	44,140,096,508	46,935,212,150	(3,267,742,539)	41,215,469,159	49,348,252,174	(14,385,207,972)
PetroVietnam Petrochemical and Textile Fiber JSC (2)	984,893,726,135	1,199,720,055,294	(642,885,601,938)	188,593,054,251	252,827,617,162	(467,805,953,444)

(1) According to the unreviewed separate financial statements for the period from 01 January 2015 to 30 June 2015 of PetroVietnam Urban Development Joint Stock Company ("PVC-Mekong"), PVC-Mekong's net assets of more than VND 185 billion is VND 280 billion less than the capital contributed by its shareholders. Therefore, the Corporation made provision of more than VND 99 billion for impairment of the investment in PVC - Mekong.

(2) According to the unreviewed separate financial statements for the period from 01 January 2015 to 30 June 2015 of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX"), PVTEX's net assets of more than VND 138 billion is VND 2,027 billion less than the capital contributed by its shareholders. Therefore, the Corporation made provision of more than VND 527 billion for impairment of the investment in PVTEX.

	From 01/01/2015 to 30/6/2015			From 01/01/2014 to 30/6/2014		
	Sales	Purchases of goods and services	Dividends distributed	Sales	Purchases of goods and services	Dividends received
	VND	VND	VND	VND	VND	VND
Significant transactions between Holding Corporation, subsidiaries and associates as presented in Note 37	4,092,385,120,398	100,963,806,232	38,365,308,000	3,762,454,975,456	121,088,353,457	44,578,212,000

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued) **FORM B 09a-DN**

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

7. SHORT-TERM TRADE RECEIVABLES

	30/6/2015	31/12/2014
	VND	VND
F.A Joint Stock Company	8,900,718,801	3,110,469,670
Related parties (as presented in Note 37)	381,880,884,543	133,586,438,449
Others	4,056,735,430	4,582,318,302
	394,838,338,774	**141,279,226,421**

8. SHORT-TERM ADVANCES TO SUPPLIERS

	30/6/2015	31/12/2014
	VND	VND
TOYO Vietnam Corporation	19,775,000,000	59,325,000,000
Ngoc Lan Private Enterprise	9,153,800,000	9,153,800,000
Related parties (as presented in Note 37)	13,625,544,790	7,704,476,430
Others	47,778,795,827	12,320,805,993
	90,333,140,617	**88,504,082,423**

9. OTHER SHORT-TERM RECEIVABLES

	30/6/2015	31/12/2014 (Reclassified)
	VND	VND
Other short-term receivables		
PetroVietnam Trade Union Finance Investment Corporation (PVFI)	110,143,267,289	110,143,267,289
PetroVietnam Oil and Gas Group (i)	101,207,873,164	-
Accrued interest income from term deposits	17,890,999,101	19,692,943,546
PetroVietnam Northen Gas Joint Stock Company (ii)	12,792,091,037	12,792,091,037
Devidends and profits receivable	3,527,808,000	-
Advances to employees	2,596,494,905	239,187,715
Short-term deposits, collateral	32,000,000	32,000,000
VAT refund of Phu My Factory	-	106,450,370,984
Others	13,282,257,124	12,207,083,963
	261,472,790,620	**261,556,944,534**
Other long-term receivables		
Long-term deposits, collateral	50,000,000	50,000,000
	50,000,000	**50,000,000**

9. OTHER SHORT-TERM RECEIVABLES (Continued)

(i) The balance receivable from Vietnam Oil and Gas Group ("PVN") as at 30 June 2015 represents a payment under the reciprocal guarantee commitment for short- and medium-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (PVTEX). Payment obligations arose from the fact that Corporation signed two reciprocal guarantee commitments with the Group relating to the guarantee obligations of the Group for short- and medium-term loans of PVTEX. In 2014, the Group guaranteed and paid a total amount of VND 389.4 billion, representing a part of the medium-term loan for the plan construction purpose and the short-term plan for the commissioning purpose with the same interest rate, on behalf of PVTEX. Accordingly, the Corporation returned an amount of VND 101.2 billion, corresponding to the Corporation's capital proportion in PVTEX, to the Group.

According to the Memorandum of Agreement between PVN, PVTEX and the Corporation, PVN shall be responsible for collecting the principal of and interest on the guarantees having paid by parties on behalf of PVTEX. Within 7 days from the day PVN receives debt payments from PVTEX (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in PVTEX to the Corporation. The interest rate is determined by the demand deposit interest rate announced by the Commercial Joint Stock Bank for Foreign Trade of Vietnam. The interest calculation period starts from the day the Corporation pays the reciprocal guarantee amount to PVN.

(ii) The balance receivable from PetroVietnam Northern Gas Joint Stock Company ("PVGN") as at 30 June 2015 represents a damage insurance amount with regard to Da Nang Warehouse construction. This amount was paid by the insurance company but has not been transferred to the Company by PVGN yet.

10. BAD DEBTS

	30/6/2015		31/12/2014	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
Doubtful debts	**119,297,067,289**	**-**	**119,297,067,289**	**-**
PetroVietnam Trade Union Finance Investment Corporation (i)	*110,143,267,289*	-	*110,143,267,289*	-
Ngoc Lan Private Enterprise (ii)	*9,153,800,000*	-	*9,153,800,000*	-

(i) The Corporation made a full provision for the receivables amount from PetroVietnam Trade Union Finance Investment Corporation in the financial statements for the year ended 31 December 2012.

(ii) The Corporation made a full provision for the receivables amount from Ngoc Lan Private Enterprise in the financial statements for the year ended 31 December 2011.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued) **FORM B 09a-DN**

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

11. INVENTORIES

	30/6/2015		31/12/2014	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	204,746,667,310	-	288,454,892,852	-
Raw materials	341,805,131,658	-	480,536,280,351	-
Tools and supplies	2,736,981,718	-	4,617,257,639	-
Work in progress	29,880,281,656	-	31,549,373,712	-
Finished goods	99,416,622,331	-	258,554,534,159	-
Merchandise	305,366,603,346	-	142,701,290,869	-
Total	**983,952,288,019**	-	**1,206,413,629,582**	-

12. PREPAYMENTS

	30/6/2015	31/12/2014 (Reclassified)
	VND	VND
Short-term		
Asset insurance prepayment	9,613,681,728	9,518,700,811
Land rentals	6,777,447,370	-
Others	1,313,739,330	5,620,949,957
	17,704,868,428	**15,139,650,768**
Long-term		
Land rentals	3,651,863,467	3,932,776,045
Tools and supplies	9,668,071,812	15,734,967,858
Others	2,271,058,599	5,540,722,745
	15,590,993,878	**25,208,466,648**

13. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles, transmission equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
As at 01/01/2015	1,426,724,534,990	5,359,366,758,010	54,486,512,238	112,567,786,082	6,816,368,775	6,959,961,960,095
Purchases	-	1,699,600,000	-	3,541,251,635	-	5,240,851,635
As at 30/6/2015	1,426,724,534,990	5,361,066,358,010	54,486,512,238	116,109,037,717	6,816,368,775	6,965,202,811,730
ACCUMULATED DEPRECIATION						
As at 01/01/2015	763,444,451,696	5,157,687,238,267	44,949,246,211	69,450,852,123	2,890,826,102	6,038,422,614,399
Charge for the period	36,475,377,112	52,423,374,412	1,356,289,784	10,366,684,364	1,126,723,968	101,748,449,640
As at 30/6/2015	799,919,828,808	5,210,110,612,679	46,305,535,995	79,817,536,487	4,017,550,070	6,140,171,064,039
NET BOOK VALUE						
As at 30/6/2015	626,804,706,182	150,955,745,331	8,180,976,243	36,291,501,230	2,798,818,705	825,031,747,691
As at 01/01/2015	663,280,083,294	201,679,519,743	9,537,266,027	43,116,933,959	3,925,542,673	921,539,345,696

The cost of the Corporation's tangible fixed assets as at 30 June 2015 includes VND 5,367,763,509,127 (31 December 2014: VND 5,349,686,879,705) of assets which have been fully depreciated but are still in use.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued) **FORM B 09a-DN**

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

14. INTANGIBLE ASSETS

	Land use rights	Patent, copyright	Computer software	Others	Total
	VND	VND	VND	VND	VND
COST					
As at 01/01/2015	**803,964,779,348**	**171,736,726,176**	**52,117,573,588**	**9,981,954,396**	**1,037,801,033,508**
Addition	-	-	639,000,000	-	639,000,000
As at 30/6/2015	**803,964,779,348**	**171,736,726,176**	**52,756,573,588**	**9,981,954,396**	**1,038,440,033,508**
ACCUMULATED AMORTISATION					
As at 01/01/2015	**14,418,509,226**	**169,035,688,047**	**36,904,983,424**	**9,860,908,169**	**230,220,088,866**
Charge for the period	2,134,098,201	1,251,551,338	4,106,232,171	70,446,490	7,562,328,200
As at 30/6/2015	**16,552,607,427**	**170,287,239,385**	**41,011,215,595**	**9,931,354,659**	**237,782,417,066**
NET BOOK VALUE					
As at 30/6/2015	**787,412,171,921**	**1,449,486,791**	**11,745,357,993**	**50,599,737**	**800,657,616,442**
As at 01/01/2015	**789,546,270,122**	**2,701,038,129**	**15,212,590,164**	**121,046,227**	**807,580,944,642**

The cost of the Corporation's intangible assets as at 30 June 2015 includes VND 178,361,196,555 (31 December 2014: VND 178,361,196,555) of assets which have been fully depreciated but are still in use.

15. INVESTMENT PROPERTIES

	Land use rights	Buildings and structures	Total
	VND	VND	VND
COST			
As at 01/01/2015	**123,999,152,000**	**267,907,080,192**	**391,906,232,192**
Purchases	-	1,502,792,144	1,502,792,144
As at 30/6/2015	**123,999,152,000**	**269,409,872,336**	**393,409,024,336**
ACCUMULATED DEPRECIATION			
As at 01/01/2015	**6,092,502,718**	**41,530,967,492**	**47,623,470,210**
Charge for the period	735,071,070	5,399,387,746	6,134,458,816
As at 30/6/2015	**6,827,573,788**	**46,930,355,238**	**53,757,929,026**
NET BOOK VALUE			
As at 30/6/2015	**117,171,578,212**	**222,479,517,098**	**339,651,095,310**
As at 01/01/2015	**117,906,649,282**	**226,376,112,700**	**344,282,761,982**

Investment properties represent land use rights and buildings and structures of Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City; Cuu Long Supermarket-Office Building in Ca Mau Province; Sao Phuong Bac Hotel in Sapa Town, Lao Cai Province; PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City which were held to earn rentals.

According to VAS No. 05 - Investment Properties, fair value of investment properties at the balance sheet date is required to be disclosed. However, the Corporation has not determined the fair value as at 30 June 2015; therefore, no information about the fair value is stated at the notes to the separate financial statements.

16. CONSTRUCTION IN PROGRESS

	30/6/2015	31/12/2014
	VND	VND
Construction in progress	394,960,590,703	240,638,327,232
In which:		
UFC 85/Formaldehyde factory project (*)	*224,715,800,539*	*75,732,962,614*
Ammonia project	*46,248,899,367*	*46,248,899,367*
Apartment buildings for employees	*36,342,070,618*	*36,342,070,618*
Tay Ninh warehouse	*23,573,596,728*	*23,573,596,728*
NH3 and NPK project	*24,382,002,017*	*23,451,226,161*
Other projects	*39,698,221,434*	*35,289,571,744*
	394,960,590,703	**240,638,327,232**

(*) As stated in Note 24, the Corporation has mortgaged the entire investment cost of the construction project on UFC85/Formaldehyde factory with the amount as at 30 June 2015 amounting to approximately VND 224.7 billion to ensure long-term loans obtained from Vietnam Public Commercial Joint Stock Bank- Ho Chi Minh City Branch.

17. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognized by the Corporation, and the movements thereon, in the operating period and prior financial years.

	Provision of short-term doubtful debts	Accrued expenses not yet invoiced	Others	Total
	VND	VND	VND	VND
As at 01/01/2014	13,767,908,411	11,656,179,678	-	25,424,088,089
Charge for the period	(6,498,452,770)	29,469,242,576	5,426,555,666	28,397,345,472
As at 01/01/2015	**7,269,455,641**	**41,125,422,254**	**5,426,555,666**	**53,821,433,561**
Charge for the period	-	(13,216,242,502)	219,832,620	(12,996,409,882)
As at 30/6/2015	**7,269,455,641**	**27,909,179,752**	**5,646,388,286**	**40,825,023,679**

18. SHORT-TERM TRADE PAYABLES

	30/6/2015	31/12/2014
	VND	VND
TOYO Vietnam Corporation	30,132,500,000	29,662,500,000
Related parties (as presented in Note 37)	133,455,635,715	252,904,406,246
Others	92,631,592,630	83,655,862,339
	256,219,728,345	**366,222,768,585**

19. SHORT-TERM ADVANCES FROM CUSTOMERS

	30/6/2015	31/12/2014
	VND	VND
Related parties (as presented in Note 37)	74,647,037,904	59,041,033,554
Others	2,065,390,215	1,299,239,730
	76,712,428,119	**60,340,273,284**

20. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	30/6/2015	31/12/2014
	VND	VND
Corporate income tax	49,290,771,777	36,266,991,971
Personal income tax	3,368,763,849	1,621,798,189
Natural resource tax	12,270,720	30,299,840
Others	1,238,000	498,000
	52,673,044,346	**37,919,588,000**

Implementation of tax obligation to the State budget for the period:

Items	Tax payables 01/01/2015	Movement in the period		Tax payables 30/6/2015
		Amount payable	Amount paid	
	VND	VND	VND	VND
VAT on imports	-	4,034,217,077	4,034,217,077	-
Import-export duties	-	39,148,226,932	39,148,226,932	-
Corporate income tax	33,114,173,197	129,619,568,150	116,595,788,344	46,137,953,003
Personal income tax	261,776,224	21,456,668,556	18,349,680,931	3,368,763,849
Natural resource tax	30,299,840	157,172,480	175,201,600	12,270,720
Environmental protection tax	498,000	25,160,000	24,420,000	1,238,000
Business tax	-	6,000,000	6,000,000	-
Foreign contractor withholding tax	-	174,985,376	174,985,376	-
Total	**33,406,747,261**	**194,621,998,571**	**178,508,520,260**	**49,520,225,572**
In which:				
- Taxes and amounts payable to the State budget	*37,919,588,000*			*52,673,044,346*
- Taxes and other receivables from the State budget	*4,512,840,739*			*3,152,818,774*

21. SHORT-TERM ACCRUED EXPENSES

	30/6/2015	31/12/2014 (Reclassified)
	VND	VND
Management fees payable to Vietnam Oil and Gas Group (i)	7,310,127,468	-
Social sercurity expenses (ii)	43,063,434,852	32,058,808,019
Others	66,700,819,251	25,005,411,139
	117,074,381,571	**57,064,219,158**

(i) The management fee payable to the Vietnam Oil and Gas Group is equal to 0.5% of net sales of the period under Resolution No. 8317/NG-DKVN dated 1 November 2009 issued by Vietnam Oil and Gas Group and Management Service Contract No. 6392/HD-DKVN dated 30 September 2013.

(ii) Social sercurity expenses for the period were accrued in accordance with Resolution No. 992/NQ-DKVN dated 27 April 2015 and official Letter No. 1205/DKVN-TCNS dated 27 May 2015 issued by Vietnam Oil and Gas Group. As at 30 June 2015, the balance of social security expenses payable to beneficiaires was VND 43,063,434,852.

22. OTHER SHORT-TERM PAYABLES

	30/6/2015	31/12/2014 (Reclassified)
	VND	VND
Dividend payables	25,350,574,089	25,188,468,714
Short-term deposits	3,939,808,266	5,496,394,080
Other short-term payables	6,690,248,447	14,891,897,310
	35,980,630,802	**45,576,760,104**

23. PROVISIONS

	30/6/2015	31/12/2014 (Reclassified)
	VND	VND
Short-term		
Accrued repair and maintenance costs for Phu My Fertilizer Plant in 2015	71,179,694,332	217,105,262,533
Accrued GAS TURBINE maintenance costs in 2016	19,840,105,265	-
	91,019,799,597	**217,105,262,533**
Long-term		
Accrued repair and maintenance costs for the Plant in 2017	7,083,333,334	-
	7,083,333,334	**-**

24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Items	31/12/2014		For the period		30/6/2015	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	-	-	91,337,500,000	-	91,337,500,000	91,337,500,000
Total	-	-	91,337,500,000	-	91,337,500,000	91,337,500,000

This is the long-term loan under Credit Agreement No. 03/2015/HDDA-PVB-CNHCM.QLDT dated 26 January 2015 between the Corporation and Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch with the credit limit of VND 347,574,411,133 to finance the construction project on UFC85/ Formaldehyde factory of which the Corporation acts as the investment owner. The maximum loan term is 120 months from the first disbursement date. The loan interest rate is determined by reference interest plus margin interest (2.5% per annum). Interest will be payable once every 06 months based on the actual outstanding balance on the 26th every month.

The Corporation has mortgaged the entire value of the construction project on the factory in Phu My I Industrial Zone in Ba Ria - Vung Tau province to secure the loan above.

25. OWNER'S EQUITY

	Owner's contributed	Share premium	Treasury shares	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Balance as at 01/01/2014	**3,800,000,000,000**	**21,179,913,858**	**(2,296,824,120)**	**(264,120,169)**	**2,499,459,725,948**	**945,355,131,893**	**2,001,352,082,545**	**9,264,785,909,955**
Profit for the year	-	-	-	-	-	-	1,066,132,558,505	1,066,132,558,505
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(117,037,091,980)	(117,037,091,980)
Dividends declared	-	-	-	-	-	-	(1,519,737,040,000)	(1,519,737,040,000)
Others	-	-	-	263,400,375	-	-	-	263,400,375
Balance as at 31/12/2014	**3,800,000,000,000**	**21,179,913,858**	**(2,296,824,120)**	**(719,794)**	**2,499,459,725,948**	**945,355,131,893**	**1,430,710,509,070**	**8,694,407,736,855**
Reclassified under Circular No. 200	-	-	-	-	945,355,131,893	(945,355,131,893)	-	-
Balance as at 01/01/2015	**3,800,000,000,000**	**21,179,913,858**	**(2,296,824,120)**	**(719,794)**	**3,444,814,857,841**	**-**	**1,430,710,509,070**	**8,694,407,736,855**
Profit for the period	-	-	-	-	-	-	711,648,257,100	711,648,257,100
Appropriation to bonus and welfare funds (1)	-	-	-	-	-	-	(127,028,089,283)	(127,028,089,283)
Dividends declared (2)	-	-	-	-	-	-	(569,901,390,000)	(569,901,390,000)
Balance as at 30/6/2015	**3,800,000,000,000**	**21,179,913,858**	**(2,296,824,120)**	**(719,794)**	**3,444,814,857,841**	**-**	**1,445,429,286,887**	**8,709,126,514,672**

(1) For the first 6 months of 2015, the Corporation made profit appropriation of VND 54,548,877,300 to the Bonus and welfare funds from the 2014 profit under Resolution No. 21/NQ-DHDCD at the rate of 2% of the retained earnings. Also, the Corporation made an interim profit appropriation of VND 72,479,211,983 to the Bonus and welfare funds, corresponding to 10% of the after-tax profit for the first 6 months of 2015 under Resolution No. 23/NQ-DHDCD dated 22 April 2015 passed at the General Shareholders' Meeting.

(2) Under Resolution No. 23/NQ-DHDCD dated 22 April 2015, the Corporation declared to pay the remaining dividend from the 2014 after-tax profit amounting to VND 569,901,390,000 (equivalent to VND 1,500 per share) while in 2014 the Corporation made the first interim dividend advance totalling VND 569,901,390,000 (equivalent to VND 1,500 per share).

25. OWNER'S EQUITY (Continued)

	30/6/2015	31/12/2014
Shares		
Number of shares issued to public		
+) Common shares	*380,000,000*	*380,000,000*
+) Preferred shares	-	-
Number of treasury shares		
+) Common shares	*65,740*	*65,740*
+) Preferred shares	-	-
Number of outstanding shares in circulation		
+) Common shares	*379,934,260*	*379,934,260*
+) Preferred shares	-	-

A common share has par value of VND 10,000.

Charter capital

According to the Corporation's Business Registration Certificate No. 4103007696 dated 31 August 2007 and the amendment dated 16 July 2013 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,800,000,000,000. The charter capital was fully contributed by the shareholders as at 30 June 2015 as follows:

Shareholders	According to the Corporation's Business Registration Certificate		Contributed capital 30/6/2015	Contributed capital 31/12/2014
	VND	%	VND	VND
Vietnam Oil and Gas Group	2,332,042,530,000	61,37	2,332,042,530,000	2,332,042,530,000
Others	1,467,957,470,000	38,63	1,467,957,470,000	1,467,957,470,000
	3,800,000,000,000	**100%**	**3,800,000,000,000**	**3,800,000,000,000**

26. OFF-BALANCE SHEET ITEMS

	30/6/2015	31/12/2014
Foreign currencies		
- USD	1,108,506	1,808,468
- EUR	31,961	33,658

27. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Corporation's principal activities are manufacturing and trading of fertilizers used in agriculture. Accordingly, the financial information presented in the balance sheet as at 30 June 2015 and all revenue and expenses presented in the income statement for the period from 01 January 2015 to 30 June 2015 are related to manufacturing and trading of fertilizers. Revenue and cost of each goods item and business activity are presented in Note 28 and Note 29.

The Corporation carries out the distribution of fertilizer products, chemicals, packaging and services across the country through subsidiaries in each area including the Northern, Central High lands, Southeast, Southwest, and Ho Chi Minh. During the period, the Corporation exported products with revenue approximating VND 75 billion- accounting for negligible proportion of gross revenue from goods sold and services rendered of the Corporation. Thus, almost the entire production and business activities of the Corporation are carried out in the territory of Vietnam.

28. REVENUE FROM GOODS SOLD AND SERVICES RENEDERED

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Sales of Urea	3,025,990,406,625	3,249,364,123,541
Sales of Ca Mau Urea	-	11,480,236,000
Sales of Ammonia	107,786,141,356	4,265,374,530
Sales of electricity	709,596,932	623,071,381
Others	1,148,044,537,917	657,590,477,512
	4,282,530,682,830	**3,923,323,282,964**
Deduction		
Sales discounts	46,940,001,334	31,476,901,881
	46,940,001,334	**31,476,901,881**
Sales to related parties (presented in Note No.37)	**4,092,385,120,398**	**3,767,831,430,028**

29. COST OF SALES

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Cost of sold Urea	1,754,569,260,948	2,158,620,556,116
Cost of sold Ca Mau Urea	-	12,634,830,435
Cost of sold Ammonia	60,046,807,816	2,281,879,582
Cost of sold electricity	1,180,235,787	1,373,268,464
Others	1,092,822,977,123	624,116,021,979
	2,908,619,281,674	**2,799,026,556,576**

30. PRODUCTION COST BY NATURE

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Raw materials and consumables	1,201,259,291,519	1,817,995,718,289
Labour	159,488,250,347	162,847,378,116
Depreciation and amortisation	105,524,652,353	112,139,142,205
Out-sourced services	385,178,410,582	429,745,494,917
Other expenses	169,608,716,137	56,469,866,418
	2,021,059,320,938	**2,579,197,599,945**

31. FINANCIAL INCOME

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Interest income	124,026,904,456	138,110,935,374
Dividends and profits received	38,365,308,000	44,578,212,000
Foreign exchange gain	1,143,931,498	8,913,963
Gain araising on the transfer of shares of Phu My Fertilizer Packaging Joint Stock Company	1,399,214,100	-
	164,935,358,054	**182,698,061,337**

32. FINANCIAL EXPENSES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Provision for impairment of long-term investments	178,774,569,070	119,277,434,399
Foreign exchange loss	809,575,318	454,859,774
Others	223,236	1,926,206
	179,584,367,624	**119,734,220,379**

33. SELLING AND GENERAL ADMINISTRATION EXPENSES

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Selling expenses for the period		
Transportation, loading, uploading and storages expense	156,951,672,894	163,998,147,010
Social sercurity expenses	46,794,404,500	45,020,000,000
Advertising and media expenses	38,307,159,162	40,525,990,553
Others	44,574,139,944	41,495,116,779
	286,627,376,500	**291,039,254,342**
General administration expense for the period		
Management personel costs	45,433,439,016	46,004,330,698
Administration fee paid to the Group	15,604,057,564	20,041,618,307
Depreciation and amortisation	42,259,475,405	42,010,432,426
Others	70,106,872,989	87,233,251,663
	173,403,844,974	**195,289,633,094**

34. CORPORATE INCOME TAX

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Corporate income tax based on taxable profit in the current period	129,619,568,150	65,860,906,588
Total corporate income tax expenses	**129,619,568,150**	**65,860,906,588**

For production and trading of fertilizers: the Corporation is obliged to pay corporate income tax at the rate of 15% of its assessable income. The Corporation is entitled to corporate income tax exemption for four years from the first profit-making year (2004) and a 50% reduction in tax payable for the seven years thereafter (from 2008). The period from 01 January 2015 to 30 June 2015 is the first period the Company enjoys 15% corporate income tax rate for profit from trading fertilizers.

35. COMMITMENTS

Operating lease commitments

On 03 September 2005, the Corporation was handed over with a land-subleasing contract No. 178/HD/TLD/UDEC.2001 dated 01 June 2001 signed between the Project Management Unit (PMU) of Phu My Fertilizer Plant and Ba Ria-Vung Tau Urban Development and Construction Company for the long-term lease of land and infrastructure in Phu My I Industrial Zone, Tan Thanh district, Ba Ria - Vung Tau province. The contract is valid for 17 years from 03 September 2004. According to the Appendix No.135/PLHD/IZICO signed on 7 November 2013, from 2014 onwards, the Corporation has to pay the annual rental fee of USD 666,524 in VND on 15 February each year.

Capital commitments

- Under Decision No. 254/QD-PHBC dated 12 August 2013, the Corporation's Board of Management approved the project on construction of UFC85/Formaldehyde production workshop for the purpose of providing materials for Phu My Fertilizer Plant, Ninh Binh Fertilizer Plant, and Ca Mau Fertilizer Plant to produce Urea fertilizer, and meeting the domestic demand for UFC85/Formaldehyde consumption in industrial areas and life with total investment cost of VND 496,534,873,048. The project is expected to be implemented for 27.5 months. As at 30 June 2015, the cost of the project was VND 224,715,800,539.

- Under Decision No. 115/QD-PHBC dated 8 April 2014, the Corporation's Board of Management approved the project on investment and construction to enhance productivity of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant, supplying and meeting domestic demand for NH3 and NPK fertilizer consumption with total investment cost of VND 4,987,200,000,000. The project is expected to be completed in Quarter 2 of 2017. As at 30 June 2015, the cost of the project was VND 24,382,002,017.

Other commitments

Under the Appendix No. 04 to Gas Sales and Purchase Agreement No. 82/2010/PVGas-KTTT/TM-PVFCCo/B1 dated 07 May 2010, from 01 January 2015 to 31 December 2015 gas purchasing price is calculated using the formula to calculate gas price traded at a gas delivery place as follows: VAT exclusive gas price USD/MMBTU = 46% * average oil price MFOC + Cuu Long charges applied to Phu My Fertilizer Plant, charge fee applied for 2015 is 0.92 USD/MMBTU.

36. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Corporation consists of net debt (including loans and obligations under finance lease as disclosed in Note 24, offset by cash and cash equivalents) and owner's equity (comprising capital, reserves and retained earnings).

Gearing ratio of the Corporation at the balance sheet date as follows:

	30/6/2015 VND	31/12/2014 VND
Loans and obligations under finance lease	91,337,500,000	-
Less: Cash and cash equivalents	4,867,449,920,383	4,757,994,590,292
Net debt	-	-
Equity	8,709,126,514,672	8,694,407,736,855
Net debt to equity ratio	-	-

Significant accounting policies

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

Categories of financial instruments

	Carrying amounts	
	30/6/2015 VND	31/12/2014 (Reclassified) VND
Financial assets		
Cash and cash equivalents	4,867,449,920,383	4,757,994,590,292
Short-term investments	70,000,000,000	71,245,382,915
Trade and other receivables	532,090,927,200	280,973,275,951
Total	**5,469,540,847,583**	**5,110,213,249,158**
Financial liabilities		
Loans and obligations under finance leases	91,337,500,000	-
Trade and other payables	292,135,086,032	410,929,485,107
Accruals	117,074,381,571	57,064,219,158
Short- term payables	98,103,132,931	217,105,262,533
Total	**598,650,100,534**	**685,098,966,798**

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

36. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

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

Financial risks include market risk (price risk), credit risk and liquidity risk.

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in exchange rates, interest rates and prices. The Corporation does not hedge these risk exposures upon its assessment that the cost of hedging foreign exchange risk or interest rate risk might be higher than that incurred from market risk of fluctuation in foreign exchange rates of these instruments in the future.

Share price risk management

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits. The Corporation's Board of Management also assesses and approves decisions on share investments such as operating industry, investees, etc.

Investments in equity instruments are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments. As at 30 June 2015, the Board of General Directors assessed investments in shares and noted that except for the impairment of the investments in PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (PVTEX), PetroVietnam Urban Development Joint Stock Company (PVC-Mekong) and in Petroleum Information Technology Telecom and Automation Joint Stock Company (PAIC), there was no impairment of other investments. Therefore, the Corporation only made provision for these investments with total amount of VND 627 billion as at 30 June 2015.

Commodity price risk management

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at 30 June 2015, the Corporation had some receivables that had been oustanding for a long time and unlikely to be recoverable. The recoverability of these amounts is uncertainty based on the Board of General Directors' assessment. Therefore, the Board of General Directors decided to make provision for these receivables with an amount of VND 121,571,707,289 accumulated to 30 June 2015.

Liquidity risk management

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

36. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

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

30/6/2015	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	4,867,449,920,383	-	-	4,867,449,920,383
Short-term investments	70,000,000,000	-	-	70,000,000,000
Trade and other receivables	532,090,927,200	-	-	532,090,927,200
Total	**5,469,540,847,583**	-	-	**5,469,540,847,583**

30/6/2015	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Loans and obligations under finance leases	-	91,337,500,000	-	91,337,500,000
Trade and other payables	292,135,086,032	-	-	292,135,086,032
Accruals	117,074,381,571	-	-	117,074,381,571
Short- term payables	91,019,799,597	7,083,333,334	-	98,103,132,931
Total	**500,229,267,200**	**98,420,833,334**	-	**598,650,100,534**
Net liquidity gap	**4,969,311,580,383**	**(98,420,833,334)**	-	**4,870,890,747,049**

31/12/2014 (Reclassified)	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	4,757,994,590,292	-	-	4,757,994,590,292
Short-term investment	71,245,382,915	-	-	71,245,382,915
Trade and other receivables	280,973,275,951	-	-	280,973,275,951
Total	**5,110,213,249,158**	-	-	**5,110,213,249,158**

31/12/2014 (Reclassified)	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Trade and other payables	410,929,485,107	-	-	410,929,485,107
Accruals	57,064,219,158	-	-	57,064,219,158
Short- term payables	217,105,262,533	-	-	217,105,262,533
Total	**685,098,966,798**	-	-	**685,098,966,798**
Net liquidity gap	**4,425,114,282,360**	-	-	**4,425,114,282,360**

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

37. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Holding Company - Vietnam Oil and Gas Group
Subsidiaried, associates
Companies under Vietnam Oil and Gas Group

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

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Sales		
PetroVietnam Gas Ca Mau Company	-	3,450,000,000
PetroVietnam Ca Mau Fertilizer Company limited	-	1,926,454,572
SouthWest PetroVietnam Fertilizer and Chemicals JSC	1,204,444,863,988	1,043,109,423,495
Central PetroVietnam Fertilizer and Chemicals JSC	1,145,630,746,547	1,106,753,537,745
Northern PetroVietnam Fertilizer and Chemicals JSC	762,349,333,611	616,781,571,445
SouthEast PetroVietnam Fertilizer and Chemicals JSC	971,950,725,025	984,577,378,756
PetroVietnam Southern Building and Development JSC	7,993,232,000	11,206,643,503
Phu My Fertilizer Packaging Joint Stock Company	16,219,227	26,420,512
	4,092,385,120,398	**3,767,831,430,028**

	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
	VND	VND
Purchases		
PetroVietnam Gas Joint Stock Corporation	961,724,035,199	1,546,198,490,392
PVI Holdings	38,600,801,967	25,706,154,116
Phu My Fertilizer Packaging Joint Stock Company	37,866,001,100	39,441,901,846
PetroVietnam Southern Building and Development JSC	36,481,133,035	40,442,850,221
PetroVietnam Technical Services Corporation	13,905,919,710	15,085,429,816
Central PetroVietnam Fertilizer and Chemicals JSC	12,809,693,348	9,594,059,812
Northern PetroVietnam Fertilizer and Chemicals JSC	9,055,444,053	6,341,961,749
PetroVietnam Transportation Corporation	7,553,723,921	4,713,458,194
SouthWest PetroVietnam Fertilizer and Chemicals JSC	2,757,487,879	3,324,523,467
SouthEast PetroVietnam Fertilizer and Chemicals JSC	1,994,046,817	1,675,726,982
Vietnam Petroleum Institute	1,243,671,839	2,279,654,776
PetroVietnam Urban Development Joint Stock Company	-	20,267,329,380
PetroVietnam General Services Joint Stock Corporation (Petrosetco)	-	16,655,628
Drilling Mud Joint Stock Corporation (DMC)	-	44,542,799
PetroVietnam security service corporation (PVSecurity)	-	1,325,834,866
PetroVietnam Energy Technology Corporation - Joint Stock Company (EIC)	-	8,688,136,728
PetroVietnam Finance Corporation (PVFC)	-	200,000,000
PetroVietnam Oil Corporation	-	917,200,964
PetroVietnam Engineering Consultancy Joint Stock Company (PVE)	-	1,473,953,206
	1,123,991,958,868	**1,715,071,540,751**

37. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Significant related party balances were as follows:

	30/6/2015	31/12/2014
	VND	VND
Time deposits		
Vietnam Public Joint Stock Commercial Bank	450,000,000,000	421,245,382,915
Ocean Commercial One Member Limited Liability Bank	260,000,000,000	260,000,000,000
	710,000,000,000	**681,245,382,915**
Trade receivables		
SouthEast PetroVietnam Fertilizer and Chemicals JSC	144,814,129,431	60,151,158,197
Central PetroVietnam Fertilizer and Chemicals JSC	133,042,253,646	24,512,226,211
SouthWest PetroVietnam Fertilizer and Chemicals JSC	88,428,209,567	32,733,773,156
Northern PetroVietnam Fertilizer and Chemicals JSC	13,402,603,837	15,217,039,266
Phu My Fertilizer Packaging Joint Stock Company	1,507,866,434	19,718,727
PetroVietnam Petrochemical and Textile Fiber JSC	588,280,000	588,280,000
PetroVietnam Southern Building and Development JSC	97,541,628	364,242,892
	381,880,884,543	**133,586,438,449**
Advances to suppliers		
PetroVietnam Energy Technology Corporation - Joint Stock Company	5,032,554,045	1,466,990,727
PetroVietnam Urban Development Joint Stock Company	4,860,607,417	5,022,403,817
PetroVietnam Southern Building and Development JSC	1,910,148,000	1,072,403,462
Central PetroVietnam Fertilizer and Chemicals JSC	1,082,250,000	-
SouthWest PetroVietnam Fertilizer and Chemicals JSC	373,350,000	-
Phu My Fertilizer Packaging Joint Stock Company	223,956,904	-
SouthEast PetroVietnam Fertilizer and Chemicals JSC	142,678,424	142,678,424
	13,625,544,790	**7,704,476,430**
Other short-term receivables		
PetroVietnam Trade Union Finance Investment Corporation	110,143,267,289	110,143,267,289
Vietnam Oil and Gas Group	101,207,873,164	-
PetroVietnam Northern Gas Joint Stock Company	12,792,091,037	12,792,091,037
PetroVietnam Southern Building and Development JSC	3,527,808,000	-
Vietnam Public Joint Stock Commercial Bank- Hochiminh Branch	1,861,805,555	2,360,777,778
	229,532,845,045	**125,296,136,104**

37. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Significant related party balances were as follows (Continued):

	30/6/2015	31/12/2014
	VND	VND
Trade payables		
PetroVietnam Gas South East Transmission Company	86,249,029,667	200,690,469,994
PetroVietnam Southern Building and Development JSC	4,923,809,146	3,202,796,120
Central PetroVietnam Fertilizer and Chemicals JSC	4,328,849,049	6,372,455,127
Northern PetroVietnam Fertilizer and Chemicals JSC	4,382,484,385	2,337,404,066
Phu My Fertilizer Packaging Joint Stock Company	8,971,875,300	5,750,501,100
Petroleum Industrial and Civil Construction Joint Stock Company	6,003,742,149	6,003,742,149
PetroVietnam Urban Development Joint Stock Company	2,719,205,271	5,975,735,313
PTSC Phu My Port Joint Stock Company	6,070,885,165	12,836,436,250
PVI Insurance Hochiminh City	6,042,916,894	1,414,517,428
PetroVietnam Southern Building and Development JSC	2,002,838,689	7,720,348,699
PetroVietnam General Service Joint Stock Company	1,760,000,000	600,000,000
SouthEast PetroVietnam Fertilizer and Chemicals JSC	687,771,000	3,794,741,673
SouthWest PetroVietnam Fertilizer and Chemicals JSC	781,676,351	3,524,827,678
	134,925,083,066	**260,223,975,597**
Advances from customers		
SouthWest PetroVietnam Fertilizer and Chemicals JSC	23,814,000,000	-
Central PetroVietnam Fertilizer and Chemicals JSC	5,985,978,990	13,804,521,352
Northern PetroVietnam Fertilizer and Chemicals JSC	22,945,563,582	30,878,470,020
SouthEast PetroVietnam Fertilizer and Chemicals JSC	21,901,495,332	14,358,042,182
	74,647,037,904	**59,041,033,554**
Short-term Accrued Expenses		
Vietnam Oil and Gas Group	7,310,127,468	32,058,808,019
Central PetroVietnam Fertilizer and Chemicals JSC	1,220,456,788	-
	8,530,584,256	**32,058,808,019**

38. SUBSEQUENT EVENTS

On 7 July 2015, the Board of Management issued a decision on the establishment of the Branch of PetroVietnam Fertilizer and Chemicals Corporation - JSC - PetroVietnam Fertilizer and Chemicals Project Management Unit located in Phu My 1 Industrial Zone, Tan Thanh district, Ba Ria - Vung Tau province. The branch will officially operate once all the registration procedures in the business registration agency of Ba Ria - Vung Tau province have been completed.

39. COMPARATIVE FIGURES

Comparative figures in the balance sheet and the corresponding notes are the figures of the audited financial statements for the year ended 31 December 2014. Certain figures were reclassified in accordance with the guidance of Circular 200 to enhance their comparability with the current period's figures.

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

Hoang Thi Lan Anh	**Huynh Kim Nhan**	**Nguyen Van Tong**
Preparer	**Chief Accountant**	**Deputy General Director**

28 August 2015