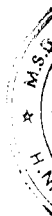


**PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK
COMPANY**

(Incorporated in Socialist Republic of Vietnam)

REVIEWED INTERIM FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2020



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PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY

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

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company") presents this report together with the Company's interim financial statements for the 6-month period ended 30 June 2020.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

Board of Directors

Mr. Uong Ngoc Hai	Chairman
Mr. Luong Ngoc Anh	Member
Mr. Tran Quang Thien	Member
Mr. Ngo Duc Nhan	Member
Mr. Nguyen Cong Dung	Member
Ms. Ho Xuan Lan	Administration Management

Board of Management

Mr. Ngo Duc Nhan	Director
Ms. Nguyen Thi Ha	Deputy Director
Mr. Tran Quang Man	Deputy Director
Mr. Nguyen Ngoc Hai	Deputy Director
Mr. Trinh Viet Thang	Deputy Director

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

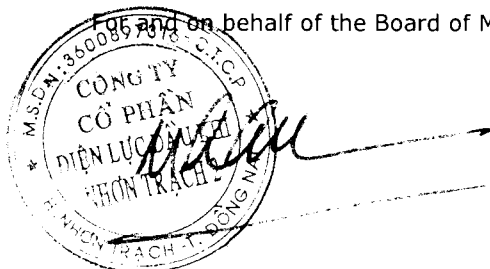
The Board of Management of the Company is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2020 and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting. In preparing these interim financial statements, the Board of Management is required to:

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

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

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

For and on behalf of the Board of Management,



Ngo Duc Nhan
Director
4 August 2020



No.: 0113 /VN1A-HC-BC

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim financial statements of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company"), prepared on 4 August 2020 as set out from page 3 to page 29, which comprise the interim balance sheet as at 30 June 2020, the interim income statement and interim cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Interim Financial Statements

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

Auditors' Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2020, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.



Nguyễn Quang Trung
Audit Partner

Audit Practising Registration Certificate
No. 0733-2018-001-1

**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**

4 August 2020
Ho Chi Minh City, Vietnam



INTERIM BALANCE SHEET

As at 30 June 2020

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		2,730,241,560,976	2,416,097,046,445
I. Cash and cash equivalents	110	4	140,115,405,394	450,964,667,264
1. Cash	111		115,405,394	64,667,264
2. Cash equivalents	112		140,000,000,000	450,900,000,000
II. Short-term financial investments	120		490,790,416	200,490,790,416
1. Held-to-maturity investments	123		490,790,416	200,490,790,416
III. Short-term receivables	130		2,272,097,785,429	1,458,799,421,394
1. Short-term trade receivables	131	5	2,169,112,407,713	1,358,823,860,968
2. Short-term advances to suppliers	132	6	59,566,065,403	55,769,700,389
3. Other short-term receivables	136	7	43,419,312,313	44,205,860,037
IV. Inventories	140	8	315,647,071,489	302,120,863,600
1. Inventories	141		315,647,071,489	302,120,863,600
V. Other short-term assets	150		1,890,508,248	3,721,303,771
1. Short-term prepayments	151	13	1,890,508,248	3,721,303,771
B. NON-CURRENT ASSETS	200		4,725,913,184,750	5,148,014,782,469
I. Fixed assets	220		4,530,586,153,434	4,876,270,935,632
1. Tangible fixed assets	221	9	4,507,837,402,384	4,852,808,179,496
- Cost	222		11,324,570,683,377	11,323,753,071,377
- Accumulated depreciation	223		(6,816,733,280,993)	(6,470,944,891,881)
2. Intangible assets	227	10	22,748,751,050	23,462,756,136
- Cost	228		31,426,357,421	31,338,217,421
- Accumulated amortisation	229		(8,677,606,371)	(7,875,461,285)
II. Long-term assets in progress	240		1,416,854,546	1,416,854,546
1. Long-term construction in progress	242	11	1,416,854,546	1,416,854,546
III. Long-term financial investments	250		-	-
1. Equity investments in other entities	253	12	11,140,000,000	11,140,000,000
2. Provision for impairment of long-term financial investments	254	12	(11,140,000,000)	(11,140,000,000)
IV. Other long-term assets	260		193,910,176,770	270,326,992,291
1. Long-term prepayments	261	13	189,973,131,599	266,389,947,120
2. Deferred tax assets	262		3,937,045,171	3,937,045,171
TOTAL ASSETS (270=100+200)	270		7,456,154,745,726	7,564,111,828,914

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



INTERIM BALANCE SHEET (Continued)

As at 30 June 2020

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		2,924,022,661,343	3,437,173,186,726
I. Current liabilities	310		2,923,255,527,093	2,943,846,558,591
1. Short-term trade payables	311	14	426,937,359,381	195,065,745,117
2. Taxes and amounts payable to the State budget	313	15	163,721,446,810	174,983,386,609
3. Payables to employees	314		12,131,624,716	16,288,324,912
4. Short-term accrued expenses	315	16	947,445,825,038	863,837,333,400
5. Other current payables	319	17	47,187,007,884	334,398,690,285
6. Short-term loans and obligations under finance leases	320	18	1,305,552,997,225	1,349,778,209,321
7. Bonus and welfare funds	322		20,279,266,039	9,494,868,947
II. Long-term liabilities	330		767,134,250	493,326,628,135
1. Long-term loans and obligations under finance leases	338	19	-	492,334,203,239
2. Scientific and technological development fund	343		767,134,250	992,424,896
D. EQUITY	400		4,532,132,084,383	4,126,938,642,188
I. Owner's equity	410	20	4,532,132,084,383	4,126,938,642,188
1. Owner's contributed capital	411		2,878,760,290,000	2,878,760,290,000
- Ordinary shares carrying voting rights	411a		2,878,760,290,000	2,878,760,290,000
2. Share premium	412		(457,500,000)	(457,500,000)
3. Investment and development fund	418		137,294,913,354	137,294,913,354
4. Retained earnings	421		1,516,534,381,029	1,111,340,938,834
- Retained earnings accumulated to the prior year end	421a		1,088,508,938,834	645,046,254,371
- Retained earnings of the current period/current year	421b		428,025,442,195	466,294,684,463
TOTAL RESOURCES (440=300+400)	440		7,456,154,745,726	7,564,111,828,914

Le Van Tu
Preparer

Le Viet An
Chief Accountant

Ngô Đức Nhân
Director
4 August 2020

二、三、四、五、六、七、八、九、十、十一、十二、十三、十四、十五、十六、十七、十八、十九、二十、二十一、二十二、二十三、二十四、二十五、二十六、二十七、二十八、二十九、三十、三十一、三十二、三十三、三十四、三十五、三十六、三十七、三十八、三十九、四十、四十一、四十二、四十三、四十四、四十五、四十六、四十七、四十八、四十九、五十、五十一、五十二、五十三、五十四、五十五、五十六、五十七、五十八、五十九、六十、六十一、六十二、六十三、六十四、六十五、六十六、六十七、六十八、六十九、七十、七十一、七十二、七十三、七十四、七十五、七十六、七十七、七十八、七十九、八十、八十一、八十二、八十三、八十四、八十五、八十六、八十七、八十八、八十九、九十、九十一、九十二、九十三、九十四、九十五、九十六、九十七、九十八、九十九、一百。

INTERIM INCOME STATEMENT
For the 6-month period ended 30 June 2020

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold	01		3,598,879,357,935	4,014,819,950,746
2. Net revenue from goods sold (10=01)	10	23	3,598,879,357,935	4,014,819,950,746
3. Cost of sales	11		3,056,064,114,551	3,514,050,973,321
4. Gross profit from goods sold (20=10-11)	20		542,815,243,384	500,768,977,425
5. Financial income	21	25	15,141,923,803	9,281,126,167
6. Financial expenses	22	26	65,932,299,277	93,158,768,514
- In which: Interest expense	23		24,561,454,720	47,108,916,220
7. General and administration expenses	26	27	36,752,246,167	39,851,404,408
8. Operating profit (30=20+(21-22)-26)	30		455,272,621,743	377,039,930,670
9. Other income	31	28	383,495,849	37,709,697,025
10. Other expenses	32		4,534,702,988	7,204,763,001
11. (Loss)/profit from other activities (40=31-32)	40		(4,151,207,139)	30,504,934,024
12. Accounting profit before tax (50=30+40)	50		451,121,414,604	407,544,864,694
13. Current corporate income tax expense	51	29	23,095,972,409	20,899,393,140
14. Deferred corporate tax income	52		-	-
15. Net profit after corporate income tax (60=50-51-52)	60		428,025,442,195	386,645,471,554
16. Basic earnings per share (*)	70	30	1,449	1,303

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngo Duc Nhan
Director
4 August 2020



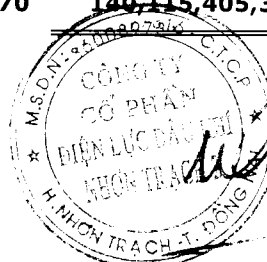
INTERIM CASH FLOW STATEMENT
For the 6-month period ended 30 June 2020

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	451,121,414,604	407,544,864,694
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	346,365,243,552	343,825,203,422
Foreign exchange (gain)/loss	04	(3,896,544,103)	6,233,796,483
Gain from investing activities	05	(11,175,955,215)	(6,824,794,633)
Interest expense	06	24,561,454,720	47,108,916,220
Other adjustments	07	-	(37,000,000,000)
3. Operating profit before movements in working capital	08	806,975,613,558	760,887,986,186
Changes in receivables	09	(814,174,839,781)	671,127,975,912
Changes in inventories	10	(13,526,207,889)	2,643,743,181
Changes in payables	11	313,204,241,747	(462,573,944,834)
Changes in prepaid expenses	12	78,247,611,044	57,525,590,904
Interest paid	14	(26,678,978,746)	(49,284,600,022)
Corporate income tax paid	15	(29,809,131,339)	(29,199,449,286)
Other cash outflows	17	(12,047,602,908)	(11,607,121,483)
Net cash generated by operating activities	20	302,190,705,686	939,520,180,558
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(905,752,000)	(4,157,308,397)
2. Proceeds from sale, disposal of fixed assets	22	-	522,216,400
3. Cash recovered from lending	24	200,000,000,000	-
4. Interest earned	27	12,052,430,961	6,339,537,553
Net cash generated by investing activities	30	211,146,678,961	2,704,445,556
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Repayment of borrowings	34	(536,707,110,277)	(531,597,800,518)
2. Dividends paid	36	(287,479,536,240)	(258,086,011,015)
Net cash used in financing activities	40	(824,186,646,517)	(789,683,811,533)
Net (decrease)/increase in cash (50=20+30+40)	50	(310,849,261,870)	152,540,814,581
Cash and cash equivalents at the beginning of the period	60	450,964,667,264	65,113,935,464
Effects of changes in foreign exchange rates	61	-	2,987
Cash and cash equivalents at the end of the period (70=50+60+61)	70	140,115,405,394	217,654,753,032

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngo Duc Nhan
Director
4 August 2020

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



NOTES TO THE INTERIM FINANCIAL STATEMENTS*These notes are an integral part of and should be read in conjunction with the accompanying interim financial statements***1. GENERAL INFORMATION****Structure of ownership**

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

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

The number of the Company's employees as at 30 June 2020 was 184 (As at 31 December 2019: 186).

Operating industry

The business operations of the Company are:

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

Principal activities

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

Normal production and business cycle

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

Disclosure of information comparability in the interim financial statements

The comparative figures of the interim balance sheet are the figures of the Company's audited financial statements for the year ended 31 December 2019. The comparative figures of the interim income statement and interim cash flow statement are the figures of the reviewed interim financial statements for the 6-month period ended 30 June 2019.

Significant events during the year

Owing to the current situation of the Corona virus ("Covid-19") new disease that has been disrupting the world's economy, the outbreak of Covid-19 virus may have indirectly impact to the market demand for the Company's merchandise and the Company's merchandise supplies, which are mainly from domestic. The Board of Directors has assessed the potential impacts of Covid-19 on the Company's financial and operational performance together with appropriate plans in the short-term to manage the uncertainty. The Board of Management is actively revisiting its business strategy and working with its suppliers and customers to address the situation.



2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Financial instruments

Initial recognition

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

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

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

Held-to-maturity investments

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

Financial investments

Equity investments in other entities

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





Equity investments in other entities are carried at cost less provision for impairment. Provisions for doubtful debts for held to maturity investments are made in accordance with current 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 those expenses, where applicable that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to be incurred.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

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

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

Leasing

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

Intangible assets and amortization

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

Construction in progress

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

Prepayments

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



Short-term prepayments represent insurance for power plants and others prepaid expenses which are allocated within one year.

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

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

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

Accrued expenses

Accrued expenses are those liabilities of merchandises and services received or provided from suppliers and recognized in income statement during the year but not settle due to lack of invoice and documentation.

Payable provisions

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

Revenue recognition

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

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

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

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

Foreign currencies

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

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Fund distribution and dividend payout

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

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

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

Borrowing costs

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

Taxation

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

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

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

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

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

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

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



4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	4,709,961	3,835,407
Bank demand deposits	110,695,433	60,831,857
Cash equivalents	140,000,000,000	450,900,000,000
	<u>140,115,405,394</u>	<u>450,964,667,264</u>

Cash equivalents represent term deposits in commercial banks in Vietnam Dong with maturity of 3 months, earning interest rate at 4.75% per annum (As at 31 December 2019: from 5.0% to 5.5% per annum).

5. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
- Electric Power Trading Company (EPTC)	2,169,029,068,086	1,358,804,846,752
- Others	83,339,627	19,014,216
	<u>2,169,112,407,713</u>	<u>1,358,823,860,968</u>

Short-term trade receivables mainly represent estimated receivables from Electric Power Trading Company (EPTC) up to 30 June 2020 following the official electricity price specified in the Contract No. 07/2012/HD-NMD-NT2 dated 6 July 2012 and its other amendments. The Board of Management assesses and believes that the Company shall collect the entire outstanding amount above.

6. ADVANCE TO SUPPLIERS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Short-term advances to suppliers		
- Advances to other suppliers	9,820,384,568	6,303,423,954
b. Advances to related parties		
- Details stated in Note 33	49,745,680,835	49,466,276,435
	<u>59,566,065,403</u>	<u>55,769,700,389</u>

7. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
- Late payment interest income from EPTC (*)	42,153,554,457	42,153,554,457
- Accrued interests	1,058,547,752	1,935,023,498
- Deposits and mortgages	15,000,000	15,000,000
- Other receivables	192,210,104	102,282,082
	<u>43,419,312,313</u>	<u>44,205,860,037</u>

(*) Other short-term receivables represent interest on late payment incurred up to 31 December 2012 from Electric Power Trading Company (EPTC) according to the terms of Contract No. 07/2012/HD-NMD-NT2 dated 6 July 2012 between Nhon Trach 2 Petroleum Power Joint Stock Company and EPTC. The Company is waiting for the guidance from authorization to solve and recognize the interest on late payment incurred for the period from 1 December 2013 to now.



8. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
Raw materials	315,612,637,296	-	302,063,823,913	-
Tools and supplies	34,434,193	-	57,039,687	-
	315,647,071,489	-	302,120,863,600	-

Inventories as at 30 June 2020 and 31 December 2019 represent diesel oil which has been stored in warehouse and used in electricity production, consumables and back-up materials used for commercial operations and maintenance of Nhon Trach 2 Combined Cycle Power Plant.



9. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
COST					
Opening balance	2,972,288,699,936	8,306,900,869,942	10,492,258,143	34,071,243,356	11,323,753,071,377
Additions	-	156,000,000	661,612,000	-	817,612,000
Closing balance	2,972,288,699,936	8,307,056,869,942	11,153,870,143	34,071,243,356	11,324,570,683,377
ACCUMULATED DEPRECIATION					
Opening balance	1,221,704,882,467	5,214,850,820,338	8,942,294,390	25,446,894,686	6,470,944,891,881
Charge for the period	74,448,346,775	269,440,437,328	369,086,609	1,530,518,400	345,788,389,112
Closing balance	1,296,153,229,242	5,484,291,257,666	9,311,380,999	26,977,413,086	6,816,733,280,993
NET BOOK VALUE					
Opening balance	<u>1,750,583,817,469</u>	<u>3,092,050,049,604</u>	<u>1,549,963,753</u>	<u>8,624,348,670</u>	<u>4,852,808,179,496</u>
Closing balance	<u>1,676,135,470,694</u>	<u>2,822,765,612,276</u>	<u>1,842,489,144</u>	<u>7,093,830,270</u>	<u>4,507,837,402,384</u>

As at 30 June 2020, the cost of fixed assets includes VND 25,342,705,945 (As at 31 December 2019: VND 24,093,934,697) of fixed assets which have been fully depreciated but are still in use.

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10. INCREASES, DECREASES IN INTANGIBLE ASSETS

	<u>Land use rights</u> VND	<u>Computer software</u> VND	<u>Total</u> VND
COST			
Opening balance	21,602,554,546	9,735,662,875	31,338,217,421
Additions	-	88,140,000	88,140,000
Closing balance	<u>21,602,554,546</u>	<u>9,823,802,875</u>	<u>31,426,357,421</u>
ACCUMULATED DEPRECIATION			
Opening balance	-	7,875,461,285	7,875,461,285
Charge for the period	-	802,145,086	802,145,086
Closing balance	-	<u>8,677,606,371</u>	<u>8,677,606,371</u>
NET BOOK VALUE			
Opening balance	<u>21,602,554,546</u>	<u>1,860,201,590</u>	<u>23,462,756,136</u>
Closing balance	<u>21,602,554,546</u>	<u>1,146,196,504</u>	<u>22,748,751,050</u>

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

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

As at 30 June 2020, the cost of fixed assets includes VND 624,956,500 (As at 31 December 2019: VND 624,956,500) of intangible assets which have been fully depreciated but are still in use.

11. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Reporting fee relating to modifying the Nhon Trach electricity centre	1,416,854,546	1,416,854,546
	<u>1,416,854,546</u>	<u>1,416,854,546</u>

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

12. LONG-TERM FINANCIAL INVESTMENTS

The Company has contributed VND 11,140,000,000 equivalent to 1,114,000 shares (par value VND 10,000/share) to the charter capital of High Tech Concrete Investment Joint Stock Company ("Sopewaco") as at 30 June 2020 and 31 December 2019.

Provision for impairment of long-term investments has been made in accordance with the Circular No. 228/2009/TT-BTC dated 7 December 2009 and Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance. The basis for making this provision is Sopewaco's financial statements for the year ended 31 December 2017 and its currently situation. As at 31 December 2017, Sopewaco's accumulated loss was higher than its charter capital. Therefore, the Board of Management of the Company decided to make full provision for its long-term investment as at 31 December 2019 and 30 June 2020.



13. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
- Insurance fee for factory and others	1,890,508,248	3,721,303,771
	<u>1,890,508,248</u>	<u>3,721,303,771</u>
b. Non-current		
- Insurance fee for long-term loans	59,095,388,605	91,200,943,015
- Mobilization fee, variable and fixed fee of maintenance contracts	97,808,928,992	114,477,558,023
- Overhaul expenses to be allocated	11,780,331,183	36,738,443,719
- Compensation for site clearance	19,082,607,000	19,374,384,552
- Reimbursement of cooling water pumping station	1,743,345,817	4,093,634,255
- Others	462,530,002	504,983,556
	<u>189,973,131,599</u>	<u>266,389,947,120</u>

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

Long-term prepayments include expenditures as follows:

- Insurance for long-term loans: According to the export credit contract dated 22 July 2010 and 23 July 2010 between the Company and sponsoring banks represented by Citibank - an authorized agency. The insurance fee was issued by HERMES and NEXI to guarantee lenders during the credit term with 2.5 years of grace period and 9.5 years of payment. Insurance for these loans is allocated using the straight-line method over the term of long-term loans.
- Mobilization cost, variable costs and fixed costs of maintenance contract: The maintenance contract between PetroVietnam Nhon Trach 2 Power Joint Stock Company and Partnership Siemens AG/Siemens Ltd. Vietnam is to maintain the major equipment and machinery in Nhon Trach 2 Combined Cycle Power Plant for 11.7 years or 100,000 equivalent operation hours (EOH) for each operator. Mobilization cost, variable cost and fixed costs had been paid before Nhon Trach 2 Combined Cycle Power Plant started operating commercially and these costs are allocated to the interim income statement in the period based on the actual EOH.
- Overhaul expenses of Nhon Trach 2 Combined Cycle Power Plant arose when the plant reached 50,000 EOH (25,000 EOH for each operator) and the Company had to perform overhaul according to specifications. Value of final settlement for overhaul expenses for Nhon Trach 2 Combined Cycle Power Plant at 50,000 EOH is VND 163.1 billion. Accordingly, this expense was recognized and allocated to the interim income statement for the next 25,000 EOH for the each operator.
- The Company has advanced land rental through compensation for site clearance which was corresponding to the area rented. The Company has transferred the long-term receivable to prepaid expenses in order to allocate to the expenses during the land lease term.
- The reimbursement of cooling water pumping station Nhon Trach 2 Power Plant: The company has received 10,906.8 m² of land area for Nhon Trach 2 Power Plant cooling station and reimbursed the PetroVietnam Nhon Trach Power Company an amount of VND 14,153,385,314, this amount is allocated over a period of 3 years at the time reimbursement which was recognized as at 13 November 2017.

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14. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
a. Short-term trade payables to third parties				
- Other suppliers	18,713,110,991	18,713,110,991	5,864,582,766	5,864,582,766
	18,713,110,991	18,713,110,991	5,864,582,766	5,864,582,766
b. Short-term trade payables to related parties (Note 33)				
- PetroVietnam Gas Joint Stock Corporation	296,243,250,067	296,243,250,067	72,996,825,509	72,996,825,509
- PetroVietnam Power Technical Services Joint Stock Company	109,567,045,322	109,567,045,322	111,227,827,158	111,227,827,158
- PetroVietnam Insurance Joint Stock Corporation	-	-	4,399,134,458	4,399,134,458
- Southern Management Board of PVC's project	454,403,426	454,403,426	454,403,426	454,403,426
- PetroVietnam Nhon Trach Power Company	96,853,575	96,853,575	122,971,800	122,971,800
- PetroVietnam Chemical and Services Corporation	1,862,696,000	1,862,696,000	-	-
	408,224,248,390	408,224,248,390	189,201,162,351	189,201,162,351
	426,937,359,381	426,937,359,381	195,065,745,117	195,065,745,117

15. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance VND	Payable during the period VND	Paid during the period VND	Closing balance VND
Value added tax	141,671,389,059	116,378,592,661	118,162,523,014	139,887,458,706
Imported tax	-	526,112,406	526,112,406	-
Corporate income tax	25,009,131,339	23,095,972,409	29,809,131,339	18,295,972,409
Personal income tax	697,891,454	5,005,420,623	5,612,675,396	90,636,681
Natural resources tax	3,758,593,320	22,781,510,400	22,592,329,680	3,947,774,040
Other tax	3,846,381,437	11,591,394,429	13,938,170,892	1,499,604,974
	174,983,386,609	179,379,002,928	190,640,942,727	163,721,446,810

16. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Raw material expense	832,080,711,466	761,569,541,610
Maintenance expenses	112,929,571,500	97,556,035,947
Accrual interest expenses	1,921,895,295	3,994,848,018
Rental land	44,492,930	35,740,220
Other accruals	469,153,847	681,167,605
	947,445,825,038	863,837,333,400



Short-term accrual expenses at the balance sheet date mainly include the following expenses:

The cost of gas fuel operating Nhon Trach 2 power plants in May and June 2020 has not been issued invoices at the balance sheet date yet and recognized according to the advance notice from Branch of PetroVietnam Gas Joint Stock Corporation -South East Gas Transmission Company.

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

17. OTHER CURRENT PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Late payment interest income payable to Petro Vietnam Gas Joint Stock Company	39,278,284,374	39,278,284,374
Dividends and profits payable	7,145,698,371	294,625,234,611
Other payables	763,025,139	495,171,300
	<u>47,187,007,884</u>	<u>334,398,690,285</u>



PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)

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18. SHORT TERM LOANS

	Opening balance		In the period			Closing balance	
	VND		VND			VND	
	Amount	Amount able to be paid off	Increases	Foreign exchange difference	Decreases	Amount	Amount able to be paid off
Military Commercial Joint Stock Bank	300,000,000,000	300,000,000,000	592,220,044,409	-	600,000,000,000	292,220,044,409	292,220,044,409
- Dong Nai Branch							
Current portion of long-term loans	1,049,778,209,321	1,049,778,209,321	490,496,101,336	1,985,796,845	528,927,154,686	1,013,332,952,816	1,013,332,952,816
(see Note 19)							
	1,349,778,209,321	1,349,778,209,321	1,082,716,145,745	1,985,796,845	1,128,927,154,686	1,305,552,997,225	1,305,552,997,225

As at 17 October 2019, the Company entered into a short-term loan contract No. 44106.19.720.2453041.TD with Military Commercial Joint Stock Bank - Dong Nai branch with total credit of VND 300,000,000,000 for operating purpose. The outstanding amount of loan as at 30 June 2020 has a term from 19 June 2020 to 30 September 2020 and bore interest rate of 4.7% per annum. The interest is paid on the 25th each month and the principal will be paid at the end of the loan term.

19. LONG TERM LOANS

	Opening balance		In the period		Closing balance	
	VND		VND		VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
Long-term loans	492,334,203,239	492,334,203,239	-	(1,838,101,903)	-	-
	492,334,203,239	492,334,203,239	-	(1,838,101,903)	490,496,101,336	-

As at 22 July 2010 and 23 July 2010, the Company entered into long-term loan contracts having total credit limit of USD 215,380,981 and EUR 202,585,883 with sponsoring banks - HERMES, CIRRI, NEXI and Citibank of which Citibank is the representative. These loans are guaranteed by the Government of Vietnam and insured by HERMES and NEXI. The loan bears interest rate of 6 - month Euribor and 6 - month Libor plus the adjustment. The principal and interest are paid every 6 months in which the principal is paid in 19 installments within 9.5 years and the first payment was on 1 June 2012. The outstanding principal amounts as at 30 June 2019 are USD 22,217,025 and EUR 19,507,283 respectively (As at 31 December 2019: USD 33,455,416 and EUR 29,774,985).



Long-term loans are repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	1,013,332,952,816	1,049,778,209,321
In the second year	-	492,334,203,239
In the third to fifth year inclusive	-	-
	<u>1,013,332,952,816</u>	<u>1,542,112,412,560</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,013,332,952,816)	(1,049,778,209,321)
Amount due for settlement after 12 months	-	492,334,203,239

20. OWNERS' EQUITY

Shares	Closing balance	Opening balance
	VND	VND
Number of shares issued to the public	287,876,029	287,876,029
<i>Ordinary shares</i>	287,876,029	287,876,029
Number of outstanding shares in circulation	287,876,029	287,876,029
<i>Ordinary shares</i>	<u>287,876,029</u>	<u>287,876,029</u>

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

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

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

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PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY
NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)

FORM B 09a-DN

Movement in owners' equity:

	Owner's contributed capital VND	Share premium VND	Investment and Development fund VND	Retained earnings VND	Total VND
Balance at the beginning of the previous year	2,878,760,290,000	(457,500,000)	137,294,913,354	667,878,254,371	3,683,475,957,725
Profit in the year	-	-	-	754,170,713,463	754,170,713,463
Distribution from profit of fiscal year 2018	-	-	-	(22,832,000,000)	(22,832,000,000)
Advance of dividends from profits of year 2019	-	-	-	(287,876,029,000)	(287,876,029,000)
Balance at the beginning of this period	2,878,760,290,000	(457,500,000)	137,294,913,354	1,111,340,938,834	4,126,938,642,188
Profit in the period	-	-	-	428,025,442,195	428,025,442,195
Distribution from profit of year 2019	-	-	-	(22,832,000,000)	(22,832,000,000)
Balance at the end of this period	2,878,760,290,000	(457,500,000)	137,294,913,354	1,516,534,381,029	4,532,132,084,383

According to Resolution No. 09/NQ-CPNT2 dated 17 June 2020, the General Meeting of Shareholders of the Company have approved the plan of appropriation for retained earnings of year 2019. In which, the dividends is declared from retained earnings of year 2019 by the rate of 25%/par value of share with the amount of VND 719,690,072,500, the Bonus and welfare fund and the reward for Board of Management is appropriated with the amount of VND 22,832,000,000. As such, the Company has appropriated the Bonus and welfare fund and the reward for Board of Management with the amount of VND 22,832,000,000 from the retained earnings of fiscal year 2019 in June 2020. The Company has advanced the dividend from the retained earnings of year 2019 for the first time by the rate of 10%/par value of share and equivalent to VND 1,000 per share for the Company's existing Shareholders under Resolution No. 20/NQ-CPNT2 dated 27 December 2019 of the Board of Directors. Therefore, the retained earnings of year 2019 was reduced by corresponding amount of VND 287,876,029,000 as at 31 December 2019. According to Resolution noted as above, the General Shareholders of the Company has approved the plan of appropriation for retained earnings of year 2022. In which, the dividends is declared by the rate of 20%/par value of share, appropriated the Bonus and welfare fund and the reward for Board of Management with the amount of VND 22,000,000,000 and appropriated the Investment and development fund with the amount of VND 22,300,000,000 from retained earnings of year 2020. According to Resolution No. 10/NQ-CPNT2 dated 13 July 2020, the Board of Management of the Company has approved the plan to declare the remaining dividend with the amount of VND 431,814,043,500 from retained earnings of year 2019 with following schedule:

- The final registration date for dividend payment is on 24 July 2020.
- The dividend payment period is started from 14 August 2020.



21. OFF BALANCE SHEET ITEMS

	<u>Closing balance</u>	<u>Opening balance</u>
United States Dollar	-	39.79
Euro	-	0.04

22. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's principal activities are to produce and sell electricity domestically. Other business activities account for a small portion of total revenue and operating result of the Company in this period as well as previous reporting periods. Consequently, financial information has been presented in the interim balance sheet as at 30 June 2020, the balance sheet as at 31 December 2019, revenue and expenses presented in the interim income statement for the period from 1 January 2020 to 30 June 2020 and from 01 January 2019 to 30 June 2019 are relevant to principal activities. Hence, the Company did not prepare report on business and geographical segments.

23. NET REVENUE FROM GOODS SOLD

Net revenue from goods sold includes revenue from electricity sales from 1 January 2020 to 30 June 2020 and from the 1 June 2019 to 30 June 2019 following electricity price stated in the Contract No. 07/2012/HD-NMD-NT2 dated 6 July 2012 and other amendments between Electric Power Trading Company (EPTC) and PetroVietnamNhon Trach 2 Power Joint Stock Company.

24. PRODUCTION COST BY NATURE

	<u>Current period</u> <u>VND</u>	<u>Prior period</u> <u>VND</u>
Raw materials and consumables	2,417,357,081,630	2,885,719,645,495
Labour	41,207,258,741	37,568,863,863
Depreciation and amortisation	346,365,243,552	343,825,203,422
Out-sourced services	257,339,305,645	250,985,273,205
Other monetary expenses	30,547,471,150	35,803,391,744
	<u>3,092,816,360,718</u>	<u>3,553,902,377,729</u>

25. FINANCIAL INCOME

	<u>Current period</u> <u>VND</u>	<u>Prior period</u> <u>VND</u>
Bank and loan interest	11,175,955,215	6,302,578,233
Foreign exchange gain	3,965,968,588	2,978,547,934
- Realised Foreign exchange gain	69,424,485	2,978,547,934
- Unrealised Foreign exchange gain	3,896,544,103	-
	<u>15,141,923,803</u>	<u>9,281,126,167</u>

26. FINANCIAL EXPENSES

	<u>Current period</u> <u>VND</u>	<u>Prior period</u> <u>VND</u>
Interest expense	24,561,454,720	47,108,916,220
Insurance for long-term loans	32,105,554,410	31,929,150,264
Guarantee fee for long-term loans charged by the Government	1,891,429,225	3,245,828,759
Foreign exchange loss	5,771,063,977	9,699,719,321
- Realized Foreign exchange loss	5,771,063,977	3,465,922,838
- Unrealized Foreign exchange loss	-	6,233,796,483
Other financial expenses	1,602,796,945	1,175,153,950
	<u>65,932,299,277</u>	<u>93,158,768,514</u>



27. GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
Management staff	18,845,121,785	16,506,412,231
Office supplies	1,262,195,816	1,309,551,441
Depreciation and amortisation	4,738,160,298	4,744,992,104
Taxes, fees and charges	352,792,218	137,894,292
Out-sourced services	8,394,952,638	12,463,940,447
Others	3,159,023,412	4,688,613,893
	36,752,246,167	39,851,404,408

28. OTHER INCOMES

	Current period VND	Prior period VND
Proceeds from disposals of fixed assets	-	522,216,400
Reversal of science and technology development fund set up in 2015	-	37,000,000,000
Other income	383,495,849	187,480,625
	383,495,849	37,709,697,025

29. CURRENT CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current period	23,095,972,409	20,899,393,140
Total current corporate income tax expense	23,095,972,409	20,899,393,140

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

	Current period			Prior period
	Main activities VND	Other activities VND	Total VND	Total VND
Profit before tax	455,272,621,743	(4,151,207,139)	451,121,414,604	407,544,864,694
Add: non-deductible expenses	5,112,843,031	4,534,702,988	9,647,546,019	8,337,910,017
Less: non-assessable income	-	-	-	2,987
Taxable profit	460,385,464,774	383,495,849	460,768,960,623	415,882,771,724
	5%	20%		
Corporate income tax expense based on taxable profit in the current period	23,019,273,239	76,699,170	23,095,972,409	20,899,393,140

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

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

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

The corporate income tax incurred for the accounting period ended 30 June 2020 is temporary figure. The Company will calculate corporate income tax expense for the whole year of 2020 after closing the financial year 2020 according to current regulations.



30. BASIC EARNINGS PER SHARE

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

	Current period VND	Prior period VND
Accounting profit after corporate income tax	428,025,442,195	386,645,471,554
Bonus and welfare fund appropriation (*)	11,000,000,000	11,416,000,000
Profit after tax for calculating earnings per share	417,025,442,195	375,229,471,554
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	287,876,029	287,876,029
Basic earnings per share	1,449	1,303

(*) Bonus and welfare fund and reward for Board of Management is used to calculate basic earnings per share for the 6-month period ended 30 June 2019 based on the Resolution No. 09/NQ-CPNT2 dated 17 June 2020 issued by the General Shareholders of the Company.

(*) Bonus and welfare fund used to calculate basic earnings per share for the 6-month period ended 30 June 2020 is estimated based on the plan of appropriation for retained earnings of year 2020 based on Resolution No. 09/NQ-CPNT2 dated 17 June 2020 approved by the General Shareholder of the Company. The Company has a plan to appropriate an amount of VND 22,000,000,000 for Bonus and welfare fund according to this Resolution.

31. COMMITMENTS

Selling Commitments

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

Purchasing Commitments

The Company has signed the Contract No. 44/2010/PVGas/KTTT-PVPower NT2/B4 dated 06 April 2010 with PetroVietnam Gas Joint Stock Corporation. Accordingly, the selling price of gas is negotiated in according to the terms of this contract and appendices and the Company has a responsibility of purchasing and payment for a minimum volume of gas during the terms of contract till ended of this contract as at 31 December 2036.

32. FINANCIAL INSTRUMENTS

Capital risk management

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

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

Gearing ratio

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

	Closing balance VND	Opening balance VND
Borrowings	1,305,552,997,225	1,842,112,412,560
Less: Cash and cash equivalents	140,115,405,394	450,964,667,264
Net debt	1,165,437,591,831	1,391,147,745,296
Equity	4,532,132,084,383	4,126,938,642,188
Net debt to equity ratio	0.26	0.34



Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets and financial liabilities are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts		Fair value (*)	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalents	140,115,405,394	450,964,667,264	140,115,405,394	450,964,667,264
Trade and other receivables	2,212,531,720,026	1,403,029,721,005	2,212,531,720,026	1,403,029,721,005
Short-term financial investments	490,790,416	200,490,790,416	490,790,416	200,490,790,416
	<u>2,353,137,915,836</u>	<u>2,054,485,178,685</u>	<u>2,353,137,915,836</u>	<u>2,054,485,178,685</u>
Financial liabilities				
Borrowings	1,305,552,997,225	1,842,112,412,560	1,305,552,997,225	1,842,112,412,560
Trade and other payables	474,124,367,265	529,464,435,402	474,124,367,265	529,464,435,402
Accrued expenses	947,445,825,038	863,837,333,400	947,445,825,038	863,837,333,400
	<u>2,727,123,189,528</u>	<u>3,235,414,181,362</u>	<u>2,727,123,189,528</u>	<u>3,235,414,181,362</u>

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

Financial risk management objectives

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

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

Market risk

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

Foreign currency risk management

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

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
United States Dollar ("USD")	-	919,547	513,657,613,608	773,154,656,365
Euro ("EUR")	-	1,033	500,339,609,613	770,645,978,402

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Foreign currency sensitivity analysis

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

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

	<u>Current period</u> <u>VND</u>	<u>Prior period</u> <u>VND</u>
United States Dollar ("USD")	5,136,576,136	7,731,537,368
Euro ("EUR")	<u>5,003,396,096</u>	<u>7,706,459,774</u>

Interest rate risk management

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

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented as follows. Assuming all other variables were held constant and the loan balance at the interim balance sheet date were the outstanding amount for the whole period, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the period from 1 January 2020 to 30 June 2020 would have decreased/increased by VND 20,266,659,056 (the period from 1 January 2019 to 30 June 2019: VND 41,893,939,632).

Gas price risk management

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

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the interim balance sheet date, there is a significant concentration of credit risk arising from sales to Electric Power Trading Company (EPTC) - Vietnam Electricity and under-one-year term cash deposits with banks in the period from 1 January 2020 to 30 June 2020. Since cash is deposited at reputable financial institutions, the Board of Management perceived no material credit risk relating to the deposits, and assumed that these financial institutions shall not cause any losses to the Company. The maximum exposure to credit risk represented is the carrying amount of receivables from one major customer as presented in Note 5. However, the Board of Management assessed that these debts are all recoverable at the balance sheet date.

Liquidity risk management

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

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



	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
30/06/2020				
Cash and cash equivalents	140,115,405,394	-	-	140,115,405,394
Trade and other receivables	2,212,531,720,026	-	-	2,212,531,720,026
Short-term financial investments	490,790,416	-	-	490,790,416
	2,353,137,915,836	-	-	2,353,137,915,836
30/06/2020				
Borrowings	1,305,552,997,225	-	-	1,305,552,997,225
Trade and other payables	474,124,367,265	-	-	474,124,367,265
Accrued expenses	947,445,825,038	-	-	947,445,825,038
	2,727,123,189,528	-	-	2,727,123,189,528
Net liquidity gap	(373,985,273,692)	-	-	(373,985,273,692)
	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
31/12/2019				
Cash and cash equivalents	450,964,667,264	-	-	450,964,667,264
Trade and other receivables	1,403,029,721,005	-	-	1,403,029,721,005
Short-term financial investments	200,490,790,416	-	-	200,490,790,416
	2,054,485,178,685	-	-	2,054,485,178,685
31/12/2019				
Borrowings	1,349,778,209,321	492,334,203,239	-	1,842,112,412,560
Trade and other payables	529,464,435,402	-	-	529,464,435,402
Accrued expenses	863,837,333,400	-	-	863,837,333,400
	2,743,079,978,123	492,334,203,239	-	3,235,414,181,362
Net liquidity gap	(688,594,799,438)	(492,334,203,239)	-	(1,180,929,002,677)

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

33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Related party

PetroVietnam Power Corporation - JSC
PetroVietnam Gas Joint Stock Corporation
PetroVietnam Power Technical Services Joint Stock Company
Southern Management Board of PVC's project
PetroVietnam Insurance Joint Stock Corporation
PetroVietnam Nhon Trach Power Company
PTSC Hotel Joint Stock Company
PetroVietnam Oil and Gas Group
PVCombank
PetroVietnam Chemical and Services Corporation
PetroVietnam University

Relationship

Shareholder
The same group
The same group
The same group
The same group
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Ultimate parent company
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During the period, the Company entered into the following significant transactions with related parties:

	Current period VND	Prior period VND
Purchases		
PetroVietnam Gas Joint Stock Corporation	2,339,260,708,172	2,839,705,381,547
PetroVietnam Power Technical Services Joint Stock Company	20,776,085,033	19,745,612,366
PetroVietnam Insurance Joint Stock Corporation	10,482,587,589	21,835,858,356
PetroVietnam Chemical and Services Corporation	1,693,360,000	1,116,581,000
PetroVietnam Nhon Trach Power Company	621,454,625	467,665,125
PTSC Hotel Joint Stock Company	142,067,780	-
PetroVietnam University	-	250,000,000
Financial income		
Interest income from time deposits at PVcomBank	5,954	8,974
Dividend paid		
Petro Vietnam Power Corporation	170,926,080,000	153,833,472,000

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

	Current period VND	Prior period VND
Salaries	4,061,740,762	3,398,376,065
	4,061,740,762	3,398,376,065

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

	Closing balance VND	Opening balance VND
Advance to suppliers		
PetroVietnam Chemical and Services Corporation	279,404,400	-
PetroVietnam Power Technical Services Joint Stock Company	49,466,276,435	49,466,276,435
Payables		
PetroVietnam Gas Joint Stock Corporation	296,243,250,067	72,996,825,509
PetroVietnam Power Technical Services Joint Stock Company	109,567,045,322	111,227,827,158
PetroVietnam Chemical and Services Corporation	1,862,696,000	-
PetroVietnam Insurance Joint Stock Corporation	-	4,399,134,458
Southern Management Board of PVC's project	454,403,426	454,403,426
PetroVietnam Nhon Trach Power Company	96,853,575	122,971,800
Accrued expense		
PetroVietnam Gas Joint Stock Corporation	832,080,711,466	761,569,541,610
Other payables		
PetroVietnam Gas Joint Stock Corporation	39,278,284,374	39,278,284,374



34. CONTINGENT ASSETS AND LIABILITIES

According to Resolution No. 1944/NQ-DKVN dated 2 April 2018 of Vietnam Oil and Gas Group on the termination of application of PVN's Resolution No. 1827/NQ-DKVN dated 19 March 2013 on acceptance of the accounting revenues/expenses recognition related to the delay in payment of electricity/gas bills. The Company thereon will have to record late payment interest from Electricity Power Trading Company ("EPTC") and recognize payables to PetroVietnam Gas Joint Stock Corporation ("PV GAS") based on the number of days delayed/overdue as prescribed in contracts and appendices the Company signed with PV GAS ("Gas sales contract") and with EPTC ("Electricity sales contract"). The Company has worked with EPTC of Vietnam Electricity ("EVN") and PV GAS on contract performance and is negotiating with Vietnam Oil and Gas Group as well as the parent company - PetroVietnam Power Corporation whether methods and feasibility of Resolution No. 1944/NQ-DKVN are applicable for late payment interest arising in previous years/periods so as to have a reliable basis for accurate and complete accounting of interest/expenses, receivables/payables related to late payment of electricity/gas bills in the future. At the date of financial statements issuance, the Company has not received specific instruction or decision of Vietnam Oil and Gas Group on the above-mentioned amounts, and thus has not had a certain and reliable basis to record any adjustments on the interim financial statements for the 6-month period ended 30 June 2020.

The Company is negotiating with Vietnam Electricity through the EPTC to sign the Appendix and recognize the amount relevant to difference exchange rate due to buying foreign currency to pay the loans dominated by foreign currency incurred for the period from 2016 to 2017 in according to the Decisions issued by Ministry of Industry and Trade. In addition, the Company and Vietnam Electricity are also waiting for the Decisions of the Ministry of Industry and Trade to guide the handling of similar amount arising for the period from 2018 to 2019. Therefore, the Company has not recorded the difference exchange rate for the period from 2016 to 2019 because the negotiation with Vietnam Electricity has not been completed yet.

35. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the period excluded an amount of VND 1,058,547,752 (the 6-month period ended 2019: VND 235,927,607), representing accrued interest during the period that has not been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Interest paid during the period excluded an amount of VND 1,921,895,295 (the 6-month period ended 2019: VND 5,507,617,623) representing interest expense that has not been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Dividend paid to shareholders during the period excluded an amount of VND 7,145,698,371 (the 6-month period ended 2019: VND 7,547,268,286) representing dividends have not been fully paid to shareholders. Consequently, changes in accounts payable have been adjusted by the same amount.

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngô Đức Nhân
Director
4 August 2020

