

**PETROVIETNAM NHON TRACH 2 POWER JOINT
STOCK COMPANY**

(Incorporated in Socialist Republic of Vietnam)

REVIEWED INTERIM FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2019

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PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY

Hamlet 3, Phuoc Khanh Commune, Nhon Trach District
Dong Nai Province, Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company") presents this report together with the Company's interim financial statements for the 6-month period ended 30 June 2019.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

Board of Directors

| | |
|----------------------|-------------------------------------|
| Mr. Uong Ngoc Hai | Chairman |
| Mr. Luong Ngoc Anh | Member |
| Mr. Tran Quang Thien | Member |
| Mr. Ngo Duc Nhan | Member |
| Mr. Nguyen Cong Dung | Member (appointed on 24 April 2019) |
| Ms. Nguyen Thi Ha | Member (resigned on 24 April 2019) |

Board of Management

| | |
|----------------------|--|
| Mr. Ngo Duc Nhan | Director |
| Ms. Nguyen Thi Ha | Deputy Director (appointed on 24 April 2019) |
| Mr. Tran Quang Man | Deputy Director |
| Mr. Nguyen Ngoc Hai | Deputy Director |
| Mr. Trinh Viet Thang | Deputy Director |

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

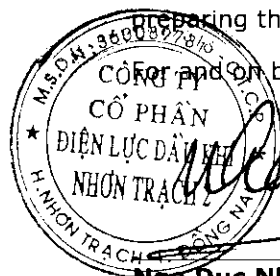
The Board of Management of the Company is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2019 and its financial performance and its cash flows for the 6-month period ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these 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;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim financial statements;
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the interim financial statements so as to minimize errors and frauds.

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

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

For and on behalf of the Board of Management,



Ngô Duc Nhan
Director
29 July 2019

No. 0114 /VN1A-HC-BC

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

**To: The Shareholders, the Boards of Directors and Management
PetroVietnam Nhon Trach 2 Power Joint Stock Company**

We have reviewed the accompanying interim financial statements of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company"), prepared on 29 July 2019 as set out from page 3 to page 29, which comprise the interim balance sheet as at 30 June 2019, the interim income statement and interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Interim Financial Statements

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

Auditors' Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.



Nguyen Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2018-001-1
**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**
29 July 2019
Ho Chi Minh City, Vietnam

INTERIM BALANCE SHEET
As at 30 June 2019

Unit: VND

| ASSETS | Codes | Notes | Closing balance | Opening balance |
|--|--------------|--------------|--------------------------|--------------------------|
| A. CURRENT ASSETS | 100 | | 2,363,255,186,329 | 2,847,184,716,466 |
| I. Cash and cash equivalents | 110 | 4 | 217,654,753,032 | 65,113,935,464 |
| 1. Cash | 111 | | 1,654,753,032 | 113,935,464 |
| 2. Cash equivalents | 112 | | 216,000,000,000 | 65,000,000,000 |
| II. Short-term financial investments | 120 | | 490,790,416 | 490,790,416 |
| 1. Held-to-maturity investments | 123 | | 490,790,416 | 490,790,416 |
| III. Short-term receivables | 130 | | 1,886,771,097,877 | 2,520,283,326,109 |
| 1. Short-term trade receivables | 131 | 5 | 1,788,684,623,751 | 2,418,135,156,945 |
| 2. Short-term advances to suppliers | 132 | 6 | 55,513,917,915 | 59,655,001,355 |
| 3. Other short-term receivables | 136 | 7 | 42,572,556,211 | 42,493,167,809 |
| IV. Inventories | 140 | | 258,300,640,006 | 260,944,383,187 |
| 1. Inventories | 141 | 8 | 258,300,640,006 | 260,944,383,187 |
| V. Other short-term assets | 150 | | 37,904,998 | 352,281,290 |
| 1. Short-term prepayments | 151 | 13 | 37,904,998 | 352,281,290 |
| B. NON-CURRENT ASSETS | 200 | | 5,569,915,159,181 | 6,005,061,880,025 |
| I. Long-term receivables | 210 | | - | 37,652,707,000 |
| 1. Other long-term receivables | 216 | 7 | - | 37,652,707,000 |
| II. Fixed assets | 220 | | 5,221,911,265,267 | 5,562,194,064,499 |
| 1. Tangible fixed assets | 221 | 9 | 5,198,063,524,961 | 5,537,595,973,136 |
| - Cost | 222 | | 11,323,885,186,286 | 11,321,609,002,973 |
| - Accumulated depreciation | 223 | | (6,125,821,661,325) | (5,784,013,029,837) |
| 2. Intangible assets | 227 | 10 | 23,847,740,306 | 24,598,091,363 |
| - Cost | 228 | | 30,948,217,421 | 30,948,217,421 |
| - Accumulated amortisation | 229 | | (7,100,477,115) | (6,350,126,058) |
| III. Long-term assets in progress | 240 | | 2,823,218,182 | 2,823,218,182 |
| 1. Construction in progress | 242 | 11 | 2,823,218,182 | 2,823,218,182 |
| IV. Long-term financial investments | 250 | 12 | - | - |
| 1. Equity investments in other entities | 253 | | 11,140,000,000 | 11,140,000,000 |
| 2. Provision for impairment of long-term financial investments | 254 | | (11,140,000,000) | (11,140,000,000) |
| V. Other long-term assets | 260 | | 345,180,675,732 | 402,391,890,344 |
| 1. Long-term prepayments | 261 | 13 | 345,180,675,732 | 402,391,890,344 |
| TOTAL ASSETS (270=100+200) | 270 | | 7,933,170,345,510 | 8,852,246,596,491 |

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

INTERIM BALANCE SHEET (Continued)

As at 30 June 2019

Unit: VND

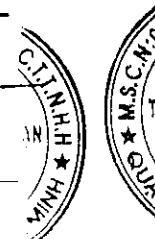
| RESOURCES | Codes | Notes | Closing balance | Opening balance |
|---|------------|-----------|--------------------------|--------------------------|
| C. LIABILITIES | 300 | | 3,885,880,916,231 | 5,168,770,638,766 |
| I. Current liabilities | 310 | | 2,853,894,443,194 | 3,572,245,492,195 |
| 1. Short-term trade payables | 311 | 14 | 1,127,864,579,789 | 1,568,544,156,129 |
| 2. Taxes and amounts payable to the State budget | 313 | 15 | 167,781,387,617 | 176,769,137,959 |
| 3. Payables to employees | 314 | | 7,001,128,345 | 24,300,415,140 |
| 4. Short-term accrued expenses | 315 | 16 | 89,951,553,752 | 97,969,508,131 |
| 5. Other current payables | 319 | 17 | 47,492,376,500 | 305,244,963,675 |
| 6. Short-term loans | 320 | 18 | 1,393,928,224,109 | 1,390,766,996,596 |
| 7. Bonus and welfare funds | 322 | 20 | 19,875,193,082 | 8,650,314,565 |
| II. Long-term liabilities | 330 | | 1,031,986,473,037 | 1,596,525,146,571 |
| 1. Long-term loans | 338 | 19 | 1,030,768,757,495 | 1,558,084,380,674 |
| 2. Long-term provisions | 342 | | - | - |
| 3. Scientific and technological development fund | 343 | 21 | 1,217,715,542 | 38,440,765,897 |
| D. EQUITY | 400 | | 4,047,289,429,279 | 3,683,475,957,725 |
| I. Owners' equity | 410 | 22 | 4,047,289,429,279 | 3,683,475,957,725 |
| 1. Owners' contributed capital | 411 | | 2,878,760,290,000 | 2,878,760,290,000 |
| - Ordinary shares carrying voting rights | 411a | | 2,878,760,290,000 | 2,878,760,290,000 |
| 2. Share premium | 412 | | (457,500,000) | (457,500,000) |
| 3. Investment and development fund | 418 | | 137,294,913,354 | 137,294,913,354 |
| 4. Retained earnings | 421 | | 1,031,691,725,925 | 667,878,254,371 |
| - Retained earnings accumulated to the prior year end | 421a | | 645,046,254,371 | 576,622,436,326 |
| - Retained earnings of the current period/year | 421b | | 386,645,471,554 | 91,255,818,045 |
| TOTAL RESOURCES (440=300+400) | 440 | | 7,933,170,345,510 | 8,852,246,596,491 |

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngo Duc Nhan
Director
29 July 2019



INTERIM INCOME STATEMENT
For the 6-month period ended 30 June 2019

Unit: VND

| ITEMS | Codes | Notes | Current period | Prior period |
|--|-----------|-------|--------------------------|--------------------------|
| 1. Gross revenue from goods sold | 01 | | 4,014,819,950,746 | 4,029,673,555,887 |
| 2. Net revenue from goods sold (10=01) | 10 | 25 | 4,014,819,950,746 | 4,029,673,555,887 |
| 3. Cost of sales | 11 | | 3,514,050,973,321 | 3,405,301,582,561 |
| 4. Gross profit from from goods sold (20=10-11) | 20 | | 500,768,977,425 | 624,371,973,326 |
| 5. Financial income | 21 | 27 | 9,281,126,167 | 53,189,962,600 |
| 6. Financial expenses | 22 | 28 | 93,158,768,514 | 92,769,166,145 |
| - In which: Interest expense | 23 | | 47,108,916,220 | 51,050,788,618 |
| 7. General and administration expenses | 26 | 29 | 39,851,404,408 | 54,787,177,810 |
| 8. Operating profit (30 = 20+(21-22)-26) | 30 | | 377,039,930,670 | 530,005,591,971 |
| 9. Other income | 31 | 30 | 37,709,697,025 | 929,346,079 |
| 10. Other expenses | 32 | | 7,204,763,001 | 558,146,520 |
| 11. Profit from other activities (40=31-32) | 40 | | 30,504,934,024 | 371,199,559 |
| 12. Accounting profit before tax (50=30+40) | 50 | | 407,544,864,694 | 530,376,791,530 |
| 13. Current corporate income tax expense | 51 | 31 | 20,899,393,140 | 26,974,579,526 |
| 14. Deferred corporate tax income | 52 | | - | (250,816,922) |
| 15. Net profit after corporate income tax (60=50-51-52) | 60 | | 386,645,471,554 | 503,653,028,926 |
| 16. Basic earnings per share | 70 | 32 | 1,303 | 1,710 |



Le Van Tu
Preparer



Le Viet An
Chief Accountant



Ngo Duc Nhan
Director
29 July 2019

INTERIM CASH FLOW STATEMENT
For the 6-month period ended 30 June 2019

Unit: VND

| ITEMS | Codes | Current period | Prior period |
|--|-----------|--------------------------|----------------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 01 | 407,544,864,694 | 530,376,791,530 |
| 2. Adjustments for: | | | |
| Depreciation and amortisation of fixed assets | 02 | 343,825,203,422 | 343,466,424,072 |
| Provisions | 03 | - | 5,016,338,441 |
| Foreign exchange loss/(gain) | 04 | 6,233,796,483 | (11,053,456,628) |
| Gain from investing activities | 05 | (6,824,794,633) | (32,500,823,308) |
| Interest expense | 06 | 47,108,916,220 | 51,050,788,618 |
| Other adjustments | 07 | (37,000,000,000) | - |
| 3. Operating profit before movements in working capital | 08 | 760,887,986,186 | 886,356,062,725 |
| Changes in receivables | 09 | 671,127,975,912 | (760,702,018,606) |
| Changes in inventories | 10 | 2,643,743,181 | (549,736,473) |
| Changes in payables | 11 | (462,573,944,834) | 645,988,708,778 |
| Changes in prepaid expenses | 12 | 57,525,590,904 | 84,806,502,133 |
| Interest paid | 14 | (49,284,600,022) | (50,936,754,904) |
| Corporate income tax paid | 15 | (29,199,449,286) | (11,385,935,269) |
| Other cash outflows | 17 | (11,607,121,483) | (13,596,272,423) |
| Net cash generated from operating activities | 20 | 939,520,180,558 | 779,980,555,961 |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 1. Acquisition and construction of fixed assets | 21 | (4,157,308,397) | (125,000,000) |
| 2. Proceeds from disposal of fixed assets | 22 | 522,216,400 | - |
| 4. Cash recovered from lending, selling debt instruments of other entities | 24 | - | 899,522,000,000 |
| 5. Interest earned | 27 | 6,339,537,553 | 34,927,141,224 |
| Net cash generated from investing activities | 30 | 2,704,445,556 | 934,324,141,224 |
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 1. Repayment of borrowings | 34 | (531,597,800,518) | (529,487,441,304) |
| 2. Dividends paid | 36 | (258,086,011,015) | (575,469,015,570) |
| Net cash generated from financing activities | 40 | (789,683,811,533) | (1,104,956,456,874) |
| Net increase/(decrease) in cash during the period (50=20+30+40) | 50 | 152,540,814,581 | 609,348,240,311 |
| Cash and cash equivalents at the beginning of the period | 60 | 65,113,935,464 | 145,968,678,560 |
| Effects of changes in foreign exchange rates | 61 | 2,987 | 58,233 |
| Cash and cash equivalents at the end of the period (70=50+60+61) | 70 | 217,654,753,032 | 755,316,977,104 |

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngo Duc Nhan
Director
29 July 2019

NOTES TO THE INTERIM FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company") was incorporated in Vietnam under Business Registration Certificate No. 4703000396 dated 20 June 2007 issued by the Department of Planning and Investment of Dong Nai Province, and the latest amendment of Business Registration Certificate No. 3600897316 dated 31 May 2018.

The Company's share is listed on Ho Chi Minh Stock Exchange according to Notice No. 614/TB-SGDHCM issued on 3 June 2015 from Ho Chi Minh Stock Exchange with the stock code named NT2.

The number of the Company's employees as at 30 June 2019 was 186 (As at 31 December 2018: 186).

Operating industry

The business operations of the Company are:

- Production, transmission and distribution of power;
- Direct support services in marine transportation;
- Wholesale of solid fuel, liquid, gas and other relative products;
- Warehouse and storage;
- Road transportation;
- Architecture and technical consultancy;
- Wholesale of equipment, materials and other spare parts;
- Professional activities, other sciences and technology;
- Vocational education;
- Domestic marine transportation;
- Other transportation support services.

Principal activities

Principal activities of the Company are management of the investment, construction and operation of power works.

Normal production and business cycle

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

Disclosure of information comparability in the interim financial statements

The comparative figures of the interim balance sheet are the figures of the Company's audited financial statements for the year ended 31 December 2018. The comparative figures of the interim income statement and interim cash flow statement are the figures of the reviewed interim financial statements for the 6-month period ended 30 June 2018.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

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

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

Financial year

The Company's financial year begins on 1 January and ends on 31 December. The interim financial statements are prepared for the period from 1 January to 30 June annually.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of interim financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting 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 interim financial statements and the reported amounts of revenues and expenses during the period. Although these accounting estimates are based on the Board of 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 recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, short-term investments and trade receivables and other receivables.

Financial liabilities: At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise borrowings, trade payables and other payables and accrued expenses.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after 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.

Held-to-maturity investments

Held-to-maturity investments represent term deposits with maturity over 03 months and under 1 year. Interest income from held-to-maturity investments is recognized in the interim income statement on accrual basis.

Financial investments

Equity investments in other entities

Equity investments in other entities represent the Company's investments in ordinary shares of the entities over which the Company 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.

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

Inventories

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

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have book value higher than net realisable values as at the interim 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 condition and location for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

| | <u>Years</u> |
|--------------------------|--------------|
| Buildings and structures | 05 - 20 |
| Machinery and equipment | 05 - 14 |
| Motor vehicles | 06 - 10 |
| Office equipment | 03 - 06 |

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 recognized in the interim income statement.

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the interim income statement on a straight-line basis over the lease term.

Intangible assets and amortization

Intangible assets represent land use rights and software. Value of infinite land use rights are stated at cost and not amortized. Software is amortized using the straight-line method over the estimated useful life.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes costs that are necessary to form the assets in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including short-term and long-term prepayments.

Short-term prepayments represent insurance for power plants and others prepaid expenses within 1 year.

Long-term prepayments include insurance for long-term loans; mobilization cost, variable costs and fixed costs and import tax on equipment used for contracts of machinery and equipment maintenance; overhaul cost for Nhon Trach 2 Combined Cycle Power Plant; compensation and site clearance cost for Nhon Trach 2 Combined Cycle Power Plant; reimbursement of cooling water pumping station for Nhon Trach 2 Combined Cycle Power Plant and other long-term prepaid expenses.

Detailed information about long-term prepayments related to insurance for long-term loans; mobilization cost, variable costs and fixed costs and import tax on equipment used for contracts of machinery and equipment maintenance; overhaul cost for Nhon Trach 2 Combined Cycle Power Plant; compensation and site clearance costs for Nhon Trach 2 Combined Cycle Power Plant; reimbursement of cooling water pumping station for Nhon Trach 2 Combined Cycle Power Plant and other prepaid expenses is disclosed in Note 13.

Other types of long-term prepayments comprise costs of tools, supplies and other expenditures which are expected to provide future economic benefits to the Company. These expenditures have been capitalized as long-term prepayments, and are allocated to the interim income statement using the straight-line method over the period of from two to three years.

Payable provisions

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

Revenue recognition

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

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

Revenue from electricity sales is recognized monthly based on electricity output distributing to the National Grid, which has been confirmed monthly by Electric Power Trading Company (EPTC) based on the official electricity price specified in Contract No. 07/2012/HD-NMD-NT2 ("Contract No. 07") signed on 6 July 2012 and its other appendices/amendments. Electric Power Trading Company (EPTC) is notified of this revenue in advance and differences arising are recognized in the current accounting period when the Company determines the exact revenue based on exchange rate between the United States Dollar and Vietnam Dong announced at the date of issuing invoice.

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

Foreign currencies

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

Fund distribution and dividend payout

Bonus and welfare fund, development and investment fund and dividends for shareholders are distributed from the Company's profit after-tax in accordance with the Company's Charter and suggestion of the Board of Directors and approved by Shareholders in the General Shareholders Meeting.

Dividend advanced during the period is decided by the Board of Directors based on (i) current business situation and operating results in the coming year, (ii) expected dividend rate has been approved by Shareholders in the General Shareholders' Meeting and (iii) compliance with the Company's Charter and the Vietnamese regulations as well as the balance between source of payment and financial obligations are ensured after dividend advance.

The final figures relating to the distribution mentioned as above for funds and dividends from profit after-tax profit incurred during the year are approved by Shareholders during the Company's Annual General Shareholders Meeting.

Borrowing costs

Borrowing costs are recognized in the interim income statement when incurred unless they are capitalized in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs".

Taxation

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

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit before tax as reported in the interim 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.

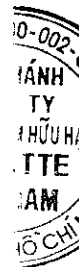
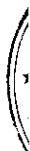
Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized. 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 tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

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



4. CASH AND CASH EQUIVALENTS

| | <u>Closing balance</u> | <u>Opening balance</u> |
|------------------|-------------------------------|------------------------------|
| | VND | VND |
| Cash on hand | 538,504 | 10,797,915 |
| Demand deposits | 1,654,214,528 | 103,137,549 |
| Cash equivalents | 216,000,000,000 | 65,000,000,000 |
| | <u>217,654,753,032</u> | <u>65,113,935,464</u> |

Cash equivalents represent term deposits in commercial banks in Vietnam Dong with maturity of 3 months, earning interest rate at 5.5% per annum (As at 31 December 2018: 5.5% per annum).

5. SHORT-TERM TRADE RECEIVABLES

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---------------------------------------|---------------------------------|---------------------------------|
| | VND | VND |
| Electric Power Trading Company (EPTC) | 1,788,668,218,551 | 2,418,123,045,545 |
| Others | 16,405,200 | 12,111,400 |
| | <u>1,788,684,623,751</u> | <u>2,418,135,156,945</u> |

Short-term trade receivables mainly represent estimated receivables from Electric Power Trading Company (EPTC) up to 30 June 2019 which have not been invoiced (1,596.9 billion VND) following the official electricity price specified in the Contract No. 07/2012/HD-NMD-NT2 dated 06 July 2012 and its other amendments; and the additional amount according to official electricity price of Nhon Trach 2 Combined Cycle Power Plant for the period from 01 May 2012 to 31 December 2013 with collection term under 12 months (164.5 billion VND). The Board of Management assesses and believes that the Company shall collect the entire outstanding amount above.

6. ADVANCE TO SUPPLIERS

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---------------------------|------------------------------|------------------------------|
| | VND | VND |
| Related parties (Note 35) | 55,407,067,915 | 59,576,165,651 |
| Others | 106,850,000 | 78,835,704 |
| | <u>55,513,917,915</u> | <u>59,655,001,355</u> |

7. OTHER RECEIVABLES

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------------|------------------------------|
| | VND | VND |
| a. Current | | |
| | 42,153,554,457 | 42,153,554,457 |
| Late payment interest income from EPTC (*) | | |
| Accrued interests | 235,927,607 | 272,886,927 |
| Advances to employees | 162,000,000 | |
| Deposits and mortgages | 15,000,000 | 15,000,000 |
| Other receivables | 6,074,147 | 51,726,425 |
| | <u>42,572,556,211</u> | <u>42,493,167,809</u> |
| b. Non-current | | |
| Compensations for site clearance | - | 37,652,707,000 |
| | <u>-</u> | <u>37,652,707,000</u> |

(*) Other short-term receivables represent interest on late payment incurred up to 31 December 2012 from Electric Power Trading Company (EPTC) according to the terms of Contract No. 07/2012/HD-NMĐ-NT2 dated 06 July 2012 between Nhon Trach 2 Petroleum Power Joint Stock Company and EPTC.

(**) On 04 June 2019, the Tax Department of Dong Nai Province announced the Decision No. 510/TB.CT.QLCKTTĐ related to the land rental, the Company thereon offset the land rental payable for the period from 27 June 2009 to 30 June 2019 against the approved compensation for site clearance advanced by Company. The remaining amount is recorded in long-term prepayment and allocated to expenses over the land lease term.

8. INVENTORIES

Inventories as at 30 June 2019 and 31 December 2018 represent Diesel Oil which has been stored in warehouse and used in electricity production, consumables and back-up materials used for commercial operations and maintenance of Nhon Trach 2 Combined Cycle Power Plant.

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9. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

| | Buildings and structures | Machinery and equipment | Motor vehicles | Office equipment | Total |
|---------------------------------|---------------------------------|---------------------------------|------------------------------|------------------------------|----------------------------------|
| | VND | VND | VND | VND | VND |
| COST | | | | | |
| Opening balance | 2,971,486,895,389 | 8,303,289,960,853 | 36,339,888,588 | 10,492,258,143 | 11,321,609,002,973 |
| Additions | 154,545,456 | 3,610,909,089 | - | - | 3,765,454,545 |
| Disposals | - | - | (1,489,271,232) | - | (1,489,271,232) |
| Closing balance | <u>2,971,641,440,845</u> | <u>8,306,900,869,942</u> | <u>34,850,617,356</u> | <u>10,492,258,143</u> | <u>11,323,885,186,286</u> |
| ACCUMULATED DEPRECIATION | | | | | |
| Opening balance | 1,073,503,600,754 | 4,678,102,820,337 | 24,397,522,655 | 8,009,086,091 | 5,784,013,029,837 |
| Charge for the period | 73,764,110,046 | 267,309,162,865 | 1,730,955,550 | 493,674,259 | 343,297,902,720 |
| Disposals | - | - | (1,489,271,232.00) | - | (1,489,271,232) |
| Closing balance | <u>1,147,267,710,800</u> | <u>4,945,411,983,202</u> | <u>24,639,206,973</u> | <u>8,502,760,350</u> | <u>6,125,821,661,325</u> |
| NET BOOK VALUE | | | | | |
| Closing balance | <u>1,824,373,730,045</u> | <u>3,361,488,886,740</u> | <u>10,211,410,383</u> | <u>1,989,497,793</u> | <u>5,198,063,524,961</u> |
| Opening balance | <u>1,897,983,294,635</u> | <u>3,625,187,140,516</u> | <u>11,942,365,933</u> | <u>2,483,172,052</u> | <u>5,537,595,973,136</u> |

As at 30 June 2019, the cost of fixed assets includes VND 22,616,603,020 (As at 31 December 2018: VND 15,028,177,037) of fixed assets which have been fully depreciated but are still in use.

10. INCREASES, DECREASES IN INTANGIBLE ASSETS

| | <u>Land use rights</u> | <u>Software</u> | <u>Total</u> |
|------------------------------------|------------------------|----------------------|-----------------------|
| | VND | VND | VND |
| COST | | | |
| Opening and Closing balance | 21,602,554,546 | 9,345,662,875 | 30,948,217,421 |
| ACCUMULATED AMORTISATION | | | |
| Opening balance | - | 6,350,126,058 | 6,350,126,058 |
| Charge for the period | - | 750,351,057 | 750,351,057 |
| Closing balance | - | 7,100,477,115 | 7,100,477,115 |
| NET BOOK VALUE | | | |
| Closing balance | 21,602,554,546 | 2,245,185,760 | 23,847,740,306 |
| Opening balance | 21,602,554,546 | 2,995,536,817 | 24,598,091,363 |

Land use rights represent the indefinite land use right of the land lot belonging to CC1.2 apartment complex - Unit No. 1 - Phuoc An-Long Tho Residential Area, Nhon Trach District, Dong Nai Province.

Software represents equipment and asset management system, maintenance management system and the Company's website.

11. CONSTRUCTION IN PROGRESS

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------|------------------------|
| | VND | VND |
| Studying CO2 reduction system | 1,406,363,636 | 1,406,363,636 |
| Reporting fee relating to modifying the Nhon Trach electricity centre | 1,416,854,546 | 1,416,854,546 |
| | 2,823,218,182 | 2,823,218,182 |

Construction in progress represents the cost of research, construction investment and cost of purchasing of fixed assets which should undergo installation and testing before being put into use.

12. LONG-TERM FINANCIAL INVESTMENTS

The Company has contributed VND 11,140,000,000 equivalent to 1,114,000 shares (par value VND 10,000/share) to the charter capital of High Tech Concrete Investment Joint Stock Company ("Sopewaco") as at 30 June 2019 and 31 December 2018.

Provision for impairment of long-term investments has been made in accordance with the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. The basis for making this provision is Sopewaco's financial statements for the year ended 31 December 2017. As at 31 December 2017, Sopewaco's accumulated loss was higher than its charter capital. Therefore, the Board of Management of the Company decided to make full provision for its long-term investment as at 31 December 2018 and 30 June 2019.

13. PREPAYMENTS

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|-------------------------------|-------------------------------|
| | VND | VND |
| a. Short-term | | |
| Insurance for power plants | 37,904,998 | 352,281,290 |
| | <u>37,904,998</u> | <u>352,281,290</u> |
| b. Long-term | | |
| Insurance for credit loans | 123,659,305,713 | 155,588,455,977 |
| Mobilization, variable and fixed costs of maintenance contracts | 131,715,113,321 | 148,349,903,840 |
| Overhaul expenses to be allocated | 62,548,415,501 | 87,396,512,987 |
| Compensation for site clearance | 19,666,162,104 | - |
| Reimbursement of cooling water pumping station | 6,469,750,037 | 8,807,124,802 |
| Other expenses | 1,121,929,056 | 2,249,892,738 |
| | <u>345,180,675,732</u> | <u>402,391,890,344</u> |

Short-term prepayments represent insurance and the other expenses with allocation term of 1 year.

Long-term prepayments include expenditures as follows:

- Insurance for long-term loans: According to the export credit contract dated 22 July 2010 and 23 July 2010 between the Company and sponsoring banks represented by Citibank - an authorized agency. The insurance fee was issued by HERMES and NEXI to guarantee lenders during the credit term with 2.5 years of grace period and 9.5 years of payment. Insurance for these loans is allocated using the straight-line method over the term of long-term loans.
- Mobilization cost, variable costs and fixed costs of maintenance contract: The maintenance contract No. 68/2011/PVPOWER NT2 – PVPS between PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY and PetroVietnam Power Technical Services Joint Stock Company is to maintain the major equipment and machinery in Nhon Trach 2 Combined Cycle Power Plant for 11.7 years or 100,000 equivalent operation hours (EOH) for each operator. Mobilization cost, variable cost and fixed costs had been paid before Nhon Trach 2 Combined Cycle Power Plant started operating commercially and these costs are allocated to the interim income statement in the period based on the actual EOH.
- Overhaul expenses of Nhon Trach 2 Combined Cycle Power Plant arose when the plant reached 50,000 EOH and the Company had to perform overhaul according to specifications. Value of final settlement for overhaul expenses for Nhon Trach 2 Combined Cycle Power Plant at 50,000 EOH is VND 163.1 billion. Accordingly, this expense was recognized and allocated to the interim income statement for the next 25,000 EOH for the each operator.
- The reimbursement of cooling water pumping station Nhon Trach 2 Power Plant: The company has received 10,906.8 m² of land area for Nhon Trach 2 Power Plant cooling station and reimbursed the PetroVietnam Nhon Trach Power Company an amount of VND 14,153,385,314, this amount is allocated over a period of 3 years at the time reimbursement was recognized on 13 November 2017.
- The Company has advanced land rental through compensation for site clearance which was corresponding to the area rented. The Company has transferred the long-term receivable to prepaid expenses in order to allocate to the expenses during the land lease term.

14. SHORT-TERM TRADE PAYABLES

| | Closing balance | | Opening balance | |
|---|--------------------------|--------------------------------------|--------------------------|--------------------------------------|
| | Amount | VND Amount able to be paid off | Amount | VND Amount able to be paid off |
| a. Short-term trade payables to related parties | | | | |
| - PetroVietnam Gas Joint Stock | 1,015,595,001,958 | 1,015,595,001,958 | 1,467,727,778,993 | 1,467,727,778,993 |
| - PetroVietnam Power Technical Services Joint Stock Company | 98,486,817,496 | 98,486,817,496 | 88,558,206,867 | 88,558,206,867 |
| - Southern Management Board of PVC's project | 454,403,426 | 454,403,426 | 454,403,426 | 454,403,426 |
| - PetroVietnam Nhon Trach Power Company | 85,621,938 | 85,621,938 | 62,343,225 | 62,343,225 |
| - Drilling Mud Joint Stock Corporation | 726,246,483 | 726,246,483 | - | - |
| | 1,115,348,091,301 | 1,115,348,091,301 | 1,556,802,732,511 | 1,556,802,732,511 |
| b. Short-term trade payables to third parties | | | | |
| Others | 12,516,488,488 | 12,516,488,488 | 11,741,423,618 | 11,741,423,618 |
| | 1,127,864,579,789 | 1,127,864,579,789 | 1,568,544,156,129 | 1,568,544,156,129 |

15. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

| | Opening balance | Payable during the period | Paid during the period | Closing balance |
|----------------------|------------------------|---------------------------|------------------------|------------------------|
| | VND | VND | VND | VND |
| Payables | | | | |
| Value added tax | 150,950,122,626 | 102,094,264,872 | 99,750,007,863 | 153,294,379,635 |
| Corporate income tax | 16,828,929,657 | 20,899,393,140 | 29,199,449,286 | 8,528,873,511 |
| Personal income tax | 326,215,875 | 4,053,597,580 | 4,077,780,089 | 302,033,366 |
| Natural resource tax | 3,317,130,990 | 26,319,132,120 | 24,989,495,190 | 4,646,767,920 |
| Other tax | 5,346,738,811 | 8,564,818,473 | 12,902,224,099 | 1,009,333,185 |
| | 176,769,137,959 | 161,931,206,185 | 170,918,956,527 | 167,781,387,617 |

16. SHORT-TERM ACCRUED EXPENSES

| | Closing balance | Opening balance |
|---------------------------|-----------------------|-----------------------|
| | VND | VND |
| Maintenance expenses | 78,420,702,336 | 78,227,659,761 |
| Accrual interest expenses | 5,507,617,623 | 7,416,980,997 |
| Land rental | 26,987,514 | 10,525,498,569 |
| Others | 5,996,246,279 | 1,799,368,804 |
| | 89,951,553,752 | 97,969,508,131 |

Short-term accrued expenses mainly represent maintenance expenses accrued according to transfer agreement and the amendment of long term maintenance contract for Nhon Trach 2 Power Plant between PetroVietnam Nhon Trach 2 Power Joint Stock Company, PetroVietnam Power Technical Services Joint Stock Company and the consortium of Siemens AG and Siemens Ltd. Viet Nam for machinery and equipment maintenance of Nhon Trach 2 Combined Cycle Power Plant within 11.7 years or 100,000 equivalent operation hours (EOH) for each operator.

17. OTHER CURRENT PAYABLES

| | Closing balance | Opening balance |
|--|-----------------------|------------------------|
| | VND | VND |
| Late payment interest income payable to PetroVietnam Gas Joint Stock Company | 39,278,284,374 | 39,278,284,374 |
| Dividends and profits payable | 7,547,268,286 | 265,633,279,301 |
| Other payables | 666,823,840 | 333,400,000 |
| | 47,492,376,500 | 305,244,963,675 |

18. SHORT TERM LOANS

| | Opening balance | | In the period | | | Closing balance | |
|---|---------------------------------|-----------------------------------|---------------------------------|-----------------------------|---------------------------------|---------------------------------|-----------------------------------|
| | Amount | VND Amount able to be paid off | Increases | Foreign exchange difference | VND Decreases | Amount | VND Amount able to be paid off |
| Short-term loans | 330,000,000,000 | 330,000,000,000 | 470,395,761,595 | - | 470,395,761,595 | 330,000,000,000 | 330,000,000,000 |
| _Military Commercial Joint Stock Bank – Dong Nai Branch | 330,000,000,000 | 330,000,000,000 | 330,000,000,000 | - | 330,000,000,000 | 330,000,000,000 | 330,000,000,000 |
| _Ho Chi Minh City Development Joint Stock Commercial Bank – Cong Hoa Branch | - | - | 140,395,761,595 | - | 140,395,761,595 | - | - |
| Current portion of long-term loans (see Note 19) | 1,060,766,996,596 | 1,060,766,996,596 | 531,964,112,055 | 2,794,915,976 | 531,597,800,518 | 1,063,928,224,109 | 1,063,928,224,109 |
| | <u>1,390,766,996,596</u> | <u>1,390,766,996,596</u> | <u>1,002,359,873,650</u> | <u>2,794,915,976</u> | <u>1,001,993,562,113</u> | <u>1,393,928,224,109</u> | <u>1,393,928,224,109</u> |

As at 10 October 2018, the Company entered into a short-term loan contract No. 36029.18.720.2453041.TD with Military Commercial Joint Stock Bank – Dong Nai branch with total credit of VND 330,000,000,000 for operating purpose. The outstanding amount of loan as at 30 June 2019 has a term from 04 May 2019 to 03 August 2019 and beared interest rate of 5.4% per annum. The interest is paid on the 25th each month and the principal will be paid at the end of the loan term.

19. LONG TERM LOANS

| | Opening balance | | In the period | | | Closing balance | |
|-----------------|---------------------------------|-----------------------------------|-----------------|-----------------------------|-------------------------------|---------------------------------|-----------------------------------|
| | Amount | VND Amount able to be paid off | Increases | Foreign exchange difference | VND Decreases | Amount | VND Amount able to be paid off |
| Long-term loans | 1,558,084,380,674 | 1,558,084,380,674 | - | 4,648,488,876 | 531,964,112,055 | 1,030,768,757,495 | 1,030,768,757,495 |
| | <u>1,558,084,380,674</u> | <u>1,558,084,380,674</u> | <u>-</u> | <u>4,648,488,876</u> | <u>531,964,112,055</u> | <u>1,030,768,757,495</u> | <u>1,030,768,757,495</u> |

As at 22 July 2010 and 23 July 2010, the Company entered into long-term loan contracts having total credit limit of USD 215,380,981 and EUR 202,585,883 with sponsoring banks - HERMES, CIRR, NEXI and Citibank of which Citibank is the representative. These loans are guaranteed by the Government of Vietnam and insured by HERMES and NEXI. The loan bears interest rate of 6 - month Euribor and 6 - month Libor plus the adjustment. The principal and interest are paid every 6 months in which the principal is paid in 19 installments within 9.5 years and the first payment was on 1 June 2012. The outstanding principal amounts as at 30 June 2018 are USD 44,693,807 and EUR 40,042,688 respectively (As at 31 December 2018: USD 55,932,197 and EUR 50,310,391).

Long-term loans are repayable as follows:

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--|---------------------------------|---------------------------------|
| | VND | VND |
| On demand or within one year | 1,063,928,224,109 | 1,060,766,996,596 |
| In the second year | 1,030,768,757,495 | 1,060,766,996,596 |
| In the third to fifth year inclusive | - | 497,317,384,078 |
| After five years | - | - |
| | <u>2,094,696,981,604</u> | <u>2,618,851,377,270</u> |
| Less: Amount due for settlement within 12 months | (1,063,928,224,109) | (1,060,766,996,596) |
| Amount due for settlement after 12 months | <u>1,030,768,757,495</u> | <u>1,558,084,380,674</u> |

20. BONUS AND WELFARE FUND

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------------|-----------------------------|
| | VND | VND |
| Opening balance | 8,650,314,565 | 15,211,160,503 |
| Increase | 22,869,200,000 | 13,500,000,000 |
| Distributed from retained earning (Note 22) | 22,832,000,000 | 13,500,000,000 |
| Others | 37,200,000 | - |
| Decrease | 11,644,321,483 | 20,060,845,938 |
| Closing balance | <u>19,875,193,082</u> | <u>8,650,314,565</u> |

21. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

According to the Decision No. 11/QĐ-CPNT2 dated 28 March 2019 of the Board of Directors, the Company has reimbursed the Science and technology development fund appropriated in 2015 with the amount of VND 37,000,000,000 during the 6-month period ended 30 June 2019.

22. OWNERS' EQUITY

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---|------------------------|------------------------|
| - Number of shares issued to public | | |
| + Common shares | 287,876,029 | 284,876,029 |
| - Number of outstanding shares in circulation | | |
| + Common shares | <u>287,876,029</u> | <u>284,876,029</u> |

The Company has one class of ordinary share which carries no right to fixed income and par value is 10,000 per share. The shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders meetings. All shares rank equally with regard to the Company's residual assets.

Details of shareholders as at the balance sheet date as follows:

| | <u>Closing balance</u> | | <u>Opening balance</u> | |
|--|---------------------------------|--------------------|---------------------------------|--------------------|
| | VND | % | VND | % |
| PetroVietnam Power Corporation - JSC | 1,709,260,800,000 | 59.37% | 1,709,260,800,000 | 59.37% |
| Technology Development Company Limited | 237,961,150,000 | 8.27% | 237,961,150,000 | 8.27% |
| Other shareholders | 931,538,340,000 | 32.36% | 931,538,340,000 | 32.36% |
| | <u>2,878,760,290,000</u> | <u>100%</u> | <u>2,878,760,290,000</u> | <u>100%</u> |

Movement in owners' equity:

| | Owners' contributed capital VND | Share premium VND | Investment and Development fund VND | Retained earnings VND | Total VND |
|--|------------------------------------|----------------------|---|--------------------------|--------------------------|
| For the period ended 30 June 2018 | | | | | |
| Opening balance | 2,878,760,290,000 | (457,500,000) | 137,294,913,354 | 1,969,624,367,294 | 4,985,222,070,648 |
| Fund appropriation | - | - | - | (13,500,000,000) | (13,500,000,000) |
| Profit for the period | - | - | - | 503,653,028,926 | 503,653,028,926 |
| Dividends declared | - | - | - | (1,811,315,974,468) | (1,811,315,974,468) |
| Closing balance | 2,878,760,290,000 | (457,500,000) | 137,294,913,354 | 648,461,421,752 | 3,664,059,125,106 |
| For the period ended 30 June 2019 | | | | | |
| Opening balance | 2,878,760,290,000 | (457,500,000) | 137,294,913,354 | 667,878,254,371 | 3,683,475,957,725 |
| Fund appropriation | - | - | - | (22,832,000,000) | (22,832,000,000) |
| Profit for the period | - | - | - | 386,645,471,554 | 386,645,471,554 |
| Closing balance | 2,878,760,290,000 | (457,500,000) | 137,294,913,354 | 1,031,691,725,925 | 4,047,289,429,279 |

According to the Resolution No. 07/QĐ-CPNT2 of the Company on 24 April 2019, the General Shareholders have approved the plan of appropriation for retained earnings of year 2018, in which dividends is declared by the the rate of 24%/par value (equivalent to VND 690,902,469,600) and Bonus and welfare fund, rewards for Executive Board is appropriated with the amount of VND 22,832,000,000. Dividend noted as above has been announced and advanced by the Board of Directors of the Company and adjusted to retained earnings in the financial statements for the year ended 31 December 2018. During the year 2019, the Company has appropriated for Bonus and welfare fund, rewards for Executive Board with the amount of VND 22,832,000,000.

According to the this Resolution, the General Shareholders has approved the plan of appropriation for retained earning of year 2019, in which dividend is declared at the rate of 25%/par value, Bonus and welfare fund, and rewards for Executive Board is appropriated with the amount of VND 22,832,000,000.



23. OFF BALANCE SHEET ITEMS

| | <u>Unit</u> | <u>Closing balance</u> | <u>Opening balance</u> |
|----------------------|-------------|------------------------|------------------------|
| | | VND | VND |
| United States Dollar | USD | 39.79 | 194.18 |
| Euro | EUR | 0.04 | 8.40 |

24. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's principal activities are to produce and sell electricity domestically. Other business activities account for a small portion of total revenue and operating result of the Company in this period as well as previous reporting periods. Consequently, financial information has been presented in the interim balance sheet as at 30 June 2019, the balance sheet as at 31 December 2018, revenue and expenses presented in the interim income statement for the period from 01 January 2019 to 30 June 2019 and from 01 January 2018 to 30 June 2018 are relevant to principal activities. Hence, the Company did not prepare report on business and geographical segments.

25. NET REVENUE FROM GOODS SOLD

Net revenue from goods sold includes revenue from electricity sales from 01 January 2019 to 31 May 2019 and from the 01 June 2019 to 30 June 2019 following electricity price stated in the Contract No. 07/2012/HD-NMD-NT2 dated 06 July 2012 and other amendments between Electric Power Trading Company (EPTC) and PetroVietnam Nhon Trach 2 Power Joint Stock Company.

Revenue from electricity sales from 1 January 2019 to 31 May 2019 is recognized based on the foreign exchange rate as at the date of invoice issuance. The revenue for the period from 01 June 2019 to 30 June 2019 that has not been invoiced will be recognized based on the estimated foreign exchange rate as at reporting date. Therefore, the variance of revenue from electricity sales for the period from 01 June 2019 to 30 June 2019 will be adjusted and recognized accurately at the time of invoice issuance in accordance with the contract.

26. PRODUCTION COST BY NATURE

| | <u>Current period</u> | <u>Prior period</u> |
|-------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Raw materials and consumables | 2,885,719,645,495 | 2,771,551,776,936 |
| Labour | 37,568,863,863 | 38,745,449,989 |
| Depreciation and amortization | 343,825,203,422 | 343,466,424,072 |
| Out-sourced services | 250,985,273,205 | 270,494,713,765 |
| Other monetary expenses | 35,803,391,744 | 35,830,395,609 |
| | 3,553,902,377,729 | 3,460,088,760,371 |

27. FINANCIAL INCOME

| | <u>Current period</u> | <u>Prior period</u> |
|------------------------------------|-----------------------|-----------------------|
| | VND | VND |
| Interest income | 6,302,578,233 | 32,913,300,667 |
| Foreign exchange gain | 2,978,547,934 | 20,276,661,933 |
| - Realised Foreign exchange gain | 2,978,547,934 | 9,223,205,305 |
| - Unrealised Foreign exchange gain | - | 11,053,456,628 |
| | 9,281,126,167 | 53,189,962,600 |

28. FINANCIAL EXPENSES

| | <u>Current period</u> VND | <u>Prior period</u> VND |
|---|------------------------------|------------------------------|
| Interest expense | 47,108,916,220 | 51,050,788,618 |
| Insurance for long-term loans | 31,929,150,264 | 31,929,150,264 |
| Guarantee fee for long-term loans charged by the Government | 3,245,828,759 | 4,522,118,600 |
| Foreign exchange loss | 9,699,719,321 | 3,750,870,502 |
| - Realised Foreign exchange loss | 3,465,922,838 | 3,750,870,502 |
| - Unrealised Foreign exchange loss | 6,233,796,483 | - |
| Others | 1,175,153,950 | 1,516,238,161 |
| | <u>93,158,768,514</u> | <u>92,769,166,145</u> |

29. GENERAL AND ADMINISTRATION EXPENSES

| | <u>Current period</u> VND | <u>Prior period</u> VND |
|-------------------------------|------------------------------|------------------------------|
| Management staff | 16,506,412,231 | 16,922,638,688 |
| Office supplies | 1,309,551,441 | 2,012,558,282 |
| Depreciation and amortisation | 4,744,992,104 | 4,810,757,097 |
| Taxes, fees and charges | 137,894,292 | 164,233,972 |
| Out-sourced services | 12,463,940,447 | 18,786,934,623 |
| Others | 4,688,613,893 | 12,090,055,148 |
| | <u>39,851,404,408</u> | <u>54,787,177,810</u> |

30. OTHER INCOMES

| | <u>Current period</u> VND | <u>Prior period</u> VND |
|--|------------------------------|----------------------------|
| Proceeds from disposals of fixed assets | 522,216,400 | - |
| Reversal of science and technology development fund set up in 2015 | 37,000,000,000 | - |
| Other income | 187,480,625 | 929,346,079 |
| | <u>37,709,697,025</u> | <u>929,346,079</u> |

31. CURRENT CORPORATE INCOME TAX EXPENSE

| | <u>Current period</u> VND | <u>Prior period</u> VND |
|--|------------------------------|------------------------------|
| Current corporate income tax expense | | |
| - Corporate income tax based on taxable income in the current period | 20,899,393,140 | 26,974,579,526 |
| Total current corporate income tax expense | <u>20,899,393,140</u> | <u>26,974,579,526</u> |

The current corporate income tax expense for the period was computed as follows:

| | <u>Current period</u> | | | <u>Prior period</u> | |
|---|-------------------------------|--------------------------------|------------------------------|------------------------------|--|
| | <i>Main activities</i> VND | <i>Other activities</i> VND | Total VND | Total VND | |
| Profit before tax | 414,039,930,670 | (6,495,065,976) | 407,544,864,694 | 530,376,791,530 | |
| Add: non-deductible expenses | 1,141,147,016 | 7,196,763,001 | 8,337,910,017 | 6,640,083,192 | |
| Less: non-assessable income | 2,987 | | 2,987 | 58,233 | |
| Taxable income | 415,181,074,699 | 701,697,025 | 415,882,771,724 | 537,016,816,489 | |
| Tax rate | 5% | 20% | | | |
| Total corporate income tax expense | <u>20,759,053,735</u> | <u>140,339,405</u> | <u>20,899,393,140</u> | <u>26,974,579,526</u> | |

The Company is obliged to pay corporate income tax at the rate of 10% of its taxable income from electricity production and trading (main activities) for 15 years from the first profit making year and 20% for the following years.

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The Company is entitled to a corporate income tax exemption for four years from the first profit making year for electricity production and trading and a reduction of 50% for the following nine years. This is the ninth profit making year of the Company from electricity production and trading, and the fourth year of 50% tax reduction.

The Company is obliged to pay corporate income tax at the rate of 20% of its taxable income from other activities according to the Circular No. 78/2014/TT-BTC dated 18 June 2014 issued by the Ministry of Finance.

The corporate income tax incurred for the accounting period ended 30 June 2019 is temporary figure. The Company will calculate corporate income tax expense for the whole year of 2019 after closing the financial year 2019 according to current regulations.

32. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary shareholders of the Company is based on the data below:

| | <u>Current period</u> | <u>Prior period</u> |
|--|-----------------------|---------------------|
| | VND | VND |
| Profit after tax | 386,645,471,554 | 503,653,028,926 |
| Bonus and welfare fund appropriation (*) | 11,416,000,000 | 11,416,000,000 |
| Profit after tax for calculating earnings per share | 375,229,471,554 | 492,237,028,926 |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings per share | 287,876,029 | 287,876,029 |
| Basic earnings per share | <u>1,303</u> | <u>1,710</u> |

(*) The Bonus and welfare fund appropriation for the 6-month period ended 30 June 2018 is recalculated and restated in accordance to Resolution No. 07/QĐ-CPNT2 dated 24 April 2019 approved by General Shareholders' Meeting. The detail of restatement of Bonus and welfare fund appropriation for recalculation the basic earnings per share is as follows:

| Item | Reported amount | Restatement (Restated) | Net change |
|---|---------------------|------------------------|--------------------|
| (1) | (2) | (3) | (2)-(3) |
| | VND | VND | VND |
| Profit after tax | 503,653,028,926 | 503,653,028,926 | - |
| Bonus and welfare fund appropriation | 14,200,000,000 | 11,416,000,000 | (2,784,000,000) |
| Profit after tax for calculating earnings per share | 489,453,028,926 | 492,237,028,926 | (2,784,000,000) |
| Weighted average number of ordinary shares for the purposes of calculating basic earnings per share | 286,898,128 | 286,898,128 | - |
| Basic earnings per share | <u>1,700</u> | <u>1,710</u> | <u>(10)</u> |

Bonus and welfare fund used to calculate basic earnings per share for the 6-month period ended 30 June 2019 is estimated based on the Resolution No. 07/NQ-CPNT2 dated 24 April 2019 approved by the General Shareholders of the Company. According to this Resolution, the Company has a plan to appropriate an amount of VND 22,832,000,000 for Bonus and welfare fund.

33. SELLING COMMITMENTS

The Company signed Electricity Sales Contract No. 07/2012/HD-NMD-NT2 dated 6 July 2012 with Electric Power Trading Company (EPTC). Accordingly, all electricity production produced under orders of Electricity Regulatory Authority of Vietnam is exclusively underwritten by EPTC with within 10 years from the date Nhon Trach 2 Combined Cycle Power Plant started operating commercially on 16 October 2011.

34. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 18, 19 offset by cash and cash equivalents) and owners' equity (comprising contributed capital, share premium, investment and development fund and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the interim balance sheet date was as follows:

| | <u>Closing balance</u> | <u>Opening balance</u> |
|---------------------------------|------------------------|------------------------|
| | VND | VND |
| Borrowings | 2,424,696,981,604 | 2,948,851,377,270 |
| Less: Cash and cash equivalents | 217,654,753,032 | 65,113,935,464 |
| Net debt | 2,207,042,228,572 | 2,883,737,441,806 |
| Equity | 4,047,289,429,279 | 3,683,475,957,725 |
| Net debt to equity ratio | 0.55 | 0.78 |

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 assets and financial liabilities are disclosed in Note 3.

Categories of financial instruments

| | <u>Carrying amounts</u> | |
|------------------------------|--------------------------|--------------------------|
| | <u>Closing balance</u> | <u>Opening balance</u> |
| | VND | VND |
| Financial assets | | |
| Cash and cash equivalents | 217,654,753,032 | 65,113,935,464 |
| Short-term investments | 490,790,416 | 490,790,416 |
| Trade and other receivables | 1,831,095,179,962 | 2,498,281,031,754 |
| | 2,049,240,723,410 | 2,563,885,757,634 |
| Financial liabilities | | |
| Borrowings | 2,424,696,981,604 | 2,948,851,377,270 |
| Trade and other payables | 1,175,084,574,226 | 1,873,789,119,804 |
| Accrued expenses | 89,951,553,752 | 97,969,508,131 |
| | 3,689,733,109,582 | 4,920,610,005,205 |

The Company has not yet assessed fair value of its financial assets and liabilities as at the interim balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 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.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company 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 Company's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of active market for the trading activities of financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are as follows:

| | Assets | | Liabilities | |
|-----|------------------------|------------------------|------------------------|------------------------|
| | Closing balance VND | Opening balance VND | Closing balance VND | Opening balance VND |
| USD | 924,322 | 4,496,238 | 1,038,237,126,156 | 1,295,110,095,367 |
| EUR | 1,055 | 221,017 | 1,056,459,855,447 | 1,325,408,058,302 |

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar and Euro.

The following table details the Company's sensitivity to a 1% increase and decrease in Vietnam Dong against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. For a 1% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the period would decrease/increase by the following amount as follows:

| | Current period VND | Prior period VND |
|-----|------------------------------|----------------------------|
| USD | 10,382,362,018 | 15,395,442,985 |
| EUR | 10,564,598,544 | 16,141,091,377 |
| | 20,946,960,562 | 31,536,534,362 |

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favorable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented as follows. Assuming all other variables were held constant and the loan balance at the interim balance sheet date were the outstanding amount for the whole period, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the period from 01 January 2019 to 30 June 2019 would have decreased/increased by VND 41,893,939,632 (the period from 01 January 2018 to 30 June 2018: VND 63,073,184,902).

Gas price risk management

The Company purchases natural gas from local suppliers for power production. Therefore, the Company is exposed to the risk of changes in selling price of gas.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the interim balance sheet date, there is a significant concentration of credit risk arising from sales to Electric Power Trading Company (EPTC) - Vietnam Electricity and under-one-year term cash deposits with banks in the period from 01 January 2019 to 30 June 2019. Since cash is deposited at reputable financial institutions, the Board of Management perceived no material credit risk relating to the deposits, and assumed that these financial institutions shall not cause any losses to the Company. The maximum exposure to credit risk represented is the carrying amount of receivables from one major customer as presented in Note 5.

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 Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company'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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

| As at 30/6/2019 | Less than 1 year VND | From 1-5 years VND | Total VND |
|-----------------------------|--------------------------|----------------------------|----------------------------|
| Cash and cash equivalents | 217,654,753,032 | - | 217,654,753,032 |
| Short-term investments | 490,790,416 | - | 490,790,416 |
| Trade and other receivables | 1,831,095,179,962 | - | 1,831,095,179,962 |
| | 2,049,240,723,410 | - | 2,049,240,723,410 |
| Borrowings | 1,393,928,224,109 | 1,030,768,757,495 | 2,424,696,981,604 |
| Trade and other payables | 1,175,084,574,226 | - | 1,175,084,574,226 |
| Accrued expenses | 89,951,553,752 | - | 89,951,553,752 |
| | 2,658,964,352,087 | 1,030,768,757,495 | 3,689,733,109,582 |
| Net liquidity gap | (609,723,628,677) | (1,030,768,757,495) | (1,640,492,386,172) |
| As at 31/12/2018 | Less than 1 year VND | From 1-5 years VND | Total VND |
| Cash and cash equivalents | 65,113,935,464 | - | 65,113,935,464 |
| Short-term investments | 490,790,416 | - | 490,790,416 |
| Trade and other receivables | 2,460,628,324,754 | 37,652,707,000 | 2,498,281,031,754 |
| | 2,526,233,050,634 | 37,652,707,000 | 2,563,885,757,634 |
| Borrowings | 1,390,766,996,596 | 1,558,084,380,674 | 2,948,851,377,270 |
| Trade and other payables | 1,873,789,119,804 | - | 1,873,789,119,804 |
| Accrued expenses | 97,969,508,131 | - | 97,969,508,131 |
| | 3,362,525,624,531 | 1,558,084,380,674 | 4,920,610,005,205 |
| Net liquidity gap | (836,292,573,897) | (1,520,431,673,674) | (2,356,724,247,571) |

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

35. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

| <u>Related party</u> | <u>Relationship</u> |
|--|-------------------------|
| PetroVietnam Power Corporation - JSC | Shareholder |
| PetroVietnam Gas Joint Stock Corporation | The same group |
| PetroVietnam Power Technical Services Joint Stock Company | The same group |
| Southern Management Board of PVC's project | The same group |
| PetroVietnam Insurance Joint Stock Corporation | The same group |
| PetroVietnam Nhon Trach Power Company | The same group |
| PV Oil Lubricant Joint Stock Company | The same group |
| Vietnam Petroleum Institute - The Research and Development Centre for Petroleum Safety and Environment | The same group |
| PetroVietnam Oil and Gas Group | Ultimate parent company |
| PVCombank | The same group |
| Petroleum Power Property Joint Stock Company | The same group |
| Drilling Mud Corporation | The same group |
| PetroVietnam Maintenance and Repair Corporation (PVMR) | The same group |
| PetroVietnam Technical Safety Registration Company Limited | The same group |
| PetroVietnam Securities Incorporated | The same group |

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

| | <u>Current period</u> | <u>Prior period</u> |
|--|------------------------|------------------------|
| | VND | VND |
| Purchases of services | | |
| Petro Vietnam Gas Joint Stock Corporation | 2,839,705,381,547 | 2,610,137,521,356 |
| Petro Vietnam Power Technical Services Joint Stock Company | 19,745,612,366 | 18,648,116,283 |
| Petro Vietnam Insurance Joint Stock Corporation | 21,835,858,356 | 22,175,016,143 |
| Petrovietnam Maintenance and Repair Corporation (PVMR) | - | 641,327,273 |
| Drilling Mud Corporation | 1,116,581,000 | - |
| Petro Vietnam Nhon Trach Power Company | 467,665,125 | 567,830,125 |
| PV Oil Lubricant Joint Stock Company | - | - |
| Petro VietNam ManPower Training College | 250,000,000 | - |
| PVcomBank | - | 304,924,059 |
| | <u>-</u> | <u>304,924,059</u> |
| Financial income | | |
| Interest income from time deposits at PVcomBank | 8,974 | 17,225 |
| | <u>8,974</u> | <u>17,225</u> |
| Dividend paid | | |
| Petro Vietnam Power Corporation - JSC | 153,833,472,000 | 341,852,160,000 |
| | <u>153,833,472,000</u> | <u>341,852,160,000</u> |

Remuneration paid to the Company's Board of Directors and Board of Management during the period was as follows:

| | <u>Current period</u> | <u>Prior period</u> |
|-------------------------------|-----------------------|----------------------|
| | VND | VND |
| Salaries and benefits in kind | 3,398,376,065 | 2,388,999,608 |
| | <u>3,398,376,065</u> | <u>2,388,999,608</u> |

Related party significant balances at the balance sheet date were as follows:

| | <u>Closing balance</u> | <u>Opening balance</u> |
|--|------------------------|------------------------|
| | VND | VND |
| Advance to suppliers | | |
| Petro Vietnam Power Technical Services | 55,407,067,915 | 59,576,165,651 |
| Joint Stock Company | | |
| Trade payables | | |
| Petro Vietnam Gas Joint Stock Corporation | 1,015,595,001,958 | 1,467,727,778,993 |
| Petro Vietnam Power Technical Services | 98,486,817,496 | 88,558,206,867 |
| Joint Stock Company | | |
| Southern Management Board of PVC's project | 454,403,426 | 454,403,426 |
| Drilling Mud Corporation | 726,246,483 | - |
| Petro Vietnam Nhon Trach Power Company | 85,621,938 | 62,343,225 |
| Other payables | | |
| Petro Vietnam Gas Joint Stock Corporation | 39,278,284,374 | 39,278,284,374 |

36. CONTINGENT ASSETS AND LIABILITIES

According to Resolution No. 1944/NQ-DKVN dated 2 April 2018 of Vietnam Oil and Gas Group on the termination of application of PVN's Resolution No. 1827/NQ-DKVN dated 19 March 2013 on acceptance of the accounting revenues/expenses related to the delay in payment of electricity/gas bills. The Company thereon will have to record late payment interest from Electricity Power Trading Company ("EPTC") and recognize payables to PetroVietnam Gas Joint Stock Corporation ("PV GAS") based on the number of days delayed/overdue as prescribed in contracts and appendices the Company signed with PV GAS ("Gas sales contract") and with EPTC ("Electricity sales contract"). The Company has worked with EPTC of Vietnam Electricity ("EVN") and PV GAS on contract performance and is negotiating with Vietnam Oil and Gas Group as well as the parent company - PetroVietnam Power Corporation whether methods and feasibility of Resolution No. 1944/NQ-DKVN are applicable for late payment interest arising in previous years/periods so as to have a reliable basis for accurate and complete accounting of interest/expenses, receivables/payables related to late payment of electricity/gas bills in the future. At the date of financial statements issuance, the Company has not received specific instruction or decision of Vietnam Oil and Gas Group on the above-mentioned amounts, and thus has not had a certain and reliable basis to record any adjustments on the interim financial statements for the 6-month period ended 30 June 2019.

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37. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the period excluded an amount of VND 235,927,607 (the first 6 months of 2018: VND 909,242,778), representing accrued interest during the period that has not been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Interest paid during the period excluded an amount of VND 5,507,617,623 (the first 6 months of 2018: VND 8,252,398,942) representing interest expense that has not been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Dividend paid to shareholders during the period excluded an amount of VND 7,547,268,286 (the first 6 months of 2018: VND 1,240,598,447,358) representing dividends and profits have not been paid fully to shareholders. Consequently, changes in accounts payable have been adjusted by the same amount.



Le Van Tu
Preparer



Le Viet An
Chief Accountant



Ngo Duc Nhan
Director
29 July 2019

