PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019

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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 financial statements for the year ended 31 December 2019.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

Board of Directors

Mr. Uong Ngoc Hai	Chairman
Mr. Luong Ngoc Anh	Member
Mr. Tran Quang Thien	Member
Mr. Ngo Duc Nhan	Member
Mr. Nguyen Cong Dung	Member (appointed on 24 April 2019)
Ms. Ho Xuan Lan	Administration Management (appointed on 16 October 2019)
Ms. Nguyen Thi Ha	Member (resigned on 24 April 2019)

Board of Management

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

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2019 and its financial performance and its cash flows for the year ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these 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 financial statements;
- prepare the 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 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 financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of Management,

CÔNG TY CỔ PHẦN ĐIỆN LỰC DẦU KHÍ NHƠN TRẠCH 2

Ngo Duc Nhan
Director
29 February 2020

Deloitte.

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of PetroVietnam Nhon Trach 2 Power Joint Stock Company (the "Company"), prepared on 29 February 2020 as set out from page 3 to page 31, which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Management's Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditors' Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

M.S.C.N: 0100112500-002-C.T.T.N.H.H. CHI NHÁNH CÔNG TY TRÁCH NHIỆM HỮU HẠN DELOITTE VIỆT NAM QUẬN 1 - TP. HỒ CHÍ MINH

Nguyen Quang Trung
Audit Partner
Audit Practising Registration Certificate
No. 0733-2018-001-1
BRANCH OF DELOITTE VIETNAM COMPANY LIMITED
29 February 2020
Ho Chi Minh City, S.R. Vietnam

Tran Kim Long Hai
Auditor
Audit Practising Registration Certificate
No. 1503-2018-001-1

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BALANCE SHEET
As at 31 December 2019

Unit: VND

	ASSETS	Codes	Notes	Closing balance	Opening balance
A.	**CURRENT ASSETS**	**100**		**2,416,097,046,445**	**2,847,184,716,466**
I.	**Cash and cash equivalents**	**110**	**4**	**450,964,667,264**	**65,113,935,464**
1.	Cash	111		64,667,264	113,935,464
2.	Cash equivalents	112		450,900,000,000	65,000,000,000
II.	**Short-term financial investments**	**120**	**5**	**200,490,790,416**	**490,790,416**
1.	Held-to-maturity investments	123		200,490,790,416	490,790,416
III.	**Short-term receivables**	**130**		**1,458,799,421,394**	**2,520,283,326,109**
1.	Short-term trade receivables	131	6	1,358,823,860,968	2,418,135,156,945
2.	Short-term advances to suppliers	132	7	55,769,700,389	59,655,001,355
3.	Other short-term receivables	136	8	44,205,860,037	42,493,167,809
IV.	**Inventories**	**140**	**9**	**302,120,863,600**	**260,944,383,187**
1.	Inventories	141		302,120,863,600	260,944,383,187
V.	**Other short-term assets**	**150**		**3,721,303,771**	**352,281,290**
1.	Short-term prepayments	151	14	3,721,303,771	352,281,290
B.	**NON-CURRENT ASSETS**	**200**		**5,148,014,782,469**	**6,005,061,880,025**
I.	**Long-term receivables**	**210**			**37,652,707,000**
1.	Other long-term receivables	216	8	-	37,652,707,000
II.	**Fixed assets**	**220**		**4,876,270,935,632**	**5,562,194,064,499**
1.	Tangible fixed assets	221	10	4,852,808,179,496	5,537,595,973,136
	- Cost	*222*		*11,323,753,071,377*	*11,321,609,002,973*
	- Accumulated depreciation	*223*		*(6,470,944,891,881)*	*(5,784,013,029,837)*
2.	Intangible assets	227	11	23,462,756,136	24,598,091,363
	- Cost	*228*		*31,338,217,421*	*30,948,217,421*
	- Accumulated amortisation	*229*		*(7,875,461,285)*	*(6,350,126,058)*
III.	**Long-term assets in progress**	**240**		**1,416,854,546**	**2,823,218,182**
1.	Long-term construction in progress	242	12	1,416,854,546	2,823,218,182
IV.	**Long-term financial investments**	**250**			
1.	Equity investments in other entities	253	13	11,140,000,000	11,140,000,000
2.	Provision for impairment of long-term financial investments	254	13	(11,140,000,000)	(11,140,000,000)
V.	**Other long-term assets**	**260**		**270,326,992,291**	**402,391,890,344**
1.	Long-term prepayments	261	14	266,389,947,120	402,391,890,344
2.	Deferred tax assets	262		3,937,045,171	-
	TOTAL ASSETS (270=100+200)	**270**		**7,564,111,828,914**	**8,852,246,596,491**

BALANCE SHEET (Continued)
As at 31 December 2019

Unit: VND

	RESOURCES	Codes	Notes	Closing balance	Opening balance
C.	**LIABILITIES**	**300**		**3,437,173,186,726**	**5,168,770,638,766**
I.	**Current liabilities**	**310**		**2,943,846,558,591**	**3,572,245,492,195**
1.	Short-term trade payables	311	15	195,065,745,117	572,609,017,004
2.	Taxes and amounts payable to the State budget	313	16	174,983,386,609	176,769,137,959
3.	Payables to employees	314		16,288,324,912	24,300,415,140
4.	Short-term accrued expenses	315	17	863,837,333,400	1,093,904,647,256
5.	Other current payables	319	18	334,398,690,285	305,244,963,675
6.	Short-term loans and obligations under finance leases	320	19	1,349,778,209,321	1,390,766,996,596
7.	Bonus and welfare funds	322		9,494,868,947	8,650,314,565
II.	**Long-term liabilities**	**330**		**493,326,628,135**	**1,596,525,146,571**
1.	Long-term loans and obligations under finance leases	338	20	492,334,203,239	1,558,084,380,674
2.	Scientific and technological development fund	343	21	992,424,896	38,440,765,897
D.	**EQUITY**	**400**		**4,126,938,642,188**	**3,683,475,957,725**
I.	**Owner's equity**	**410**	**22**	**4,126,938,642,188**	**3,683,475,957,725**
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			1,111,340,938,834	667,878,254,371
	- Retained earnings accumulated to the prior year end	*421a*		*645,046,254,371*	*576,622,436,326*
	- Retained earnings of the current year	*421b*		*466,294,684,463*	*91,255,818,045*
	TOTAL RESOURCES (440=300+400)	**440**		**7,564,111,828,914**	**8,852,246,596,491**

Le Van Tu	Le Viet An	Ngo Duc Nhan
Preparer	**Chief Accountant**	**Director**
		29 February 2020

CÔNG TY CỔ PHẦN ĐIỆN LỰC DẦU KHÍ NHƠN TRẠCH 2

INCOME STATEMENT

For the year ended 31 December 2019

Unit: VND

	ITEMS	Codes	Notes	Current year	Prior year
1.	**Gross revenue from goods sold**	**01**		**7,653,692,325,777**	**7,669,729,160,697**
2.	**Net revenue from goods sold (10=01-02)**	**10**	**25**	**7,653,692,325,777**	**7,669,729,160,697**
3.	Cost of sales	11		6,679,293,388,147	6,654,451,869,419
4.	**Gross profit from goods sold (20=10-11)**	**20**		**974,398,937,630**	**1,015,277,291,278**
5.	Financial income	21	27	47,778,061,156	73,337,270,543
6.	Financial expenses	22	28	168,157,004,139	192,478,641,344
	- In which: Interest expense	*23*		*87,817,040,732*	*104,764,750,280*
7.	General and administration expenses	26	29	86,799,874,992	101,406,946,078
8.	**Operating profit (30=20+(21-22)-(25+26))**	**30**		**767,220,119,655**	**794,728,974,399**
9.	Other income	31	30	39,339,930,354	30,903,698,331
10.	Other expenses	32		9,171,800,550	1,803,847,025
11.	**Profit from other activities (40=31-32)**	**40**		**30,168,129,804**	**29,099,851,306**
12.	**Accounting profit before tax (50=30+40)**	**50**		**797,388,249,459**	**823,828,825,705**
13.	Current corporate income tax expense	51	31	47,154,581,167	40,506,485,956
14.	Deferred corporate tax (income)/expense	52		(3,937,045,171)	1,164,052,104
15.	**Net profit after corporate income tax (60=50-51-52)**	**60**		**754,170,713,463**	**782,158,287,645**
16.	Basic earnings per share	70	32	2,540	2,638

Le Van Tu	Le Viet An	Ngo Duc Nhan
Preparer	**Chief Accountant**	**Director**
		29 February 2020

CÔNG TY CỔ PHẦN ĐIỆN LỰC DẦU KHÍ NHƠN TRẠCH 2

CASH FLOW STATEMENT

For the year ended 31 December 2019

Unit: VND

	ITEMS	Codes	Current year	Prior year
I.	**CASH FLOWS FROM OPERATING ACTIVITIES**			
1.	***Profit before tax***	***01***	***797,388,249,459***	***823,828,825,705***
2.	***Adjustments for:***			
	Depreciation and amortisation of fixed assets	02	690,277,501,502	694,042,769,081
	Provisions	03	-	(23,281,042,069)
	Foreign exchange gain	04	(16,003,726,985)	(12,822,497,822)
	Gain from investing activities	05	(18,046,486,394)	(42,143,534,344)
	Interest expense	06	87,817,040,732	104,764,750,280
	Other adjustments	07	(37,000,000,000)	(1,101,102,307)
3.	***Operating profit before movements in working capital***	***08***	***1,504,432,578,314***	***1,543,288,168,524***
	Decrease/(increase) in receivables	09	1,100,798,748,286	(727,604,239,184)
	Increases in inventories	10	(41,176,480,413)	(1,566,199,774)
	(Decrease)/increase in payables	11	(626,681,228,397)	692,396,258,693
	Decreases in prepaid expenses	12	132,632,920,743	163,526,704,679
	Interest paid	14	(91,566,389,412)	(105,410,443,590)
	Corporate income tax paid	15	(38,974,379,485)	(24,574,028,176)
	Other cash outflows	17	(21,987,445,618)	(20,034,081,981)
	Net cash generated by operating activities	***20***	***1,917,478,324,018***	***1,520,022,139,191***
II.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
1.	Acquisition and construction of fixed assets	21	(5,194,567,488)	(1,636,439,392)
2.	Proceeds from sale, disposal of fixed assets	22	732,541,363	-
3.	Cash outflow for lending	23	(200,000,000,000)	-
4.	Cash recovered from lending	24	-	899,509,209,584
5.	Interest earned	27	17,058,172,096	45,206,208,111
	Net cash (used in)/generated by investing activities	***30***	***(187,403,854,029)***	***943,078,978,303***
III.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
1.	Proceeds from borrowings	33	-	330,000,000,000
2.	Repayment of borrowings	34	(1,085,339,662,689)	(1,064,433,339,303)
3.	Dividends and profits paid	36	(258,884,073,690)	(1,809,522,609,727)
	Net cash used in financing activities	***40***	***(1,344,223,736,379)***	***(2,543,955,949,030)***
	Net increase/(decrease) in cash (50=20+30+40)	**50**	**385,850,733,610**	**(80,854,831,536)**
	Cash and cash equivalents at the beginning of the year	**60**	**65,113,935,464**	**145,968,678,560**
	Effects of changes in foreign exchange rates	61	(1,810)	88,440
	Cash and cash equivalents at the end of the year (70=50+60+61)	**70**	**450,964,667,264**	**65,113,935,464**

Le Van Tu	Le Viet An	Ngo Duc Nhan
Preparer	**Chief Accountant**	**Director**
		29 February 2020

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam 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 31 December 2019 and 31 December 2018 was 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 year of 12 months or less.

Disclosure of information comparability in the financial statements

The comparative figures of the financial statements are the figures of the Company's audited financial statements for the year ended 31 December 2018.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying 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 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to 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 financial statements and the reported amounts of revenues and expenses during the year. 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 incomestatement on accrual basis.

Financial investments

Equity investments in other entities

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

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

Receivables

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

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

Inventories

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

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

	Years
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 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 incomestatement 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 financial years, including short-term and long-term prepayments.

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

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

Detailed information about long-term prepayments related to insurance for long-term loans; mobilization cost, variable costs and fixed costs and import tax on equipment used for contracts of machinery and equipment maintenance; overhaul cost for Nhon Trach 2 Combined Cycle Power Plant; compensation and site clearance costs for Nhon Trach 2 Combined Cycle Power Plant; reimbursement of cooling water pumping station for Nhon Trach 2 Combined Cycle Power Plant and other prepaid expenses is disclosed in Note 14, which were 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 income statement using the straight-line method over the year of from two to three years.

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 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 financial year when the Company determines the exact revenue based on exchange rate between the United States Dollar and Vietnam Dong announced at the date of issuing invoice.

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

Foreign currencies

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

Fund distribution and dividend payout

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

Dividend advanced during the year 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 incomestatement 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 year. Taxable profit differs from profit before tax as reported in the incomestatement 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.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally 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 year 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 yearic 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	3,835,407	10,797,915
Bank demand deposits	60,831,857	103,137,549
Cash equivalents	450,900,000,000	65,000,000,000
	450,964,667,264	**65,113,935,464**

Cash equivalents represent term deposits in commercial banks in Vietnam Dong with maturity of 3 months, earning interest rate from 5% to 5.5% per annum (As at 31 December 2018: 5.5% per annum).

5. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments represent term deposits in Vietnam Dong at commercial banks with maturity of more than 3 months but less than 12 months and earn interest at rates ranging from 5.1% to 6.7% per annum (as at 31 December 2018: 6% per annum).

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
- Electric Power Trading Company (EPTC)	1,358,804,846,752	2,418,123,045,545
- Others	19,014,216	12,111,400
	1,358,823,860,968	**2,418,135,156,945**

Short-term trade receivables mainly represent estimated receivables from Electric Power Trading Company (EPTC) up to 31 December 2019 which have not been invoiced to EPTC with amount about 1,286 billion VND following the official electricity price specified in the Contract No. 07/2012/HD-NMD-NT2 dated 06 July 2012 and its other amendments. The Board of Management asseses and believes that the Company shall collect the entire outstanding amount above.

7. ADVANCE TO SUPPLIERS

	Closing balance VND	Opening balance VND
a. Short-term advances to suppliers		
Others	6,303,423,954	78,835,704
b. Advances to related parties		
- (Details stated in Note 35)	49,466,276,435	59,576,165,651
	55,769,700,389	**59,655,001,355**

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Current		
- Late payment interest income from EPTC (*)	42,153,554,457	42,153,554,457
- Accrued interests	1,935,023,498	272,886,927
- Deposits and mortgages	15,000,000	15,000,000
- Other receivables	102,282,082	51,726,425
	44,205,860,037	**42,493,167,809**
b. Non-current (similar to items under the section 'Current')		
- Compensations for site clearance (**)	-	37,652,707,000
	-	**37,652,707,000**

(*) Other short-term receivables represent interest on late payment incurred up to 31 December 2012 from Electric Power Trading Company (EPTC) according to the terms of Contract No. 07/2012/HD-NMĐ-NT2 dated 06 July 2012 between Nhon Trach 2 Petroleum Power Joint Stock Company and EPTC. The Company is waiting for the guidance from authorization to solve and recognize the interest on late payment incurred for the period from 01 December 2013 to 31 December 2019.

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

9. INVENTORIES

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

	Closing balance		Opening balance	
		VND		VND
	Cost	Provision	Cost	Provision
Raw materials	302,063,823,913	-	260,716,162,124	-
Tools and supplies	57,039,687	-	228,221,063	-
	302,120,863,600	**-**	**260,944,383,187**	**-**

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Total
	VND	VND	VND	VND	VND
COST					
Opening balance	2,971,486,895,389	8,303,289,960,853	10,492,258,143	36,339,888,588	11,321,609,002,973
Additions	801,804,547	3,610,909,089	-	-	4,412,713,636
Disposals	-	-	-	(2,268,645,232)	(2,268,645,232)
Closing balance	2,972,288,699,936	8,306,900,869,942	10,492,258,143	34,071,243,356	11,323,753,071,377
ACCUMULATED DEPRECIATION					
Opening balance	1,073,503,600,754	4,678,102,820,337	8,009,086,091	24,397,522,655	5,784,013,029,837
Charge for the year	148,201,281,713	536,748,000,001	933,208,299	3,318,017,263	689,200,507,276
Others	-	-	-	(2,268,645,232)	(2,268,645,232)
Closing balance	1,221,704,882,467	5,214,850,820,338	8,942,294,390	25,446,894,686	6,470,944,891,881
NET BOOK VALUE					
Opening balance	**1,897,983,294,635**	**3,625,187,140,516**	**2,483,172,052**	**11,942,365,933**	**5,537,595,973,136**
Closing balance	**1,750,583,817,469**	**3,092,050,049,604**	**1,549,963,753**	**8,624,348,670**	**4,852,808,179,496**

As at 31 December 2019, the cost of fixed assets includes VND 24,718,891,197 (As at 31 December 2018: VND 15,028,177,037) of fixed assets which have been fully depreciated but are still in use.

11. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Total
	VND	VND	VND
COST			
Opening balance	21,602,554,546	9,345,662,875	30,948,217,421
Additions	-	390,000,000	390,000,000
Closing balance	21,602,554,546	9,735,662,875	31,338,217,421
ACCUMULATED DEPRECIATION			
Opening balance	-	6,350,126,058	6,350,126,058
Charge for the year	-	1,525,335,227	1,525,335,227
Closing balance	-	7,875,461,285	7,875,461,285
NET BOOK VALUE			
Opening balance	**21,602,554,546**	**2,995,536,817**	**24,598,091,363**
Closing balance	**21,602,554,546**	**1,860,201,590**	**23,462,756,136**

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, FAST system and the Company's website.

The cost of intangible assets related to computer software includes SAP Business One software which have been fully depreciated as at 31 December 2019 (as at 31 December 2018: still in use).

12. CONSTRUCTION IN PROGRESS

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

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

13. 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 31 December 2019 and 31 December 2018.

Provision for impairment of long-term investments has been made in the basis of Board of Director and accordance to prevailing accounting regulation. The basis for making this provision is Sopewaco's financial statements for the year ended 31 December 2017. As at 31 December 2017, Sopewaco's accumulated loss was higher than its charter capital. Therefore, the Board of Management of the Company decided to make full provision for its long-term investment as at 31 December 2018 and 31 December 2019.

14. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
- Insurance fee for factory and others	3,721,303,771	352,281,290
	3,721,303,771	**352,281,290**
b. Non-current		
- Insurance for credit loans	91,200,943,015	155,588,455,977
- Mobilization, variable and fixed costs of maintenance contracts	114,477,558,023	148,349,903,840
- Overhaul expenses to be allocated	36,738,443,719	87,396,512,987
- Compensation for site clearance	19,374,384,552	-
- Reimbursement of cooling water pumping station	4,093,634,255	8,807,124,802
- Others	504,983,556	2,249,892,738
	266,389,947,120	**402,391,890,344**

Short-term prepayments represent factory 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 year and 9.5 years of payment. Insurance for these loans is allocated using the straight-line method over the term of long-term loans.

- Mobilization cost, variable costs and fixed costs of maintenance contract: The maintenance contract No. 68/2011/PVPOWER NT2 – PVPS between PetroVietnam Nhon Trach 2 Joint Stock Company and PetroVietnam Power Technical Services Joint Stock Company is to maintain the major equipment and machinery in Nhon Trach 2 Combined Cycle Power Plant for 11.7 years or 100,000 equivalent operation hours (EOH) for each operator. Mobilization cost, variable cost and fixed costs had been paid before Nhon Trach 2 Combined Cycle Power Plant started operating commercially and these costs are allocated to the income statement in the year based on the actual EOH.

- Overhaul expenses of Nhon Trach 2 Combined Cycle Power Plant arose when the plant reached 50,000 EOH and the Company had to perform overhaul according to specifications. Value of final settlement for overhaul expenses for Nhon Trach 2 Combined Cycle Power Plant at 50,000 EOH is VND 163.1 billion. Accordingly, this expense was recognized and allocated to the income statement for the next 25,000 EOH for the each operator.

- The reimbursement of cooling water pumping station Nhon Trach 2 Power Plant: The company has received 10,906.8 m2 of land area for Nhon Trach 2 Power Plant cooling station and reimbursed the PetroVietnam Nhon Trach Power Company an amount of VND 14,153,385,314, this amount is allocated over a year of 3 years at the time reimbursement was recognized as at 13 November 2017.

- The Company has advanced land rental through compensation for site clearance which was corresponding to the area rented. The Company has transferred the long-term receivable to prepaid expenses in order to allocate to the expenses during the land lease term.

15. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
		VND		VND
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
a. Short-term trade payables to third parties				
- Other suppliers	5,864,582,766	5,864,582,766	11,741,423,618	11,741,423,618
	5,864,582,766	**5,864,582,766**	**11,741,423,618**	**11,741,423,618**
b. Short-term trade payables to related parties				
- PetroVietnam Gas Joint Stock Corporation	72,996,825,509	72,996,825,509	471,792,639,868	471,792,639,868
- PetroVietnam Power Technical Services Joint Stock Company	111,227,827,158	111,227,827,158	88,558,206,867	88,558,206,867
- 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	122,971,800	122,971,800	62,343,225	62,343,225
	189,201,162,351	**189,201,162,351**	**560,867,593,386**	**560,867,593,386**
	195,065,745,117	**195,065,745,117**	**572,609,017,004**	**572,609,017,004**

16. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance VND	Payable during the year VND	Paid during the year VND	Closing balance VND
Value added tax	150,950,122,626	179,080,876,216	188,359,609,783	141,671,389,059
Imported tax	-	283,113,046	283,113,046	-
Corporate income tax	16,828,929,657	47,154,581,167	38,974,379,485	25,009,131,339
Personal income tax	326,215,875	7,371,269,443	6,999,593,864	697,891,454
Natural resources tax	3,317,130,990	48,912,605,160	48,471,142,830	3,758,593,320
Other tax	5,346,738,811	19,473,153,580	20,973,510,954	3,846,381,437
	176,769,137,959	**302,275,598,612**	**304,061,349,962**	**174,983,386,609**

17. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Fuel expense	761,569,541,610	995,935,139,125
Maintenance expenses	97,556,035,947	78,227,659,761
Accrual interest expenses	3,994,848,018	7,416,980,997
Rental land	35,740,220	10,525,498,569
Other accruals	681,167,605	1,799,368,804
	863,837,333,400	**1,093,904,647,256**

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 November and December has not been issued invoice at the balance sheet date yet and is recognized according to the advance notice from the Southeast Gas Transport Company.

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

18. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance 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 (Note 22)	294,625,234,611	265,633,279,301
Other payables	495,171,300	333,400,000
	334,398,690,285	**305,244,963,675**

19. SHORT-TERM LOANS

	Opening balance		In the year			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 – Dong Nai Branch	330,000,000,000	330,000,000,000	960,000,000,000	-	990,000,000,000	300,000,000,000	300,000,000,000
Ho Chi Minh City Development Joint Stock Commercial Bank – Cong Hoa Branch	-	-	168,193,162,882	-	168,193,162,882	-	-
Current portion of long-term loans (see Note 20)	1,060,766,996,596	1,060,766,996,596	1,056,853,216,716	(12,502,341,302)	1,055,339,662,689	1,049,778,209,321	1,049,778,209,321
	1,390,766,996,596	**1,390,766,996,596**	**2,185,046,379,598**	**(12,502,341,302)**	**2,213,532,825,571**	**1,349,778,209,321**	**1,349,778,209,321**

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 31 December 2019 has a term from 02 November 2019 to 31 January 2020 and beared interest rate of 5.1% per annum. The interest is paid on the 25th each month and the principal will be paid at the end of the loan term.

20. LONG-TERM LOANS

	Opening balance		In the year			Closing balance	
		VND			VND		VND
	Amount	Amount able to be paid off	Increases	Foreign exchange difference	Decreases	Amount	Amount able to be paid off
Long-term loans	1,558,084,380,674	1,558,084,380,674	-	(8,896,960,719)	1,056,853,216,716	492,334,203,239	492,334,203,239
	1,558,084,380,674	**1,558,084,380,674**	**-**	**(8,896,960,719)**	**1,056,853,216,716**	**492,334,203,239**	**492,334,203,239**

As at 22 July 2010 and 23 July 2010, the Company entered into long-term loan contracts having total credit limit of USD 215,380,981 and EUR 202,585,883 with sponsoring banks - HERMES, CIRR, NEXI and Citibank of which Citibank is the representative. These loans are guaranteed by the Government of Vietnam and insured by HERMES and NEXI. The loan bears interest rate of 6 - month Euribor and 6 - month Libor plus the adjustment. The principal and interest are paid every 6 months in which the principal is paid in 19 installments within 9.5 years and the first payment was on 1 June 2012. The outstanding principal amounts as at 31 December 2019 are USD 33,455,416 and EUR 29,774,985 respectively (As at 31 December 2018: USD 55,932,197 and EUR 50,310,391).

Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	1,049,778,209,321	1,060,766,996,596
In the second year	492,334,203,239	1,060,766,996,596
In the third to fifth year inclusive	-	497,317,384,078
	1,542,112,412,560	2,618,851,377,270
Less: Amount due for settlement within 12 months	(1,049,778,209,321)	(1,060,766,996,596)
Amount due for settlement after 12 months	**492,334,203,239**	**1,558,084,380,674**

21. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

According to the Decision No. 11/QD-CPNT2 dated 28 March 2019 of the Board of Directors, the Company has reimbursed the Science and technology development fund appropriated in 2015 with the amount of VND 37,000,000,000 during the year ended 31 December 2019.

22. OWNERS' EQUITY

Shares	Closing balance VND	Opening balance VND
Number of shares issued to the public	287,876,029	287,876,029
Ordinary shares	*287,876,029*	*287,876,029*
Number of outstanding shares in circulation	287,876,029	287,876,029
Ordinary shares	*287,876,029*	*287,876,029*

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%
	2,878,760,290,000	**100%**	**2,878,760,290,000**	**100%**

Movement in owners' equity:

	Owner's contributed capital	Share premium	Investment and Development fund	Retained earnings	Total
	VND	VND	VND	VND	VND
Prior year's opening balance	2,878,760,290,000	(457,500,000)	137,294,913,354	1,969,624,367,294	4,985,222,070,648
Fund appropriation	-	-	-	(13,500,000,000)	(13,500,000,000)
Profit for the year	-	-	-	782,158,287,645	782,158,287,645
Dividends declared	-	-	-	(2,070,404,400,568)	(2,070,404,400,568)
					-
Current year's opening balance	2,878,760,290,000	(457,500,000)	137,294,913,354	667,878,254,371	3,683,475,957,725
Profit for the year	-	-	-	754,170,713,463	754,170,713,463
Fund appropriation from profit of year 2018	-	-	-	(22,832,000,000)	(22,832,000,000)
Advance dividends from profit of year 2019	-	-	-	(287,876,029,000)	(287,876,029,000)
Current year's closing balance	**2,878,760,290,000**	**(457,500,000)**	**137,294,913,354**	**1,111,340,938,834**	**4,126,938,642,188**

According to the Resolution No. 07/QD-CPNT2 of the Company on 24 April 2019, the General Shareholders have approved the plan of approrpriation for retained earnings of year 2018, in which dividends is declared by the the rate of 24%/par value (equivalent to VND 690,902,469,600) and Bonus and welfare fund, rewards for Executive Board is approrptiated with the amount of VND 22,832,000,000. Dividend noted as above has been announced and advanced by the Board of Directors of the Company and adjusted to retained earnings in the financial statements for the year ended 31 December 2018. During the year 2019, the Company has appropriated for Bonus and welfare fund, rewards for Executive Board with the amount of VND 22,832,000,000. According to the this Resolution, the General Shareholders has approved the plan of appropriation for retained earning of year 2019, in which dividend is declared at the rate of 25%/par value, Bonus and welfare fund, and rewards for Executive Board is appropriated with the amount of VND 22,832,000,000 from retained earnings of 2019 of the Company.

According to Resolution No. 20/NQ-CPNT2 dated 27 December 2019 of Board of Directors, the Company has advanced the dividend by cash first time from retained earnings of 2019 of the Company with proportion of 10% of a share, equivalent to VND 1,000 per share for existing Shareholders of the Company. Accordingly, a corresponding amount of VND 287,876,029,000 was decreased from the undistributed after-tax profit of 2019 at the end of the financial year. The Company also completed payment of this dividend advance on 31 January 2020.

The final figures relating to dividend declaration from porfit aftet tax of year 2019 and the appropriation for Bonus and welfare funds and rewards for Executive Board incurred during the year are approved by General Shareholders of the Company.

23. OFF BALANCE SHEET ITEMS

	Closing balance	Opening balance
United States Dollar	39.79	194.18
Euro	0.04	8.4

24. BUSINESS AND GEOGRAPHICAL SEGMENTS

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

25. NET REVENUE FROM GOODS SOLD

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

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

26. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	5,406,690,922,806	5,386,908,653,872
Labour	81,692,713,322	81,514,154,258
Depreciation and amortisation	690,277,501,502	694,042,769,081
Out-sourced services	518,526,410,637	521,191,866,866
Other monetary expenses	68,905,714,872	72,201,371,420
	6,766,093,263,139	**6,755,858,815,497**

27. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank and loan interest	18,720,308,667	42,556,011,703
Foreign exchange gain	29,057,752,489	30,781,258,840
- Realised Foreign exchange gain	*13,054,025,504*	*17,958,761,018*
- Unrealised Foreign exchange gain	*16,003,726,985*	*12,822,497,822*
	47,778,061,156	**73,337,270,543**

28. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	87,817,040,732	104,764,750,280
Insurance for long-term loans	64,387,512,962	64,387,512,962
Guarantee fee for long-term loans	5,795,680,745	8,483,657,705
Foreign exchange loss	4,355,321,635	11,422,865,102
Other financial expenses	5,801,448,065	3,419,855,295
	168,157,004,139	**192,478,641,344**

29. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Management staff	36,946,604,882	35,691,402,274
Office supplies	1,601,804,048	2,213,996,051
Depreciation and amortisation	9,486,633,981	9,602,164,369
Taxes, fees and charges	332,344,693	693,582,758
Out-sourced services	28,848,513,653	39,276,023,273
Others	9,583,973,735	13,929,777,353
	86,799,874,992	**101,406,946,078**

30. OTHER INCOMES

	Current year VND	Prior year VND
Reverting the periodic maintenence accruals	-	27,885,881,426
Reversal of science and technology development fund set up in 2015	37,000,000,000	-
Adjustments of assets used for producing and purchased by Science and technology development fund	-	1,101,102,307
Proceeds from disposals of fixed assets	732,541,363	-
Others	1,607,388,991	1,916,714,598
	39,339,930,354	**30,903,698,331**

31. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	40,800,594,884	40,506,485,956
Adjustments for corporate income tax expense in previous years to the current year	6,353,986,283	-
Total current corporate income tax expense	**47,154,581,167**	**40,506,485,956**

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

	Current year			Prior year
	Main activities *VND*	*Other activities* *VND*	Total VND	Total VND
Profit before tax	804,220,119,655	(6,831,870,196)	797,388,249,459	823,828,825,705
Less: non-taxable income	-	-	-	(23,281,130,509)
Add back: non-deductible expenses	4,085,691,845	8,758,391,739	12,844,083,584	4,552,332,730
Taxable profit	808,305,811,500	1,926,521,543	810,232,333,043	805,100,027,926
Tax rate	5%	20%		
Corporate income tax expense based on taxable profit in the current year	**40,415,290,575**	**385,304,309**	**40,800,594,884**	**40,506,485,956**

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 9th profit making year of the Company from electricity production and trading, and the fourth year of 50% tax reduction.

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

32. BASIC EARNINGS PER SHARE

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

	Current year VND	Prior year VND
Accounting profit after corporate income tax	754,170,713,463	782,158,287,645
Bonus and welfare fund appropriation (*)	22,832,000,000	22,832,000,000
Profit after tax for calculating earnings per share	731,338,713,463	759,326,287,645
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	**2,540**	**2,638**

(*) The Bonus and welfare fund appropriation for the year ended 31 December 2018 is recalculated and restated in accordance to Resolution No. 07/QĐ-CPNT2 dated 24 April 2019 approved by General Shareholders' Meeting. The detail of restatement of Bonus and welfare fund appropriation for recalculation the basic earnings per share is as follows:

Item (1)	Reported amount (2) VND	Restatement (3) VND	Net change (2)-(3) VND
Profit after tax	782,158,287,645	782,158,287,645	-
Bonus and welfare fund appropriation	28,400,000,000	22,832,000,000	5,568,000,000
Profit after tax for calculating earnings per share	753,758,287,645	759,326,287,645	(5,568,000,000)
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	**2,618**	**2,638**	**(19)**

(*) Bonus and welfare fund used to calculate basic earnings per share for the year ended 31 December 2019 is estimated based on the Resolution No. 07/NQ-CPNT2 dated 24 April 2019 approved by the General Shareholders of the Company. According to this Resolution, the Company has a plan to appropriate an amount of VND 22,832,000,000 for Bonus and welfare fund.

33. 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.

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 acording to the terms of this contract and appendicies 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.

34. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 19, 20 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 balance sheet date was as follows:

	Closing balance	Opening balance
	VND	VND
Borrowings	1,842,112,412,560	2,948,851,377,270
Less: Cash and cash equivalents	450,964,667,264	65,113,935,464
Net debt	1,391,147,745,296	2,883,737,441,806
Equity	4,126,938,642,188	3,683,475,957,725
Net debt to equity ratio	**0.34**	**0.78**

Significant accounting policies

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

Categories of financial instruments

	Carrying amounts		Fair value	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
Financial assets				
Cash and cash equivalents	450,964,667,264	65,113,935,464	450,964,667,264	65,113,935,464
Trade and other receivables	1,403,029,721,005	2,498,281,031,754	1,403,029,721,005	2,498,281,031,754
Short-term financial investments	200,490,790,416	490,790,416	200,490,790,416	490,790,416
	2,054,485,178,685	**2,563,885,757,634**	**2,054,485,178,685**	**2,563,885,757,634**
Financial liabilities				
Borrowings	1,842,112,412,560	2,948,851,377,270	1,842,112,412,560	2,948,851,377,270
Trade and other payables	529,464,435,402	877,853,980,679	529,464,435,402	877,853,980,679
Accrued expenses	863,837,333,400	1,093,904,647,256	863,837,333,400	1,093,904,647,256
	3,235,414,181,362	**4,920,610,005,205**	**3,235,414,181,362**	**4,920,610,005,205**

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC 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 audited 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 year are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
United States Dollar ("USD")	919,547	4,496,238	773,154,656,365	1,295,110,095,367
Euro ("EUR")	1,033	221,017	770,645,978,402	1,325,408,058,302

Foreign currency sensitivity analysis

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

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

	Current year VND	Prior year VND
United States Dollar ("USD")	7,731,537,368	12,951,055,991
Euro ("EUR")	7,689,577,552	13,254,078,373

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 balance sheet date were the outstanding amount for the whole year, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Company's profit before tax for the year from 01 January 2019 to 31 December 2019 would have decreased/increased by VND 30,842,248,251 (in 2018: VND 52,377,027,545).

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. The Company has managed this risk by signing the monopoly and long term contracts to minimize the change of unit price of gas during the period of business.

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 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 year from 01 January 2019 to 31 December 2019.The Company has only one client to be EPTC and has no overdue of receivables relevant to selling the electricity from the beginning of operation until now. As such, The Board of Management has considered that there is no risk relevant to amount of receivable from EPTC. 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.

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 year is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. 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 years. 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	Total VND
31/12/2019			
Cash and cash equivalents	450,964,667,264.00	-	450,964,667,264
Trade and other receivables	1,403,029,721,005.00	-	1,403,029,721,005
Short-term financial investments	200,490,790,416.00	-	200,490,790,416
	2,054,485,178,685	**-**	**2,054,485,178,685**
31/12/2019			
Borrowings	1,349,778,209,321.00	492,334,203,239.00	1,842,112,412,560
Trade and other payables	529,464,435,402.00	-	529,464,435,402
Accrued expenses	863,837,333,400.00	-	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)**

	Less than 1 year VND	From 1 - 5 years VND	Total VND
31/12/2018			
Cash and cash equivalents	65,113,935,464	-	65,113,935,464
Trade and other receivables	2,460,628,324,754	37,652,707,000	2,498,281,031,754
Short-term financial investments	490,790,416	-	490,790,416
	2,526,233,050,634	**37,652,707,000**	**2,563,885,757,634**
31/12/2018			
Borrowings	1,390,766,996,596	1,558,084,380,674	2,948,851,377,270
Trade and other payables	877,853,980,679	-	877,853,980,679
Accrued expenses	1,093,904,647,256	-	1,093,904,647,256
	3,362,525,624,531	**1,558,084,380,674**	**4,920,610,005,205**
Net liquidity gap	**(836,292,573,897)**	**(1,520,431,673,674)**	**(2,356,724,247,571)**

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

35. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

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

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

	Current year VND	Prior year VND
Purchases		
PetroVietnam Gas Joint Stock Corporation	5,537,729,629,023	5,123,729,157,388
PetroVietnam Power Technical Services Joint Stock Company	44,818,833,106	41,598,110,240
PetroVietnam Insurance Joint Stock Corporation	35,647,493,379	47,408,605,809
PetroVietnam Oil and Gas Group	8,238,288,257	8,534,388,665
Petrovietnam Maintenance and Repair Corporation (PVMR)	-	641,327,273
PetroVietnam Nhon Trach Power Company	1,028,658,125	987,626,125
PetroVietnam Power Corporation	-	145,853,158
Drilling Mud Corporation	1,649,859,199	-
PVcomBank	-	304,924,059
Petrovietnam Manpower Training College	277,000,000	-
PetroVietnam Securities Incorporated	-	20,000,000
Financial income		
Interest income from time deposits at PVcomBank	17,064	30,374
Dividend paid		
PetroVietnam Power Corporation	153,833,472,000	1,075,466,895,360

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

	Current year VND	Prior year VND
Salaries	9,397,682,223	10,178,870,198
	9,397,682,223	**10,178,870,198**

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

	Closing balance VND	Opening balance VND
Advance to suppliers		
PetroVietnam Power Technical Services Joint Stock Company	49,466,276,435	59,576,165,651
Payables		
PetroVietnam Gas Joint Stock Corporation	72,996,825,509	471,792,639,868
PetroVietnam Power Technical Services Joint Stock Company	111,227,827,158	88,558,206,867
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	122,971,800	62,343,225
Accrued expense		
PetroVietnam Gas Joint Stock Corporation	761,569,541,610	995,935,139,125
Other payables		
Petro Vietnam Gas Joint Stock Corporation	39,278,284,374	39,278,284,374

36. CONTINGENT ASSETS AND LIABILITIES

According to Resolution No. 1944/NQ-DKVN dated 2 April 2018 of Vietnam Oil and Gas Group on the termination of application of PVN's Resolution No. 1827/NQ-DKVN dated 19 March 2013 on acceptance of the accounting revenues/expenses related to the delay in payment of electricity/gas bills. The Company thereon will have to record late payment interest from Electricity Power Trading Company ("EPTC") and recognize payables to PetroVietnam Gas Joint Stock Corporation ("PV GAS") based on the number of days delayed/overdue as prescribed in contracts and appendices the Company signed with PV GAS ("Gas sales contract") and with EPTC ("Electricity sales contract"). The Company has worked with EPTC of Vietnam Electricity ("EVN") and PV GAS on contract performance and is negotiating with Vietnam Oil and Gas Group as well as the parent company - PetroVietnam Power Corporation whether methods and feasibility of Resolution No. 1944/NQ-DKVN are applicable for late payment interest arising in previous years/years 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 financial statements for the year ended 31 December 2019.

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 the 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.

37. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the year excluded an amount of VND 1,935,023,498 (in 2018: VND 272,886,927), representing accrued interest during the year that has not been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Interest paid during the year excluded an amount of VND 3,994,848,018 (in 2018: VND 7,416,980,997) 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 year excluded an amount of VND 294,625,234,611 (in 2018: VND 265,633,279,301) representing dividends and profits have not been paid fully to shareholders. Consequently, changes in accounts payable have been adjusted by the same amount.

38. COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's figures to enhance their comparability with the current year's presentation. Details are as follows:

	Previously reported amount	Reclassification	Amount after reclassification
	VND	VND	VND
Changes in short-term trade payables	1,568,544,156,129	(995,935,139,125)	572,609,017,004
Changes in short-term accrued expense	97,969,508,131	995,935,139,125	1,093,904,647,256

Le Van Tu	Le Viet An	Ngo Duc Nhan
Preparer	Chief Accountant	Director
		29 February 2020