

# CHAPTER 6

## CONSOLIDATED FINANCIAL STATEMENTS

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

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2020

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The Executive Board of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2020.

**THE BOARD OF DIRECTORS AND EXECUTIVE BOARD**

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

**Board of Directors**

Mr. Nguyen Tien Vinh	Chairman
Mr. Le Cu Tan	Member
Mr. Louis T. Nguyen	Member
Mr. Duong Tri Hoi	Member
Mr. Ta Quang Huy	Member (appointed on 30 September, 2020)
Mr. Trinh Van Khiem	Member (appointed on 16 June, 2020)
Mr. Nguyen Hong Vinh	Member (resigned on 01 May, 2020)
Mr. Le Minh Hong	Member (resigned on 22 July, 2020)

**Executive Board**

Mr. Le Cu Tan	Chief Executive Officer
Ms. Tran Thi Phuong Thao	Executive Officer
Mr. Le Van Quoc Viet	Executive Officer
Ms. Le Thi Thu Huong	Executive Officer
Mr. Cao Trung Kien	Executive Officer
Mr. Dao Van Ngoc	Executive Officer (appointed on 21 April, 2020)
Mr. Tu Cuong	Executive Officer (resigned on 01 September, 2020)

**THE EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY**

The Executive Board of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Executive Board is required to:

- » select suitable accounting policies and then apply them consistently;
- » make judgments and estimates that are reasonable and prudent;
- » state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- » prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- » design and implement an effective internal control system for the purpose of properly preparing the consolidated financial statements so as to minimize errors and frauds.

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

The Executive Board confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

**APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements have been approved by the Board of Directors on 18 March 2021.

For and on behalf of the Executive Board,



**Le Cu Tan**  
Chief Executive Officer/Member of Board of Directors

25 March 2021  
Ho Chi Minh City, S.R. Vietnam

**TO: THE SHAREHOLDERS  
THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD  
PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

We have audited the accompanying consolidated financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 25 March 2021, as set out from page 127 to page 167, which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of income, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**AUDITORS' RESPONSIBILITY**

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

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

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

**OPINION**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

EMPHASIS OF MATTER

As stated in Note 38 to Notes of the consolidated financial statements, as at 31 December 2020, the Corporation had a contingent liability related to land use fees and other costs of the street with an area of 0.6 ha invested and built by the Corporation in Ca Mau province.

Our audit opinion is not modified in respect of this matter.



**Tran Xuan Anh**  
Audit Partner  
Audit Practising Registration Certificate  
No. 0723-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

25 March 2021  
Hanoi, S.R. Vietnam

**Luong Tuan Dat**  
Auditor  
Audit Practising Registration Certificate  
No. 4370-2018-001-1

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>6,314,163,032,937</b>	<b>5,943,854,074,804</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>2,029,198,585,342</b>	<b>2,976,952,450,033</b>
1. Cash	111		265,139,502,295	349,278,804,046
2. Cash equivalents	112		1,764,059,083,047	2,627,673,645,987
<b>II. Short-term financial investments</b>	<b>120</b>		<b>2,185,000,000,000</b>	<b>1,035,000,000,000</b>
1. Held-to-maturity investments	123	5	2,185,000,000,000	1,035,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>340,731,443,856</b>	<b>289,371,734,319</b>
1. Short-term trade receivables	131	6	223,032,121,230	239,163,840,466
2. Short-term advances to suppliers	132	7	58,161,771,022	37,348,595,546
3. Other short-term receivables	136	8	292,846,621,763	250,709,558,469
4. Provision for short-term doubtful debts	137	9	(233,576,422,659)	(238,285,341,239)
5. Deficits in assets awaiting solution	139		267,352,500	435,081,077
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>1,468,360,373,620</b>	<b>1,350,638,678,171</b>
1. Inventories	141		1,494,665,449,780	1,370,295,612,901
2. Provision for devaluation of inventories	149		(26,305,076,160)	(19,656,934,730)
<b>V. Other short-term assets</b>	<b>150</b>		<b>290,872,630,119</b>	<b>291,891,212,281</b>
1. Short-term prepayments	151	11	27,025,250,532	29,727,375,587
2. Value added tax deductibles	152		256,938,273,841	257,326,042,539
3. Taxes and other receivables from the State budget	153	15	6,909,105,746	4,837,794,155

## CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2020

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>4,985,778,272,458</b>	<b>5,496,454,188,790</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>698,374,000</b>	<b>658,396,000</b>
1. Other long-term receivables	216	8	698,374,000	658,396,000
<b>II. Fixed assets</b>	<b>220</b>		<b>4,282,892,453,351</b>	<b>4,790,657,948,234</b>
1. Tangible fixed assets	221	12	3,438,870,887,385	3,932,312,724,389
- Cost	222		11,646,460,047,004	11,629,420,833,126
- Accumulated depreciation	223		(8,207,589,159,619)	(7,697,108,108,737)
2. Intangible assets	227	13	844,021,565,966	858,345,223,845
- Cost	228		1,153,056,314,593	1,152,277,537,593
- Accumulated amortisation	229		(309,034,748,627)	(293,932,313,748)
<b>III. Investment property</b>	<b>230</b>	<b>14</b>	<b>219,743,745,413</b>	<b>239,820,697,731</b>
- Cost	231		317,953,542,202	334,556,867,544
- Accumulated depreciation	232		(98,209,796,789)	(94,736,169,813)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>153,441,224,477</b>	<b>145,846,801,849</b>
1. Long-term construction in progress	242	16	153,441,224,477	145,846,801,849
<b>V. Long-term financial investments</b>	<b>250</b>		<b>44,245,603,945</b>	<b>45,369,527,464</b>
1. Investments in joint-ventures, associates	252	17	27,991,375,327	26,973,857,965
2. Equity investments in other entities	253	5	20,502,000,000	20,502,000,000
3. Provision for impairment of long-term financial investments	254	5	(4,247,771,382)	(2,106,330,501)
<b>VI. Other long-term assets</b>	<b>260</b>		<b>284,756,871,272</b>	<b>274,100,817,512</b>
1. Long-term prepayments	261	11	30,448,054,378	30,935,743,889
2. Deferred tax assets	262	18	101,730,355,972	81,381,867,070
3. Long-term reserved spare parts	263	10	139,786,369,885	148,991,115,516
4. Other long-term assets	268		12,792,091,037	12,792,091,037
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>11,299,941,305,395</b>	<b>11,440,308,263,594</b>

## CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2020

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>3,052,441,964,507</b>	<b>3,278,872,819,011</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,026,034,102,655</b>	<b>2,060,713,280,767</b>
1. Short-term trade payables	311	19	452,877,108,896	478,565,168,169
2. Short-term advances from customers	312	20	122,950,516,714	80,837,106,240
3. Taxes and amounts payable to the State budget	313	15	58,813,917,687	66,288,625,026
4. Payables to employees	314		133,671,272,818	137,134,034,081
5. Short-term accrued expenses	315	21	456,822,960,695	678,292,053,057
6. Short-term unearned revenue	318		16,363,638	18,181,819
7. Other current payables	319	22	64,799,698,649	80,115,659,533
8. Short-term loans and obligations under finance leases	320	23	190,871,758,751	177,270,899,255
9. Short-term provisions	321	24	467,511,021,812	312,648,007,246
10. Bonus and welfare funds	322		77,699,482,995	49,543,546,341
<b>II. Long-term liabilities</b>	<b>330</b>		<b>1,026,407,861,852</b>	<b>1,218,159,538,244</b>
1. Other long-term payables	337	22	1,866,870,000	960,870,000
2. Long-term loans and obligations under finance leases	338	25	858,922,907,882	1,063,625,393,987
3. Deferred tax liabilities	341		132,540,000,000	132,540,000,000
4. Scientific and technological development fund	343		33,078,083,970	21,033,274,257
<b>D. EQUITY</b>	<b>400</b>		<b>8,247,499,340,888</b>	<b>8,161,435,444,583</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>26</b>	<b>8,247,499,340,888</b>	<b>8,161,435,444,583</b>
1. Owner's contributed capital	411		3,914,000,000,000	3,914,000,000,000
- Ordinary shares carrying voting rights	411a		3,914,000,000,000	3,914,000,000,000
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. Investment and development fund	418		3,497,039,984,859	3,497,039,984,859
5. Retained earnings	421		654,776,859,274	566,144,654,027
- Retained earnings accumulated to the prior year end	421a		54,215,294,040	228,248,570,458
- Retained earnings of the current year	421b		600,561,565,234	337,896,083,569
6. Non-controlling interests	429		162,799,407,017	165,367,715,959
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>11,299,941,305,395</b>	<b>11,440,308,263,594</b>

Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

25 March 2021

# CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

FORM B 02-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		7,867,574,305,211	7,757,075,543,739
2. Deductions	02		105,755,700,648	73,534,335,681
3. Net revenue from goods sold and services rendered (10=01-02)	10	29	7,761,818,604,563	7,683,541,208,058
4. Cost of sales and services rendered	11	29	6,032,014,990,990	6,281,448,254,606
5. Gross profit from goods sold and services rendered (20=10-11)	20	29	1,729,803,613,573	1,402,092,953,452
6. Financial income	21	31	179,636,016,847	140,013,425,496
7. Financial expenses	22	32	94,847,103,094	107,636,556,757
- In which: Interest expense	23		88,463,426,175	106,897,449,564
8. Share of net profit from joint-ventures, associates	24		2,437,351,362	1,680,107,483
9. Selling expenses	25	33	654,617,057,501	554,758,002,570
10. General and administration expenses	26	33	409,071,818,150	415,339,815,960
11. Operating profit (30=20+(21-22)+24-(25+26))	30		753,341,003,037	466,052,111,144
12. Other income	31	34	96,475,936,092	7,480,346,769
13. Other expenses	32	35	1,926,168,341	6,456,808,962
14. Profit from other activities (40=31-32)	40		94,549,767,751	1,023,537,807
15. Accounting profit before tax (50=30+40)	50		847,890,770,788	467,075,648,951
16. Current corporate income tax expense	51	36	166,619,580,888	90,454,832,980
17. Deferred corporate tax income	52	36	(20,348,488,902)	(12,239,055,688)
18. Net profit after corporate income tax (60=50-51-52)	60		701,619,678,802	388,859,871,659
18.1 Profit after tax attributable to Parent Company	61		691,307,691,848	377,703,325,589
18.2 Profit after tax attributable to non-controlling shareholders	62		10,311,986,954	11,156,546,070
19. Basic earnings per share	70	37	1,535	754

Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

25 March 2021



# CONSOLIDATED CASH FLOW STATEMENT

FORM B 03-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	01	847,890,770,788	467,075,648,951
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	549,648,417,025	561,879,123,157
Provisions	03	194,437,765,308	167,226,193,328
Foreign exchange gain arising from translating foreign currency items	04	(1,687,283,663)	(764,976,791)
Gain from investing activities	05	(177,401,927,532)	(137,907,172,131)
Interest expense	06	88,463,426,175	106,897,449,564
Other adjustments	07	20,000,000,000	-
3. Operating profit before movements in working capital	08	1,521,351,168,101	1,164,406,266,078
Changes in receivables	09	(12,019,853,115)	227,366,396,790
Changes in inventories	10	(114,561,989,431)	255,149,812,712
Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(215,723,205,282)	283,021,492,395
Decreases in prepaid expenses	12	3,189,814,566	16,080,067,431
Interest paid	14	(101,010,428,297)	(54,866,114,339)
Corporate income tax paid	15	(178,220,066,598)	(45,844,375,272)
Other cash outflows	17	(115,732,025,947)	(86,306,205,352)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>787,273,413,997</b>	<b>1,759,007,340,443</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(81,740,330,467)	(117,832,821,638)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	2,828,702,473
3. Cash outflow for lending, buying debt instruments of other entities	23	(2,940,000,000,000)	(1,720,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	1,790,000,000,000	1,640,000,000,000
5. Interest earned, dividends and profits received	27	165,742,209,214	140,662,774,725
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(1,065,998,121,253)</b>	<b>(54,341,344,440)</b>

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2020

FORM B 03-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	381,719,552,000	124,208,464,716
2. Repayment of borrowings	34	(571,448,728,652)	(166,966,798,373)
3. Dividends and profits paid	36	(479,315,340,540)	(401,886,060,700)
<b>Net cash used in financing activities</b>	<b>40</b>	<b>(669,044,517,192)</b>	<b>(444,644,394,357)</b>
<b>Net (decrease)/increase in cash (50=20+30+40)</b>	<b>50</b>	<b>(947,769,224,448)</b>	<b>1,260,021,601,646</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>2,976,952,450,033</b>	<b>1,716,919,348,616</b>
Effects of changes in foreign exchange rates	61	15,359,757	11,499,771
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>2,029,198,585,342</b>	<b>2,976,952,450,033</b>

Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

25 March 2021



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance

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

### 1. GENERAL INFORMATION

#### Structure of ownership

PetroVietnam Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Corporation"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 14th amendment on 16 January 2019, issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Corporation officially transformed its operation into parent-subsidary 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.

As at 31 December 2020, Corporation's initial charter capital was VND 3,914,000,000,000, equivalent to 391,400,000 ordinary shares with the nomination price per share was VND 10,000. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 05 November 2007 with the stock symbol "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group (the "Group" or "PVN") who holds 59.58% of its charter capital as at 31 December 2020.

#### Operating industries and principal activities

The business activities of the Corporation include:

- » Production and trade of fertilizer, liquid ammonia, industrial gas, other chemicals;
- » Provision of technical services relating to production and trade of fertilizer and other related chemicals (excluding heavily toxic chemicals);
- » Architectural activities and related technical consultancy;
- » Production, transmission and distribution of electricity;
- » Trade of real estates, land use rights held as owner, user or lessor;
- » Wholesale of agricultural and forestry products (excluding wood, bamboo) and living animals;
- » Goods transport services by road and by inbound waterway, processing of oil and gas-related products and minerals;
- » Vocational training;
- » Supporting services for waterway transportation; loading and unloading goods at seaports and in land terminals;
- » Acting as vessel agent and shipping agency and providing warehousing services.

The principal activities of the Corporation are production and trade of fertilizers 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.

Events occurring during the year affect the Corporation's operations

Due to the wide-ranging effects of the COVID-19 disease developments, challenges have arisen for all economic sectors. These changes can greatly affect the operations, interests and economic obligations of the Corporation. At present, the Board of Directors and Executive Board have carefully monitored and evaluated the possible impact of this issue on the operation of the Corporation. Therefore, the Board of Directors and Executive Board also believe that COVID-19 will not affect the production and business activities of the Corporation in 2021.

The Corporation's structure

As at 31 December 2020, the Corporation's sub-units were as follows:

No	Name	Address
1	Phu My Fertilizer Plant	Phu My 1 Industrial Park, Phu My Town, Ba Ria – Vung Tau Province, Vietnam
2	Ho Chi Minh City Branch	PVFCCo Tower, 43 Mac Dinh Chi Street, Da Kao Ward, District 1, Ho Chi Minh City.
3	Campuchia Branch (i)	Phnom Penh, Cambodia
4	Fertilizer and Chemical Projects Management Unit	Phu My 1 Industrial Zone, Phu My Town, Ba Ria – Vung Tau Province, Vietnam

- (i) According to Decision of the Board of Directors No. 313/QD-PBHC dated 26 June 2014, the Board of Directors of the Corporation approved the plan to liquidate Corporation's branch at Cambodia. As at the date of these interim consolidated financial statements, the Corporation is in process of liquidating its branch at Cambodia.

The general information about subsidiaries and associates of the Corporation as at 31 December 2020 is as follows:

Subsidiary/associate	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
<b>Subsidiaries</b>				
1. Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75.00	75.00	Trading of fertilizer and chemicals
2. SouthWest PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75.00	75.00	Trading of fertilizer and chemicals
3. SouthEast PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75.00	75.00	Trading of fertilizer and chemicals
4. Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi City	75.00	75.00	Trading of fertilizer and chemicals
<b>Associates</b>				
1. Dam Phu My Packaging JSC	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages
2. PetroVietnam Urban Development JSC	Can Tho City	35.63	35.63	Construction and installation of civil and industrial works and services provision
3. Vietnam Petrochemical and Textile Fiber JSC	Hai Phong City	25.99	25.99	Production and sale of polyester fibers

Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2019.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying consolidated 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 consolidated financial reporting.

The Corporation's Branch in Cambodia uses USD as monetary unit in accounting. The Corporation has translated all remaining balances of its branch in Cambodia for the period ended 31 December 2020 into VND according to Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying consolidated 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Accounting estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December 2019. This 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.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.





All significant inter-company transactions and balances between the Corporation and its subsidiaries and among subsidiaries are eliminated on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### Business combination

Assets, liabilities and contingent liabilities of subsidiaries are assessed at fair value at acquisition date. Any excess between consideration transferred and fair value of total identified net assets is recognized as goodwill. Any deficit between consideration transferred and fair value of total identified net assets is recognized in consolidated income statement of the acquisition period.

Non-controlling interest at acquisition date is initially recognized based on the owner ratio of non-controlling interest on total fair values of assets, liabilities and contingent liabilities.

#### 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

#### 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.

#### 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 of such investments.

Provisions for impairment of investments in other entities are made in accordance with prevailing accounting regulations.

#### Receivables

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

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

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Issue cost is calculated using the weighted average method, except for issue 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. Inventories are recorded under the perpetual method.

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

#### Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and location 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 recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.



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

	<b>Years</b>
Buildings, structures	5 - 25
Machinery, equipment	3 - 15
Motor vehicles	6 - 10
Office equipment	3 - 8
Others	3 - 15

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 consolidated income statement.

#### Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The company as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

#### The company as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivables as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

#### Intangible assets and amortization

##### Land use rights

Intangible assets represent land use rights which are stated at cost less accumulated amortization. Land use rights are amortised using the straight-line method over the duration of the right to use the land, indefinite-term land use rights are not amortized.

	<b>Years</b>
Indefinite land use rights	No amortization
Definite land use rights	32 - 50

##### Copyrights

The copyrights are initially recognized at purchase price and amortised using the straight-line basis over its useful life.

##### Computer software and other intangible assets

Computer software and other intangible assets are initially recognized at purchase price and amortised using the straight-line basis from 3 to 6 years for computer software and from 3-6 years for other intangible assets.

#### Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals. Investment properties held to earn rentals are stated at cost less accumulated depreciation. 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. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties.

##### Land use rights

Investment properties present the value of land use rights are stated at cost less accumulated amortization. Land use rights are amortized using the straight-line method over the duration of the right to use the land.

##### Buildings and structures

Buildings and structures held by the Corporation to earn rentals are stated at cost less accumulated depreciation. These investment properties are depreciated using the straight-line method over their estimated useful lives.

	<b>Years</b>
Land use right	50
Buildings, structures	7 - 25

##### 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.

##### Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including asset insurance premium, land rentals, tools and supplies issued for consumption, cost of catalytic conversion of CO, cost of catalytic absorption of H2S and other types of prepayments.

Asset insurance premium and cost of catalytic conversion of CO, cost of catalytic absorption of H2S are recognized at contract purchase price and charged to the consolidated income statement on the straight-line basis over the contractual term.

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



The value of tools and supplies issued for consumption is expected to provide future economic benefits to the Corporation and is charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

Other types of prepayments comprise of expenses for supporting services, offices and warehouses repairs,... which are expected to provide future economic benefits to the Corporation. These prepaid expenses are charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

#### Payable provisions

Payable 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.

Phu My Fertilizer Plant accrued the estimated repair cost to annual expense for fixed assets which have annual overhaul. If actual amount is higher than accrued amount, the difference is included in reasonable cost. If actual amount is lower than the accrued amount, the Corporation decrease the expense in year.

#### Scientific and technological development fund

Scientific and technological development fund are made in order to finance science and technology activities of the Corporation. This fund was formed on the basis of the Corporation's demand for research and development and technology innovation and is recognized in the operation results of the period. according to Joint Circular No 12/2016/TTLT-BKHCN-BTC dated 28 June 2016. Accordingly, the Corporation accrued maximum 10% of taxable income this period for this fund.

#### Revenue recognition

##### *Revenue from sale of goods*

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

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

##### *Revenue from services*

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:

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

##### *Revenue from leasing investment properties*

Revenue from leasing investment properties is recognized in profit or loss on the straight-line basis over the lease term.

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

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

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 31 December 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 31 December 2020. The above mentioned 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 ("Circular 200"). However, such difference has no material influence on the Corporation's consolidated financial statements for the year ended 31 December 2020.

#### Borrowing costs

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

#### Taxation

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

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

For fertilizer production at Phu My Fertilizer Plant: the Corporation is obliged to pay Corporation income tax at the rate of 15% of its taxable profit.

For business activities of NPK fertilizer produced at Phu My Fertilizer Plant: The Corporation is obliged to pay Corporation income tax at the rate of 20% of taxable income. The Corporation is exempted from Corporation income tax for the first 2 years after having taxable income (2018 is the first year to be exempted from Corporation income tax for business activities of NPK) and is entitled to a 50% reduction of Corporation income tax for the next 4 years.

For other business activities: the Corporation is obliged to pay Corporation income tax at the rate of 20% of its taxable profit.

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

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

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 Corporation 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

	Closing balance VND	Opening balance VND
Cash on hand	2,115,941,846	1,204,191,307
Bank demand deposits	258,862,950,449	343,718,395,389
Cash in transit	4,160,610,000	4,356,217,350
Cash equivalents (i)	1,764,059,083,047	2,627,673,645,987
	<b>2,029,198,585,342</b>	<b>2,976,952,450,033</b>

(i) As at 31 December 2020, cash equivalents represent the time deposits with original terms from 01 to 03 months at commercial banks with the interest rates ranging from 0.1% to 4.0% per annum (31 December 2019: interest rates ranging from 4.3% to 5.5% per annum).

As at 31 December 2020, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No. 5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No. 60/2018/CV-OCEANBANK dated 28 December 2018 and Official No. 76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. Interest earned on deposits at Ocean Commercial One Member Limited Liability Bank from 01 October 2015 to present has been received. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

#### 5. FINANCIAL INVESTMENTS

	Closing balance VND		Opening balance VND	
	Cost	Carrying amount	Cost	Carrying amount
<b>a. Held-to-maturity investments</b>				
Term deposits (i)	2,185,000,000,000	2,185,000,000,000	1,035,000,000,000	1,035,000,000,000
	<b>2,185,000,000,000</b>	<b>2,185,000,000,000</b>	<b>1,035,000,000,000</b>	<b>1,035,000,000,000</b>
(i) Short-term held-to-maturity investments as at 31 December 2020 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 3.6% to 5.8% per annum (31 December 2019: interest rates ranging from 5.7% to 7.0% per annum).				
	Closing balance VND		Opening balance VND	
	Cost	Provision	Fair value	Fair value
<b>b. Investments in other entities</b>				
Petroleum Information Technology Telecom and Automation JSC	3,600,000,000	-	(ii) 3,600,000,000	(ii)
Ut Xi Aquatic Products Processing JSC	16,902,000,000	(4,247,771,382)	(ii) 16,902,000,000	(ii) (2,106,330,501)
	<b>20,502,000,000</b>	<b>(4,247,771,382)</b>	<b>(ii) 20,502,000,000</b>	<b>(ii) (2,106,330,501)</b>

(ii) For the investments in other entities, these companies have not had their shares listed on a stock exchange yet and the Corporation was unable to determine their fair value as at the balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value on these financial investments. Long-term provisions for financial investments on these companies were estimated according to these companies' financial statements for the year ended 31 December 2020.

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Short-term trade receivables</b>		
Tuan Vu Fertilizers Commercial Services Company Limited	22,273,315,663	7,611,099,966
Hung Thanh Agricultural Materials Company Limited	9,516,571,121	42,925,490,000
Others	164,097,354,581	156,546,117,568
	<b>195,887,241,365</b>	<b>207,082,707,534</b>
<b>b. Receivables from related parties</b> (Details stated in Note 39)	27,144,879,865	32,081,132,932
	<b>27,144,879,865</b>	<b>32,081,132,932</b>
<b>c. Total</b>	<b>223,032,121,230</b>	<b>239,163,840,466</b>

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
<b>a. Short-term advances to suppliers</b>		
Ngoc Lan Commercial and Production Company Limited	9,153,800,000	9,153,800,000
Thieu Yen Thanh Hoa Commercial JSC	6,854,400,000	-
Mitsubishi Corporation	-	4,695,047,820
Others	14,145,729,605	15,848,744,309
	<b>30,153,929,605</b>	<b>29,697,592,129</b>
<b>b. Advances to related parties</b> (Details stated in Note 39)	28,007,841,417	7,651,003,417
	<b>28,007,841,417</b>	<b>7,651,003,417</b>
<b>c. Total</b>	<b>58,161,771,022</b>	<b>37,348,595,546</b>

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Other short-term receivables</b>		
PetroVietnam Petrochemical and Textile Fiber JSC (i)	114,509,081,543	114,509,081,543
PetroVietnam Trade Union Finance Investment Corporation (PVFI) (ii)	110,143,267,289	110,143,267,289
Accrued interest income from term deposits	28,150,317,836	18,859,561,377
Short-term deposits and mortgages	85,134,000	90,134,000
Other short-term receivables	39,958,821,095	7,107,514,260
	<b>292,846,621,763</b>	<b>250,709,558,469</b>
<b>b. Other long-term receivables</b>		
Long-term deposits and mortgages	698,374,000	658,396,000
	<b>698,374,000</b>	<b>658,396,000</b>
In which:		
<b>Other receivables from related parties</b> (Details stated in Note 39)	<b>229,113,222,693</b>	<b>224,652,348,832</b>

(i) The balance of the receivable from Vietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY") as at 31 December 2020 represents a payment under the reciprocal guarantee commitment for medium-term and long-term loans of VNPOLY and other supports to VNPOLY. Payment obligations arose from the fact that the Corporation signed two reciprocal guarantee commitments with PVN relating to the guarantee obligations of PVN for medium-term and long-term loans of VNPOLY.

According to the Memorandum between PVN, VNPOLY and the Corporation, PVN shall be responsible for collecting the principal of and interest on the guarantees having paid by parties on behalf of VNPOLY. Within 07 days from the day PVN receives debt payments from VNPOLY (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in VNPOLY to the Corporation. The interest rate is determined at the rate equal to demand deposit interest rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam. The interest calculation period starts from the day the Corporation pays the reciprocal guarantee amount to PVN.

As at 31 December 2020, the Executive Board assessed the recoverability of this receivable at low level as the accumulated losses of VNPOLY had exceeded its equity, and VNPOLY is unable to meet its financial obligations as and when they fall due. Therefore, on a prudent basis, the Executive Board decided to make almost full provision for the receivable from VNPOLY arising in 2017 and earlier with the total amount of more than VND 114 billion.

(ii) The balance of the other short-term receivables from PetroVietnam Trade Union Finance Investment Corporation ("PVFI") as at 31 December 2020 represents an investment trust amount of VND 101,597,868,000 and the unpaid interest of VND 8,545,399,289. The Executive Board assessed the recoverability of this receivable at low level due to the difficult situation of PVFI. Therefore, the Executive Board made full provision for these receivables arising since 2012 as presented at Note 9.

	Closing balance VND		Opening balance VND	
	Cost	Recoverable amount	Cost	Recoverable amount
PetroVietnam Trade Union Finance Investment Corporation	110,143,267,289	-	110,143,267,289	-
Ngoc Lan Private Enterprise	9,153,800,000	-	9,153,800,000	-
Vietnam Petrochemical and Textile Fiber JSC	114,704,334,648	424,979,278	114,704,334,648	424,979,278
- Receivables relating to reciprocal guarantee commitments	107,786,937,303	-	107,786,937,303	-
- Other receivables	6,917,397,345	424,979,278	6,917,397,345	424,979,278
Others	-	-	9,417,837,160	4,708,918,580
	<b>234,001,401,937</b>	<b>424,979,278</b>	<b>243,419,239,097</b>	<b>5,133,897,858</b>

Net realized value is stated at cost less allowances for bad debts.

10. INVENTORIES

	Closing balance VND		Opening balance VND	
	Cost	Provision	Cost	Provision
<b>a. Inventory</b>				
Goods in transit	216,065,135,493	-	275,176,176,470	-
Raw materials	493,736,178,079	(10,062,946,217)	394,867,677,394	-
Tools and supplies	6,405,456,011	-	6,516,834,174	-
Work in progress	48,035,018,676	(4,918,599,333)	31,776,106,907	-
Finished goods	637,316,947,620	(10,024,654,470)	393,775,228,075	(15,100,784,057)
Merchandise	93,106,713,901	(1,298,876,140)	268,183,589,881	(4,556,150,673)
	<b>1,494,665,449,780</b>	<b>(26,305,076,160)</b>	<b>1,370,295,612,901</b>	<b>(19,656,934,730)</b>
<b>b. Long-term reserved spare parts</b>	<b>139,786,369,885</b>	<b>-</b>	<b>148,991,115,516</b>	<b>-</b>

As at 31 December 2020, the Corporation made provision for devaluation of inventories with an amount of VND 6,648,141,430 (2019: VND 17,190,593,181).

11. PREPAYMENTS

	Closing balance VND	Opening balance VND
<b>a. Current</b>		
Asset insurance premium prepayment	13,953,824,829	16,799,065,731
Tools and supplies	916,491,306	1,756,871,460
Others	12,154,934,397	11,171,438,396
	<b>27,025,250,532</b>	<b>29,727,375,587</b>
<b>b. Non-current</b>		
Cost of catalytic of CO and H2S	8,061,248,728	10,776,145,929
Tools and supplies	7,267,251,723	9,859,651,102
Land and office rentals	11,199,860,794	5,999,981,657
Others	3,919,693,133	4,299,965,201
	<b>30,448,054,378</b>	<b>30,935,743,889</b>

12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipments VND	Others VND	Total VND
<b>COST</b>						
<b>Opening balance</b>	2,360,465,541,295	8,238,372,297,383	87,966,694,221	304,631,810,723	637,984,489,504	11,629,420,833,126
Additions	30,669,462,948	7,304,373,228	2,476,478,763	6,289,135,664	-	46,739,450,603
Disposals	(26,262,420,462)	(2,599,738,263)	(307,584,000)	(530,494,000)	-	(29,700,236,725)
<b>Closing balance</b>	2,364,872,583,781	8,243,076,932,348	90,135,588,984	310,390,452,387	637,984,489,504	11,646,460,047,004
<b>ACCUMULATED DEPRECIATION</b>						
<b>Opening balance</b>	1,288,932,483,338	5,913,137,621,180	73,067,145,719	225,448,389,133	196,522,469,367	7,697,108,108,737
Charge for the year	131,740,979,829	264,393,875,660	3,710,933,297	29,894,402,905	94,754,934,931	524,495,126,622
Disposals	(10,576,259,477)	(2,599,738,263)	(307,584,000)	(530,494,000)	-	(14,014,075,740)
<b>Closing balance</b>	1,410,097,203,690	6,174,931,758,577	76,470,495,016	254,812,298,038	291,277,404,298	8,207,589,159,619
<b>NET BOOK VALUE</b>						
<b>Opening balance</b>	1,071,533,057,957	2,325,234,676,203	14,899,548,502	79,183,421,590	441,462,020,137	3,932,312,724,389
<b>Closing balance</b>	954,775,380,091	2,068,145,173,771	13,665,093,968	55,578,154,349	346,707,085,206	3,438,870,887,385

As stated in Note 25, the Corporation has pledged all the factories and equipment under the project on productivity enhancement of NH<sub>3</sub> workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant by applying chemical technology, which has the carrying value as at 31 December 2020 of VND 2,397,837,594,191 (31 December 2019: VND 655,632,070,882) to secure bank loans.

The cost of the Corporation's tangible fixed assets as at 31 December 2020 includes VND 6,258,306,779,257 (31 December 2019: VND 6,217,712,574,240) of tangible fixed assets which have been fully depreciated but are still in use.

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13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Patent VND	Computer software VND	Others VND	Total VND
<b>COST</b>					
<b>Opening balance</b>	863,853,207,162	175,819,275,927	96,785,421,350	15,819,633,154	1,152,277,537,593
Additions	-	-	778,777,000	-	778,777,000
Reclassification	-	(16,503,382,853)	16,503,382,853	-	-
<b>Closing balance</b>	863,853,207,162	159,315,893,074	114,067,581,203	15,819,633,154	1,153,056,314,593
<b>ACCUMULATED DEPRECIATION</b>					
<b>Opening balance</b>	41,407,379,716	173,875,466,140	67,663,741,836	10,985,726,056	293,932,313,748
Charge for the year	5,005,600,203	-	9,616,470,916	480,363,760	15,102,434,879
Reclassification	-	(14,559,573,066)	14,559,573,066	-	-
<b>Closing balance</b>	46,412,979,919	159,315,893,074	91,839,785,818	11,466,089,816	309,034,748,627
<b>NET BOOK VALUE</b>					
<b>Opening balance</b>	822,445,827,446	1,943,809,787	29,121,679,514	4,833,907,098	858,345,223,845
<b>Closing balance</b>	817,440,227,243	-	22,227,795,385	4,353,543,338	844,021,565,966

The cost of the Corporation's intangible assets as at 31 December 2020 includes VND 235,520,885,339 (31 December 2019: VND 230,932,740,348) of intangible assets which have been fully amortized but are still in use.

14. INCREASES, DECREASES IN INVESTMENT PROPERTIES

	Land use rights VND	Buildings and structures VND	Total VND
<b>COST</b>			
Opening balance	99,499,152,000	235,057,715,544	334,556,867,544
Disposals	-	(16,603,325,342)	(16,603,325,342)
Closing balance	99,499,152,000	218,454,390,202	317,953,542,202
<b>ACCUMULATED DEPRECIATION</b>			
Opening balance	9,658,343,373	85,077,826,440	94,736,169,813
Charge for the year	1,005,683,040	9,045,172,484	10,050,855,524
Disposals	-	(6,577,228,548)	(6,577,228,548)
Closing balance	10,664,026,413	87,545,770,376	98,209,796,789
<b>NET BOOK VALUE</b>			
Opening balance	89,840,808,627	149,979,889,104	239,820,697,731
Closing balance	88,835,125,587	130,908,619,826	219,743,745,413

List of Investment properties

	Closing balance VND		Opening balance VND		Net Book Value
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation	Net Book Value
Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City	90,358,442,144	19,105,225,680	90,358,442,144	17,304,915,088	73,053,527,056
Cuu Long Supermarket-Office Building in Ca Mau Province	157,460,134,120	56,423,766,282	174,063,459,462	57,555,848,535	116,507,610,927
PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City	70,134,965,938	22,680,804,827	70,134,965,938	19,875,406,190	50,259,559,748
	<b>317,953,542,202</b>	<b>98,209,796,789</b>	<b>219,743,745,413</b>	<b>94,736,169,813</b>	<b>239,820,697,731</b>

Fair value of investment properties

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 31 December 2020; therefore, no information about the fair value of investment properties is stated at the Notes to the consolidated financial statements.

15. TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	Opening balance VND	Receivable/ Payable during the year VND	Received/Paid during the year VND	Closing balance VND
<b>a. Receivables</b>				
Corporate income tax	3,152,818,774	-	-	3,152,818,774
Personal income tax	1,684,975,381	3,756,286,972	1,684,975,381	3,756,286,972
	<b>4,837,794,155</b>	<b>3,756,286,972</b>	<b>1,684,975,381</b>	<b>6,909,105,746</b>
<b>b. Payables</b>				
Value added tax	3,069,709,991	40,315,844,020	38,709,651,786	4,675,902,225
- VAT on domestic goods	3,069,709,991	27,897,181,165	26,290,988,931	4,675,902,225
- VAT on imports	-	12,418,662,855	12,418,662,855	-
Import-export duties	-	29,893,588,765	29,531,740,075	361,848,690
Corporate income tax	60,641,938,317	166,619,580,888	178,220,066,598	49,041,452,607
Personal income tax	1,857,307,558	36,825,885,874	34,523,690,757	4,159,502,675
Natural resource tax	242,223,360	3,736,560,000	3,652,950,120	325,833,240
Environmental protection tax and other taxes	477,445,800	154,136,849,625	154,364,917,175	249,378,250
- Environmental protection tax	477,445,800	1,026,647,350	1,254,714,900	249,378,250
- License tax	-	18,000,000	18,000,000	-
- Foreign contractor tax	-	220,922,134	220,922,134	-
- Other taxes	-	152,871,280,141	152,871,280,141	-
	<b>66,288,625,026</b>	<b>431,528,309,172</b>	<b>439,003,016,511</b>	<b>58,813,917,687</b>

16. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
NH <sub>3</sub> and NPK project (i)	62,778,770,433	48,510,895,106
Apartment buildings for employees	36,342,070,618	36,342,070,618
Tay Ninh warehouse	29,120,068,273	29,120,068,273
Other projects	25,200,315,153	31,873,767,852
	<b>153,441,224,477</b>	<b>145,846,801,849</b>

(i) In 2018, the Corporation recorded a temporary increase in fixed assets for the project on productivity enhancement of NH<sub>3</sub> workshop of Phu My Fertilizer Plant under Decision No. 94/QD-PBHC dated 07 March 2018 and the project on construction of NPK Fertilizer Production Plant by applying chemical technology under Decision No. 398/QD-PBHC on 24 August 2018. The Corporation estimates to finalise the project on productivity enhancement of NH<sub>3</sub> workshop of Phu My Fertilizer Plant in Quarter 4 of 2020 and the project on construction of NPK Fertilizer Production Plant in 2021.



17. INVESTMENTS IN ASSOCIATES

	Closing balance VND	Opening balance VND
Cost of investments in associates	680,903,000,000	680,903,000,000
Share of post-acquisition losses, net of dividends received	(652,911,624,673)	(653,929,142,035)
	<b>27,991,375,327</b>	<b>26,973,857,965</b>

18. DEFERRED TAX ASSETS

	Closing balance VND	Opening balance VND
Accrued expenses not yet billed	89,724,283,272	67,972,864,609
Unearned revenue	3,346,748,789	5,193,861,373
Others	8,659,323,911	8,215,141,088
	<b>101,730,355,972</b>	<b>81,381,867,070</b>

19. SHORT-TERM TRADE PAYABLES

	Closing balance VND		Opening balance VND	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
<b>a. Short-term trade payables</b>				
Uralkali Trading SIA	48,839,480,801	48,839,480,801	83,767,975,000	83,767,975,000
Others	120,485,475,809	120,485,475,809	112,650,021,878	112,650,021,878
	<b>169,324,956,610</b>	<b>169,324,956,610</b>	<b>196,417,996,878</b>	<b>196,417,996,878</b>
<b>b. Trade payables to related parties</b> (Details stated in Note 39)	283,552,152,286	283,552,152,286	282,147,171,291	282,147,171,291
	<b>283,552,152,286</b>	<b>283,552,152,286</b>	<b>282,147,171,291</b>	<b>282,147,171,291</b>
<b>c. Total</b>	<b>452,877,108,896</b>	<b>452,877,108,896</b>	<b>478,565,168,169</b>	<b>478,565,168,169</b>

20. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
<b>a. Short-term advances from customers</b>		
Tuan Vu Fertilizers Trade and Services Limited Company	40,040,650,500	4,119,266,328
Kim Ngoan Trade & Services Limited Company	27,415,175,000	1,579,400,263
Hung Thanh Agricultural Materials Company Limited	792,219,600	12,935,543,000
Minh Dung Trade Commerce One Member Company Limited	-	10,273,250,000
Others	54,702,471,614	51,910,723,061
	<b>122,950,516,714</b>	<b>80,818,182,652</b>
<b>b. Advances from related parties</b> (Details stated in Note 39)	-	18,923,588
	-	<b>18,923,588</b>
<b>c. Total</b>	<b>122,950,516,714</b>	<b>80,837,106,240</b>

21. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accruals for construction in progress (i)	332,737,066,914	361,100,158,347
Accrued interest	30,441,072,326	43,021,018,440
Accruals for urea freight and loading expenses	24,402,535,602	15,433,413,873
Social security expense	7,623,414,498	11,243,414,498
Accruals for repair and maintenance costs for Phu My Fertilizer Factory	5,299,433,146	8,291,623,939
Gas transportation expenses	-	189,037,570,686
Other accruals	56,319,438,209	50,164,853,274
	<b>456,822,960,695</b>	<b>678,292,053,057</b>
In which:		
<b>Short-term accruals with related party</b> (Details stated in Note 39)	<b>191,064,067,514</b>	<b>415,618,779,642</b>

(i) Accruals for construction in progress represent expenses relating to unfinalised project on productivity enhancement of NH<sub>3</sub> workshop of Phu My Fertilizer Plant and the project on construction of NPK Fertilizer Production Plant.

22. OTHER PAYABLES

	Closing balance VND	Opening balance VND
<b>a. Current payables</b>		
Dividend payables	27,360,189,449	26,449,417,989
Trade discount payable	7,106,672,714	3,323,570,000
Short-term deposits received	7,042,996,101	8,875,414,575
Advance from insurance refund	-	19,000,000,000
Others	23,289,840,385	22,467,256,969
	<b>64,799,698,649</b>	<b>80,115,659,533</b>
<b>b. Long-term payables</b>		
Long-term deposits received	1,866,870,000	960,870,000
	<b>1,866,870,000</b>	<b>960,870,000</b>

	Opening balance VND		In the year VND		Closing balance VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
<b>Short-term loans</b>	-	-	<b>381,719,552,000</b>	<b>381,719,552,000</b>	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Can Tho Branch	-	-	25,380,000,000	25,380,000,000	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam - Binh Dinh Branch	-	-	70,500,000,000	70,500,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade Vietnam - Ky Dong Branch	-	-	89,839,552,000	89,839,552,000	-	-
Joint Stock Commercial Bank for Foreign Trade Vietnam - Can Tho Branch	-	-	156,000,000,000	156,000,000,000	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Dinh Branch	-	-	40,000,000,000	40,000,000,000	-	-
<b>Current portion of long-term loans</b> (see Note 25)	177,270,899,255	177,270,899,255	203,330,036,148	189,729,176,652	190,871,758,751	190,871,758,751
	<b>177,270,899,255</b>	<b>177,270,899,255</b>	<b>585,049,588,148</b>	<b>571,448,728,652</b>	<b>190,871,758,751</b>	<b>190,871,758,751</b>

## 24. CURRENT PROVISION PAYABLES

	Warranty provision VND
<b>Opening balance</b>	<b>312,648,007,246</b>
Additional provision for the year	190,357,101,577
Utilisation of provisions	(35,494,087,011)
<b>Closing balance</b>	<b>467,511,021,812</b>

## 25. NON-CURRENT LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance VND		In the year VND		Closing balance VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
<b>Long-term loans</b>						
In which:						
<b>Payables for related parties</b> (Details stated in Note 39)						
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	1,240,896,293,242	1,240,896,293,242	-	191,101,626,609	1,049,794,666,633	1,049,794,666,633
	<b>1,240,896,293,242</b>	<b>1,240,896,293,242</b>	-	<b>191,101,626,609</b>	<b>1,049,794,666,633</b>	<b>1,049,794,666,633</b>
<b>In which:</b>						
- Amount due for settlement within 12 months	177,270,899,255	177,270,899,255			190,871,758,751	190,871,758,751
- Amount due for settlement after 12 months	1,063,625,393,987	1,063,625,393,987			858,922,907,882	858,922,907,882

The balances of loans and obligations under finance leases as at 31 December 2020 represent the loan under Loan Agreement No.639/2016/PVFCO-PVB/HD TG dated 25 October 2016 between Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh City Branch and the Corporation with the credit limit of VND 1,752,000,000,000 or USD equivalent at the exchange rate at the time of disbursement. The purpose of the loan is to finance the Corporation's projects on productivity enhancement of NH<sub>3</sub> workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant applying chemical technology. The disbursement term is until June 2020 inclusive. The maximum loan term is 108 months, the grace period is 24 months from the date of the first disbursement (09 February 2017) or an earlier date as determined by the lender when these projects are completed and start generating revenue. The interest rate is determined by the reference interest rate plus the margin interest rate (2.5% per annum). The interest is calculated based on the actual outstanding balance and payable every 6 months. As at 31 December 2020, the total loan amounts that have been disbursed were VND 875,683,672,880 and USD 15,532,217. The Corporation has pledged the entire value of factories and machinery and equipment under the projects on productivity enhancement of NH<sub>3</sub> workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant applying chemical technology to secure the loans as presented in Note 12.

Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	190,871,758,751	177,270,899,255
In the second year	190,871,758,751	177,270,899,255
In the third to fifth year inclusive	572,615,276,252	531,812,697,104
After five years	95,435,872,879	354,541,797,628
	<b>1,049,794,666,633</b>	<b>1,240,896,293,242</b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	190,871,758,751	177,270,899,255
<b>Amount due for settlement after 12 months</b>	<b>858,922,907,882</b>	<b>1,063,625,393,987</b>

26. OWNER'S EQUITY

Changes in Owner's equity

	Owner's contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Subtotal VND	Non-controlling interests VND	Total VND
<b>Prior year's opening balance</b>	<b>3,914,000,000,000</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>3,497,039,984,859</b>	<b>657,268,539,966</b>	<b>8,087,191,614,563</b>	<b>167,818,243,734</b>	<b>8,255,009,858,297</b>
Profit for the year	-	-	-	-	377,703,325,589	377,703,325,589	11,156,546,070	388,859,871,659
Distributions to bonus and welfare funds	-	-	-	-	(77,492,951,528)	(77,492,951,528)	(2,557,073,845)	(80,050,025,373)
Dividends declared	-	-	-	-	(391,334,260,000)	(391,334,260,000)	(11,050,000,000)	(402,384,260,000)
<b>Prior year's closing balance</b>	<b>3,914,000,000,000</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>3,497,039,984,859</b>	<b>566,144,654,027</b>	<b>7,996,067,728,624</b>	<b>165,367,715,959</b>	<b>8,161,435,444,583</b>
<b>Current year's opening balance</b>	<b>3,914,000,000,000</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>3,497,039,984,859</b>	<b>566,144,654,027</b>	<b>7,996,067,728,624</b>	<b>165,367,715,959</b>	<b>8,161,435,444,583</b>
Profit for the year	-	-	-	-	691,307,691,848	691,307,691,848	10,311,986,954	701,619,678,802
Distributions to bonus and welfare funds (i)	-	-	-	-	(133,677,476,418)	(133,677,476,418)	(2,255,295,896)	(135,932,772,314)
Dividends declared (ii)	-	-	-	-	(469,601,112,000)	(469,601,112,000)	(10,625,000,000)	(480,226,112,000)
Other increase	-	-	-	-	603,101,817	603,101,817	-	603,101,817
<b>Current year's closing balance</b>	<b>3,914,000,000,000</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>3,497,039,984,859</b>	<b>654,776,859,274</b>	<b>8,084,699,933,871</b>	<b>162,799,407,017</b>	<b>8,247,499,340,888</b>

(i) The Corporation made additional accruals of VND 42,931,349,803 to the Bonus and welfare funds from 2019 retained earnings under Resolution No.43/NQ-DHDCD dated 16 June 2020 of the Annual General Meeting of Shareholders of the Corporation (in which the Bonus and welfare funds appropriated at Parent Company was VND 42,911,588,726 and at subsidiaries was VND 19,761,077). In addition, the Corporation also accrued the amount of VND 90,746,126,615 from 2020 retained earnings (in which the Bonus and welfare funds appropriated at Parent Company was VND 84,000,000,000 and at subsidiaries was VND 6,746,126,615).

(ii) The Corporation declared to pay the remaining dividends from the 2019 after-tax profit amounting to VND 469,601,112,000 (VND 1,200 per share) in accordance with Resolution No.43/NQ-DHDCD dated 16 June 2020. On 14 January 2021, the Corporation announced that the first dividend advance payment from 2020 profit after tax was VND 273,933,982,000 (VND 700 per share) according to the Resolution of the Corporation's Board of Directors dated 05 January 2021, the final date of closing the right to receive dividend is 26 January 2021 and the time for dividend payment is from 19 February 2021.

Shares	Closing balance	Opening balance
Number of shares issued to the public	391,400,000	391,400,000
Ordinary shares	391,400,000	391,400,000
Number of treasury shares	65,740	65,740
Ordinary shares	65,740	65,740
Number of outstanding shares in circulation	391,334,260	391,334,260
Ordinary shares	391,334,260	391,334,260

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

#### Charter capital

According to Business Registration Certificate No. 4103007696 dated 31 August 2007 and its latest amendment dated 16 January 2019 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,914,000,000,000. The charter capital was fully contributed by the shareholders as at 31 December 2020 as follows:

Shareholders	As per the latest amended Business Registration Certificate		Contributed capital			
	Number of shares	%	Closing balance		Opening balance	
			Number of shares	%	Number of shares	%
Vietnam Oil and Gas Group	233,204,253	59.58	233,204,253	59.58	233,204,253	59.58
Others	158,195,747	40.42	158,130,007	40.42	158,130,007	40.42
	<b>391,400,000</b>	<b>100.00</b>	<b>391,334,260</b>	<b>100.00</b>	<b>391,334,260</b>	<b>100.00</b>
Treasury shares	-	-	65,740	0.00	65,740	0.00
	<b>391,400,000</b>	<b>100.00</b>	<b>391,400,000</b>	<b>100.00</b>	<b>391,400,000</b>	<b>100.00</b>

## 27. OFF BALANCE SHEET ITEMS

#### Operating lease

	Closing balance VND	Opening balance VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	18,936,612,070	18,787,639,051
In the second to fifth year inclusive	65,519,786,674	63,844,300,203
After five years	358,362,115,566	371,545,801,219
	<b>442,818,514,310</b>	<b>454,177,740,473</b>

Operating lease commitment of the Corporation is land and office rentals. On 3 September 2005, the Corporation was handed over 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 07 November 2013, from 2014 onwards, the Corporation has to pay the annual rental fee in VND amount equivalent to USD 666,426 on every 15 February.

#### Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	1,171,026	107,256
Euro (EUR)	32,516	32,527

## 28. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Corporation and its subsidiaries' principal activities are production and trade of fertilizers and other chemical products used in agriculture. Accordingly, the information as presented in the consolidated balance sheet as at 31 December 2020 and the revenue, expenses as presented in the consolidated income statement for the year ended 31 December 2020 relate only to the trade of fertilizers and chemicals. Revenue and cost of sales by product line and business are presented in Note 29.

The Corporation distributes fertilizer, chemicals, packages, and provides related services nationwide via its subsidiaries in each region, including the North, Central Region - Central Highlands, Southeast, Southwest and Ho Chi Minh City. During the period, the Corporation exported products with the revenue of approximately VND 428 billion, accounting for negligible proportion of gross revenue from goods sold and services rendered of the Corporation. Thus, no business segment report has been prepared.

## 29. NET REVENUE AND COST OF SALES

	Locally-produced products VND	Imported goods VND	Total VND
<b>Current year</b>			
Net revenue	6,433,122,269,006	1,328,696,335,557	7,761,818,604,563
Cost of sales	(4,766,429,506,840)	(1,265,585,484,150)	(6,032,014,990,990)
<b>Gross profit</b>	<b>1,666,692,762,166</b>	<b>63,110,851,407</b>	<b>1,729,803,613,573</b>
<b>Prior year</b>			
Net revenue	6,031,489,758,779	1,652,051,449,279	7,683,541,208,058
Cost of sales	(4,693,121,813,856)	(1,588,326,440,750)	(6,281,448,254,606)
<b>Gross profit</b>	<b>1,338,367,944,923</b>	<b>63,725,008,529</b>	<b>1,402,092,953,452</b>

Details of revenue from trading locally-produced products are as follows:

	Current year VND	Prior year VND
<b>Sales of merchandise and services</b>		
Sales of fertilizers	5,970,265,581,515	5,559,476,508,658
Sales of chemicals	536,558,632,218	496,042,944,352
Others	31,677,464,721	54,811,753,201
	<b>6,538,501,678,454</b>	<b>6,110,331,206,211</b>
In which:		
<b>Revenue from related parties</b> (Details stated in Note 39)	140,435,740,050	144,177,412,348
	<b>140,435,740,050</b>	<b>144,177,412,348</b>
<b>Deductions</b>		
Sales discount	90,090,875,148	78,841,447,432
Sales return	15,288,534,300	-
	<b>105,379,409,448</b>	<b>78,841,447,432</b>

Details of cost of sales with regard to trade of locally-produced products are as follows:

	Current year VND	Prior year VND
Cost of Phu My Urea	4,344,054,439,131	4,250,700,169,194
Cost of Ammonia	400,560,139,795	398,655,592,016
Others	21,814,927,914	43,766,052,646
	<b>4,766,429,506,840</b>	<b>4,693,121,813,856</b>

### 30. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	3,594,874,341,946	3,347,003,286,578
Labour	526,951,502,661	518,289,603,894
Depreciation and amortisation	549,648,417,025	561,879,123,157
Provision expenses	192,296,324,427	167,357,154,091
Out-sourced services	869,303,780,172	757,312,810,779
Other monetary expenses	339,548,063,077	292,368,934,723
	<b>6,072,622,429,308</b>	<b>5,644,210,913,222</b>

### 31. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	171,655,655,211	136,143,869,942
Dividends and profits received	3,377,310,462	2,704,666,045
Foreign exchange gain	4,603,051,174	1,164,889,509
	<b>179,636,016,847</b>	<b>140,013,425,496</b>

### 32. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	88,463,426,175	106,897,449,564
Additional/(reversed) provision for impairment of long-term investments	2,141,440,881	(130,960,763)
Foreign exchange loss	4,242,236,038	870,067,956
	<b>94,847,103,094</b>	<b>107,636,556,757</b>

### 33. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
<b>Selling expenses</b>		
Transportation, loading, unloading and storages	272,411,032,690	220,958,605,457
Social security, advertisement and marketing	140,039,457,792	125,934,742,184
Salary and other benefits for sale staff	86,060,082,281	84,633,315,554
Others	156,106,484,738	123,231,339,375
	<b>654,617,057,501</b>	<b>554,758,002,570</b>
<b>General and administration expenses</b>		
Administration staff costs	150,223,169,513	158,895,319,255
Depreciation and amortisation	69,849,095,972	76,460,401,639
Others	188,999,552,665	179,984,095,066
	<b>409,071,818,150</b>	<b>415,339,815,960</b>

### 34. OTHER INCOME

	Current year VND	Prior year VND
Compensation from insurance	80,921,415,358	-
Sale, disposal of fixed assets	-	2,828,702,473
Others	15,554,520,734	4,651,644,296
	<b>96,475,936,092</b>	<b>7,480,346,769</b>

### 35. OTHER EXPENSES

	Current year VND	Prior year VND
Sale, disposal of fixed assets	68,389,503	5,450,173,812
Others	1,857,778,838	1,006,635,150
	<b>1,926,168,341</b>	<b>6,456,808,962</b>

36. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	166,619,580,888	90,454,832,980
<b>Total current corporate income tax expense</b>	<b>166,619,580,888</b>	<b>90,454,832,980</b>
	Current year VND	Prior year VND
<b>Deferred corporate income tax income</b>		
Taxable temporary differences	568,381,361	6,478,336,034
Deductible temporary differences	(20,916,870,263)	(18,717,391,722)
<b>Total deferred corporate income tax income</b>	<b>(20,348,488,902)</b>	<b>(12,239,055,688)</b>

37. BASIC EARNINGS PER SHARE

	Current year VND	Prior year (Restated) VND
Accounting profit after corporate income tax (VND)	691,307,691,848	377,703,325,589
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(90,746,126,615)</i>	<i>(82,738,591,819)</i>
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>600,561,565,233</b>	<b>294,964,733,770</b>
Average ordinary shares in circulation for the period (shares)	391,334,260	391,334,260
<b>Basic earnings per share (VND/share)</b>	<b>1,535</b>	<b>754</b>

The bonus and welfare fund was accrued based on estimation basis, therefore, earning per shares for the year ended 31 December 2020 can be changed according to the Resolution about distribution 2020 profit.

The basic earnings per share for the year ended at 31 December 2019 were restated due to the effect of distributed 2019 after-tax profit under Resolutions No.43/NQ-DUDCD passed at the General Shareholders' Meetings of the Corporation and its subsidiaries on 16 June 2020. Accordingly, the distribution to bonus and welfare funds for the year ended 31 December 2019 were recalculated based on the proportion of after-tax profit of the year of 2019 on that of the whole year 2019.

	Reported amount VND	Restated amount VND
Accounting profit after corporate income tax (VND)	377,703,325,589	377,703,325,589
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(39,807,242,016)</i>	<i>(82,738,591,819)</i>
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>337,896,083,573</b>	<b>294,964,733,770</b>
Average ordinary shares in circulation for the period (shares)	391,334,260	391,334,260
<b>Basic earnings per share (VND/share)</b>	<b>863</b>	<b>754</b>

38. CONTINGENT LIABILITIES

*Land use fee and other costs of the 0.6ha road area which have been invested and built by the Corporation in Ca Mau province*

As at 31 December 2020, the Corporation is in the process of working with the People's Committee of Ca Mau Province to determine obligations to pay land use fees and other costs that may arise related to the determination of land use purpose of the 0.6 ha road area which has been invested and built by the Corporation in Ca Mau province.

39. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Dam Phu My Packaging Joint Stock Company	Associate
PetroVietnam Petrochemical and Textile Fiber JSC (VNPOLY)	Associate
PetroVietnam Urban Development Joint Stock Company	Associate
PetroVietnam Ca Mau Fertilizer Joint Stock Company	Company under Vietnam Oil and Gas Group
PetroVietnam Gas Joint Stock Company	Company under Vietnam Oil and Gas Group
Vietsovetro	Company under Vietnam Oil and Gas Group
PTSC Phu My Port Joint Stock Company	Company under Vietnam Oil and Gas Group
PetroVietnam Exploration Production Corporation	Company under Vietnam Oil and Gas Group
Vietnam LPG Trade Company Limited	Company under Vietnam Oil and Gas Group
PetroVietnam Insurance Corporation	Company under Vietnam Oil and Gas Group
Vietnam Petroleum Institute	Company under Vietnam Oil and Gas Group
PetroVietnam Security Service Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Transportation Corporation - JSC	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Services Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Oil Corporation - JSC	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Safety Registration Company Ltd	Company under Vietnam Oil and Gas Group
PVD Technical Training and Certification JSC	Company under Vietnam Oil and Gas Group
PetroVietnam Maintenance and Repair Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam General Services Joint Stock Corporation	Company under Vietnam Oil and Gas Group
Refining and Petrochemical JSC Binh Son	Company under Vietnam Oil and Gas Group
PTSC Thanh Hoa Port JSC	Company under Vietnam Oil and Gas Group
PetroVietnam Trade Union Finance Investment Corporation (PVFI)	Company under Vietnam Oil and Gas Group
PVI Insurance - Ho Chi Minh City	Company under Vietnam Oil and Gas Group
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	Company under Vietnam Oil and Gas Group

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

	Current year VND	Prior year VND
<b>Sales</b>		
PetroVietnam Ca Mau Fertilizer Joint Stock Company	119,699,693,580	95,299,921,626
PetroVietnam Gas Joint Stock Company	12,991,968,000	13,937,592,000
Vietsovpetro	7,496,046,295	18,458,003,972
PTSC Phu My Port Joint Stock Company	248,032,175	-
PetroVietnam Exploration Production Corporation	-	16,450,713,600
Vietnam LPG Trade Company Limited	-	31,181,150
	<b>140,435,740,050</b>	<b>144,177,412,348</b>
<b>Purchases</b>		
PetroVietnam Gas Joint Stock Company	2,653,400,478,506	2,218,029,708,065
Dam Phu My Packaging Joint Stock Company	185,516,765,500	166,968,446,250
PetroVietnam Insurance Corporation	33,226,091,193	34,135,997,346
PTSC Phu My Port Joint Stock Company	20,721,303,109	22,696,772,612
Vietnam Petroleum Institute	10,450,119,689	643,529,170
PetroVietnam Security Service Corporation	9,822,456,780	11,457,350,503
Vietnam Oil and Gas Group	9,655,852,554	-
PetroVietnam Transportation Corporation - JSC	9,571,532,300	12,198,838,061
PetroVietnam Technical Services Corporation	6,249,317,193	-
PetroVietnam Oil Corporation - JSC	4,306,246,344	7,669,212,714
PetroVietnam Technical Safety Registration Company Ltd	1,062,510,977	1,634,326,649
PVD Technical Training and Certification JSC	260,409,813	-
PetroVietnam Maintenance and Repair Corporation	185,657,240	3,201,325,000
PetroVietnam General Services Joint Stock Corporation	-	42,012,960
	<b>2,944,428,741,198</b>	<b>2,478,677,519,330</b>
<b>Loans paid</b>		
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	189,729,176,652	90,386,573,373
<b>Loans received</b>		
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	-	77,628,239,716
<b>Dividends paid</b>		
Vietnam Oil and Gas Group	279,845,103,600	233,204,253,000
<b>Interest expenses</b>		
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	86,967,787,022	106,308,792,980

Related party balances as at 31 December 2020 were as follows:

	Closing balance VND	Opening balance VND
<b>Short-term trade receivables</b>		
PetroVietnam Ca Mau Fertilizer Joint Stock Company	23,999,917,671	23,158,780,831
Vietsovpetro	2,275,223,087	4,565,624,000
Refining and Petrochemical JSC Binh Son	556,886,002	-
PetroVietnam Petrochemical and Textile Fiber JSC (VNPOLY)	195,253,105	195,253,105
PTSC Thanh Hoa Port JSC	99,000,000	-
PTSC Phu My Port Joint Stock Company	18,600,000	-
PetroVietnam Gas Joint Stock Company	-	2,101,105,600
PetroVietnam Technical Services Corporation	-	2,060,369,396
	<b>27,144,879,865</b>	<b>32,081,132,932</b>
<b>Short-term advances to suppliers</b>		
Dam Phu My Packaging Joint Stock Company	23,147,234,000	2,790,396,000
PetroVietnam Urban Development Joint Stock Company	4,860,607,417	4,860,607,417
	<b>28,007,841,417</b>	<b>7,651,003,417</b>
<b>Other short-term receivables</b>		
PetroVietnam Petrochemical and Textile Fiber JSC (VNPOLY)	114,509,081,543	114,509,081,543
PetroVietnam Trade Union Finance Investment Corporation (PVFI)	110,143,267,289	110,143,267,289
PetroVietnam Gas Joint Stock Corporation	4,460,873,861	-
	<b>229,113,222,693</b>	<b>224,652,348,832</b>
<b>Short-term trade payables</b>		
PetroVietnam Gas Joint Stock Corporation	236,962,736,585	210,276,167,229
PetroVietnam Technical Services Corporation	23,240,985,361	16,366,736,381
Dam Phu My Packaging JSC	15,572,141,400	17,479,010,350
PetroVietnam Urban Development Joint Stock Company	2,719,205,271	3,221,660,677
PTSC Phu My Port JSC	3,362,291,993	7,232,372,204
PetroVietnam Transportation Corporation	1,598,635,420	1,350,183,600
PVI Insurance Hochiminh City	54,090,381	26,194,525,862
Vietnam Petroleum Institute	42,065,875	26,514,988
	<b>283,552,152,286</b>	<b>282,147,171,291</b>
<b>Advances from customers</b>		
PVI Insurance - Ho Chi Minh City	-	18,923,588

	Closing balance VND	Opening balance VND
<b>Accruals</b>		
PetroVietnam Technical Services Corporation	155,952,238,698	183,560,190,516
Vietnam Public Joint Stock Commercial Bank- Ho Chi Minh Branch	30,441,072,326	43,021,018,440
Vietnam Oil and Gas Group	4,670,756,490	-
PetroVietnam Gas Joint Stock Corporation	-	189,037,570,686
	<b>191,064,067,514</b>	<b>415,618,779,642</b>
<b>Loans and obligations under finance leases</b>		
Vietnam Public Joint Stock Commercial Bank- Ho Chi Minh Branch	1,049,794,666,633	1,240,896,293,242

Remuneration paid to the Company's Board of Directors during the year was as follows:

	Current year VND	Prior year VND
Salaries, bonus and benefits in kind	12,616,000,000	10,330,000,000

#### 40. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

##### Supplemental non-cash disclosures

Interest paid during the year excludes VND 30,441,072,326 (in 2019: VND 43,021,018,440), representing the unpaid interest amount of the long-term loan for the year. Consequently, changes in payables have been adjusted by the same amount.

Dividends and profits paid to shareholders during the year exclude VND 27,360,189,449 (in 2019: VND 26,449,417,989), representing the amount of dividends declared but not yet paid to shareholders. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 29,476,148,949 (in 2019: VND 28,265,414,752), representing an addition in fixed assets and construction in progress during the year that has not yet been paid for. Consequently, changes in payables have been adjusted by the same amount.

##### Unused cash and cash equivalents held by the Corporation

As at 31 December 2020, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. Interest earned on deposits at Ocean Commercial One Member Limited Liability Bank from 01 October 2015 to present has been received. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

#### 41. GUARANTEE COMMITMENT

##### *Guarantee commitment obligations for medium and long-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY")*

As at 31 December 2020, the Corporation has reciprocal guarantee commitments with Vietnam Oil and Gas Group ("PVN") relating to the guarantee obligations for medium and long-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY") - the Corporation's associate.

#### 42. SUBSEQUENT EVENTS

On 14 January 2021, the Corporation announced that the first dividend advance payment from 2020 profit after tax was VND 273,933,982,000 (VND 700 per share) according to the Resolution of the Corporation's Board of Directors dated 05 January 2021, the final date of closing the right to receive dividend is 26 January 2021 and the time for dividend payment is from 19 February 2021.

Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

25 March 2021



Separated financial statements and the digital version of Annual Report are available online at the website: [www.dpm.vn](http://www.dpm.vn)