

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

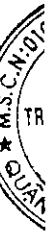
(Incorporated in the Socialist Republic of Vietnam)

REVIEWED INTERIM FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2018

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors 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 2018.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Uong Ngoc Hai	Chairman
Ms. Nguyen Thi Ha	Member
Mr. Luong Ngoc Anh	Member
Mr. Phan Dai Thanh	Member (Resigned on 19 April 2018)
Ms. Nguyen Thi Thanh Huong	Member (Resigned on 19 April 2018)
Mr. Tran Quang Thien	Member (Appointed on 24 April 2018)
Mr. Ngo Duc Nhan	Member (Appointed on 24 April 2018)

Board of Directors

Mr. Ngo Duc Nhan	Director (Appointed on 02 April 2018)
Mr. Tran Quang Thien	Deputy Director (Resigned on 24 April 2018)
Mr. Tran Quang Man	Deputy Director
Mr. Nguyen Ngoc Hai	Deputy Director
Mr. Trinh Viet Thang	Deputy Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

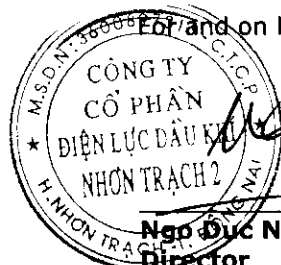
The Board of Directors of the Company is responsible for preparing the interim financial statements, which give a true and fair view of the financial position of the Company as at 30 June 2018 and its financial performance and its cash flows for the 6-month period ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these interim financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the 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 Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the interim financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

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

For and on behalf of the Board of Directors,



Ngô Đức Nhân
Director

31 July 2018

No. *AM2* /VN1A-HC-BC

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: **Shareholders**
The Boards of Management and Directors
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 31 July 2018 as set out from page 3 to page 28, which comprise the interim balance sheet as at 30 June 2018, 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 Directors' Responsibility for the Interim Financial Statements

The Board of Directors 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 Directors 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 give a true and fair view of the financial position of the Company as at 30 June 2018, 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.



Võ Thái Hoa
Audit Partner
Audit Practising Registration Certificate
No. 0138-2018-001-1
BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED
31 July 2018
Ho Chi Minh City, S.R. Vietnam

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INTERIM BALANCE SHEET
As at 30 June 2018

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		3,570,282,716,376	3,101,036,352,909
I. Cash and cash equivalents	110	4	755,316,977,104	145,968,678,560
1. Cash	111		51,316,977,104	75,968,678,560
2. Cash equivalents	112		704,000,000,000	70,000,000,000
II. Short-term financial investments	120	5	478,000,000	900,000,000,000
1. Held-to-maturity investments	123		478,000,000	900,000,000,000
III. Short-term receivables	130		2,554,017,461,382	1,795,329,283,333
1. Short-term trade receivables	131	6	2,445,515,726,871	1,682,184,444,895
2. Short-term advances to suppliers	132		65,177,448,742	67,873,214,457
3. Other short-term receivables	136	7	43,324,285,769	45,271,623,981
IV. Inventories	140		259,927,919,886	259,378,183,413
1. Inventories	141	8	259,927,919,886	259,378,183,413
V. Other short-term assets	150		542,358,004	360,207,603
1. Short-term prepayments	151	13	542,358,004	360,207,603
B. NON-CURRENT ASSETS	200		6,433,785,047,624	6,863,073,281,689
I. Long-term receivables	210		37,652,707,000	37,652,707,000
1. Other long-term receivables	216	7	37,652,707,000	37,652,707,000
II. Fixed assets	220		5,903,230,048,358	6,246,942,913,088
1. Tangible fixed assets	221	9	5,877,869,169,180	6,220,939,145,368
- Cost	222		11,311,963,520,847	11,311,963,520,847
- Accumulated depreciation	223		(5,434,094,351,667)	(5,091,024,375,479)
2. Intangible assets	227	10	25,360,879,178	26,003,767,720
- Cost	228		30,948,217,421	30,823,217,421
- Accumulated amortisation	229		(5,587,338,243)	(4,819,449,701)
III. Long-term assets in progress	240		2,823,218,182	3,660,751,905
1. Construction in progress	242	11	2,823,218,182	3,660,751,905
IV. Long-term financial investments	250	12	-	-
1. Equity investments in other entities	253		11,140,000,000	11,140,000,000
2. Provision for impairment of long-term financial investments	254		(11,140,000,000)	(11,140,000,000)
V. Other long-term assets	260		490,079,074,084	574,816,909,696
1. Long-term prepayments	261	13	488,664,205,058	573,652,857,592
2. Deferred tax assets	262	14	1,414,869,026	1,164,052,104
TOTAL ASSETS (270=100+200)	270		10,004,067,764,000	9,964,109,634,598

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

INTERIM BALANCE SHEET (Continued)

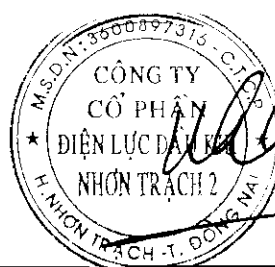
As at 30 June 2018

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		6,340,008,638,894	4,978,887,563,950
I. Current liabilities	310		4,180,754,285,020	2,283,994,389,470
1. Short-term trade payables	311	15	1,553,576,689,853	921,725,227,019
2. Taxes and amounts payable to the State budget	313	16	150,262,954,887	109,836,787,507
3. Payables to employees	314		9,740,083,178	22,832,675,474
4. Short-term accrued expenses	315	17	109,289,852,979	103,655,933,906
5. Other current payables	319	18	1,280,447,319,063	44,580,478,404
6. Short-term loans	320	19	1,062,335,768,968	1,066,152,126,657
7. Bonus and welfare funds	322		15,101,616,092	15,211,160,503
II. Long-term liabilities	330		2,159,254,353,874	2,694,893,174,480
1. Long-term loans	338	19	2,091,323,476,153	2,631,620,466,530
2. Long-term provisions	342	20	28,297,380,510	23,281,042,069
3. Scientific and technological development fund	343		39,633,497,211	39,991,665,881
D. EQUITY	400		3,664,059,125,106	4,985,222,070,648
I. Owners' equity	410	21	3,664,059,125,106	4,985,222,070,648
1. Owners' contributed capital	411		2,878,760,290,000	2,878,760,290,000
- Ordinary shares carrying voting rights	411a		2,878,760,290,000	2,878,760,290,000
2. Share premium	412		(457,500,000)	(457,500,000)
3. Investment and development fund	418		137,294,913,354	137,294,913,354
4. Retained earnings	421		648,461,421,752	1,969,624,367,294
- Retained earnings accumulated to the prior year end	421a		576,622,436,326	1,461,987,273,962
- Retained earnings of the current period/year	421b		71,838,985,426	507,637,093,332
TOTAL RESOURCES (440=300+400)	440		10,004,067,764,000	9,964,109,634,598

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngô Đức Nhân
Director
31 July 2018

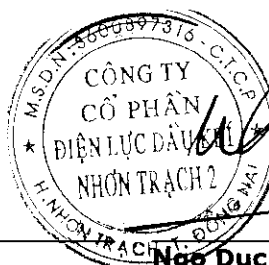
INTERIM INCOME STATEMENT
 For the 6-month period ended 30 June 2018

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold	01		4,029,673,555,887	3,549,966,684,675
2. Net revenue from goods sold (10=01)	10	24	4,029,673,555,887	3,549,966,684,675
3. Cost of sales	11		3,405,301,582,561	2,759,164,261,777
4. Gross profit from from goods sold (20=10-11)	20		624,371,973,326	790,802,422,898
5. Financial income	21	26	53,189,962,600	32,557,061,448
6. Financial expenses	22	27	92,769,166,145	290,450,867,186
- In which: Interest expense	23		51,050,788,618	64,619,433,847
7. General and administration expenses	26	28	54,787,177,810	53,347,776,868
8. Operating profit (30 = 20+(21-22)-26)	30		530,005,591,971	479,560,840,292
9. Other income	31		929,346,079	1,033,641,556
10. Other expenses	32		558,146,520	101,102,441
11. Profit from other activities (40=31-32)	40		371,199,559	932,539,115
12. Accounting profit before tax (50=30+40)	50		530,376,791,530	480,493,379,407
13. Current corporate income tax expense	51	29	26,974,579,526	24,486,886,586
14. Deferred corporate tax income	52		(250,816,922)	(309,002,707)
15. Net profit after corporate income tax (60=50-51-52)	60		503,653,028,926	456,315,495,528
16. Basic earnings per share	70	30	1,700	1,541

Le Van Tu
Preparer

Le Viet An
Chief Accountant



Ngô Đức Nhân
Director
31 July 2018

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INTERIM CASH FLOW STATEMENT
For the 6-month period ended 30 June 2018

Unit: VND

I. CASH FLOWS FROM OPERATING ACTIVITIES

1. Profit before tax	01	530,376,791,530	480,493,379,407
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	343,466,424,072	343,384,162,444
Provisions	03	5,016,338,441	6,180,054,140
Foreign exchange (Gain)/Loss	04	(11,053,456,628)	165,541,758,776
Gain from investing activities	05	(32,500,823,308)	(32,784,013,605)
Interest expense	06	51,050,788,618	64,619,433,847
3. Operating profit before movements in working capital	08	886,356,062,725	1,027,434,775,009
Changes in receivables	09	(760,702,018,606)	2,042,983,382,690
Changes in inventories	10	(549,736,473)	(20,156,749,386)
Changes in payables	11	645,988,708,778	(2,022,399,016,194)
Changes in prepaid expenses	12	84,806,502,133	74,752,981,482
Interest paid	14	(50,936,754,904)	(67,101,489,396)
Corporate income tax paid	15	(11,385,935,269)	(29,778,892,999)
Other cash outflows	17	(13,596,272,423)	(12,903,006,147)
Net cash generated from operating activities	20	779,980,555,961	992,831,985,059

II. CASH FLOWS FROM INVESTING ACTIVITIES

1. Acquisition and construction of fixed assets	21	(125,000,000)	(1,923,402,927)
2. Proceeds from disposal of fixed assets	22	-	602,113,636
3. Cash outflow for lending, buying debt instruments of other entities	23	-	(460,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	899,522,000,000	-
5. Interest earned	27	34,927,141,224	26,847,886,079
Net cash generated from investing activities	30	934,324,141,224	(434,473,403,212)

III. CASH FLOWS FROM FINANCING ACTIVITIES

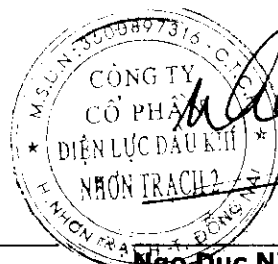
1. Proceeds from share issue	31	-	30,000,000,000
2. Repayment of borrowings	34	(529,487,441,304)	(798,113,987,040)
3. Dividends paid	36	(575,469,015,570)	(601,920,781,585)
Net cash generated from financing activities	40	(1,104,956,456,874)	(1,370,034,768,625)
Net increase/(decrease) in cash during the period (50=20+30+40)	50	609,348,240,311	(811,676,186,778)
Cash and cash equivalents at the beginning of the period	60	145,968,678,560	1,398,468,310,099
Effects of changes in foreign exchange rates	61	58,233	8,959
Cash and cash equivalents at the end of the period (70=50+60+61)	70	755,316,977,104	586,792,132,280



Le Van Tu
Preparer



Le Viet An
Chief Accountant



Ngô Đức Nhân
Director
31 July 2018

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 2018 was 185 (As at 31 December 2017: 186).

Operating industry

The business operations of the Company are:

- Production, transmission and contribution of power;
- Directly support services in marine transportation;
- Wholesale of solid fuel, liquid, gas and other relative products;
- Warehouse and products storage;
- Road transportation;
- Architecture and technical consultants;
- Wholesale of equipment, material and other spare parts;
- Professional activities, sciences and other technology;
- Professional education;
- Providing services in 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 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 2017. 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 2017.

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 Directors 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 Directors' best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets

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

Financial liabilities

At the date of initial recognition financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise borrowings, trade 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 accounts for the bank deposits with over 03 months and less than 1 year terms.

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

Held-to-maturity investments are measured at cost less provision for doubtful debts.

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 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 recognised 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 term of the relevant lease.

Intangible assets and amortisation

Intangible assets represent land use rights and software. Value of infinite land use rights are stated at cost and not amortised. Software is amortised 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 prepayment represents for insurance fee for factory and others allocated within 1 year.

Long-term prepayments comprise of insurance fees for long-term loans; mobilization fee, variable fee, fixed fee and loan interest expenditure to finance the maintenance contracts of machinery and equipment; major maintenance expenditure for Nhon Trach 2 Combined Cycle Power Plant and other long-term prepayments.

Detailed information about long-term prepayments related to insurance fees for long-term loans; mobilization fee, variable fee and fixed fee of maintenance contracts of machinery and equipment; major maintenance expenditure for Nhon Trach 2 Combined Cycle Power Plant and loan interest expense to finance the maintenance contract are disclosed in Note 13.

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

Payable provisions

Payable provisions are recognised 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 Directors' 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 recognised 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.

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Revenue from selling electricity is recognized monthly based on electricity output distributing to the National Grid, which has confirmed monthly by Electric Power Trading Company (EPTC) multiply with the official electricity price specified in the amendment and supplement contract No. 08 dated 30 December 2016 of the Power Purchase Contract No. 07/2012/HD-NMD-NT2 ("Contract No. 07"), which was signed on 6 July 2012 and appendixs and the amendment and supplement contract of Contract No. 07 above. Electric Power Trading Company (EPTC) is notified about this revenue in advance and differences arising are recognized in the current accounting period when the Company determine the exact revenue based on the 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

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" and Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 issued by Vietnam Oil and Gas Group applied for its subsidiaries and affiliates. Vietnam Oil and Gas Group received Official Letter No. 7526/BTC-TCDN dated 8 June 2015 from the Ministry of Finance allowing them to apply the foreign exchange rates of Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate transactions arising in foreign currencies and revalue the balances of monetary items denominated in foreign currencies as at the interim balance sheet date. Accordingly, transactions arising in foreign currencies are retranslated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the interim balance sheet date are translated at the buying exchange rate announced on the same date by Joint Stock Commercial Bank for Foreign Trade of Vietnam. Exchange differences are recognised in the interim income statement.

Fund Distribution And Dividend Issuance

Dividends distributed to the Company's shareholders are recognized as payables in the financial statements of the Company in which dividends shall be approved by the shareholders of the Company. Dividends advances in 2018 were confirmed by the Board of Directors to be paid to shareholders based on (i) current and expected business result in next year, (ii) the expected dividends in 2018 approved in the Annual General Shareholders' Meeting and (iii) ensuring compliance with the Charter of the Company and the legal regulations of Vietnam as well as retaining the balance of funds for payment and other financial obligations after the dividend advances.

The finalized number related to distribution of the above funds from its profit after tax distribution plan for 2018 which will be approved in the Company's Annual General Shareholders' meeting.

Borrowing costs

Borrowing costs are recognised in the interim income statement when incurred unless they are capitalised 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.

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Deferred tax is recognised 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 utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset 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	50,720,321	120,412,220
Demand deposits	51,266,256,783	75,848,266,340
Cash equivalents	704,000,000,000	70,000,000,000
	<u>755,316,977,104</u>	<u>145,968,678,560</u>

Cash equivalents represent term deposits in commercial banks in Vietnam Dong with the terms less than 3 months and earn the interest rates from 5% to 5.3% per annum (As at 31 December 2017: from 5% to 5.5% per annum). These deposits at bank are automatically renewed if the Company does not require final settlement at the maturity date.

5. SHORT-TERM FINANCIAL INVESTMENTS

Short-term financial investments as at the period end represent held-to-maturity investments (as at 31 December 2017: VND 900,000,000,000), specifically, the deposits have the terms from 4 to 6 months and earn the interest rates from 5.1% to 6% per annum.

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Electric Power Trading Company (EPTC)	2,445,497,044,484	1,682,136,342,319
Others	18,682,387	48,102,576
	<u>2,445,515,726,871</u>	<u>1,682,184,444,895</u>

(*) Short-term trade receivables from customers mainly represent estimated amount collected from Electric Power Trading Company (EPTC) up to 30 June 2018 that has not been issued invoice (1,471 Bil VND) following the official electricity prices specified in the Power Purchase Contract No. 07/2012/HD-NMD-NT2 dated 06 July 2012 and other amendments; and the additional electricity amount according to official electricity prices of Nhon Trach 2 Combined Cycle Power Plant for the period from 01 May 2012 to 31 December 2013 which had collection term under 12 months (164.5 billion VND). The Board of Directors assessed and believed that the Company shall collect the entire outstanding amount above.

7. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Current		
	42,153,554,457	42,153,554,457
Late payment interest income from EPTC (*)		
Accrued interests	909,242,778	2,923,083,335
Advances to employees	209,000,000	124,000,000
Deposits and mortgages	10,000,000	10,000,000
Other receivables	42,488,534	60,986,189
	<u>43,324,285,769</u>	<u>45,271,623,981</u>
b. Non-current		
Compensations for site clearance	37,652,707,000	37,652,707,000
	<u>37,652,707,000</u>	<u>37,652,707,000</u>

(*) Other short-term receivables represent interests due to late payment from Electric Power Trading Company (EPTC).

Other long-term receivables represent compensations for site clearance which shall be deducted in rental fee which will be paid to the Government in the future in accordance with the Land Law. These receivables are classified from cost of tangible fixed assets to other long-term receivables in accordance with Decision No. 35/QĐ-CPNT2 dated 23 May 2011 issued by the Board of Management of PetroVietnam Nhon Trach 2 Power Joint Stock Company.

On 20 October 2014, the Company signed a land lease contract No. 122/HĐTĐ with the People's Committee of Dong Nai Province with total land area of 423,912.8 m². However, the Company has not received any notice of the offset compensation costs clearance and land rental payable from State at the date of this report.

8. INVENTORIES

Inventories as at 30 June 2018 and 31 December 2017 comprise DO oil which has been stored in warehouses and used in electricity production and materials which have been used for maintenance and the commercial operation of Nhon Trach 2 Combined Cycle Power Plant.

9. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	<u>Buildings and structures</u> VND	<u>Machinery and equipment</u> VND	<u>Motor vehicles</u> VND	<u>Office equipment</u> VND	<u>Total</u> VND
COST					
Opening balance	2,971,259,965,997	8,295,547,771,971	35,290,378,588	9,865,404,291	11,311,963,520,847
Closing balance	2,971,259,965,997	8,295,547,771,971	35,290,378,588	9,865,404,291	11,311,963,520,847
ACCUMULATED DEPRECIATION					
Opening balance	924,782,782,693	4,138,492,292,295	20,837,510,656	6,911,789,835	5,091,024,375,479
Charge for the period	73,737,949,720	267,023,569,553	1,750,466,754	557,990,161	343,069,976,188
Closing balance	998,520,732,413	4,405,515,861,848	22,587,977,410	7,469,779,996	5,434,094,351,667
NET BOOK VALUE					
Closing balance	1,972,739,233,584	3,890,031,910,123	12,702,401,178	2,395,624,295	5,877,869,169,180
Opening balance	2,046,477,183,304	4,157,055,479,676	14,452,867,932	2,953,614,456	6,220,939,145,368

As at 30 June 2018, the cost of fixed assets includes VND 13,717,968,765 (As at 31 December 2017: VND 9,103,987,264) of fixed assets which have been fully depreciated but are still in use.

10. INCREASES, DECREASES IN INTANGIBLE ASSETS

	<u>Land use rights</u>	<u>Software</u>	<u>Total</u>
	VND	VND	VND
COST			
Opening balance	21,602,554,546	9,220,662,875	30,823,217,421
Additions	-	125,000,000	125,000,000
Closing balance	<u>21,602,554,546</u>	<u>9,345,662,875</u>	<u>30,948,217,421</u>
ACCUMULATED AMORTISATION			
Opening balance	-	4,819,449,701	4,819,449,701
Charge for the period	-	767,888,542	767,888,542
Closing balance	<u>-</u>	<u>5,587,338,243</u>	<u>5,587,338,243</u>
NET BOOK VALUE			
Closing balance	<u>21,602,554,546</u>	<u>3,758,324,632</u>	<u>25,360,879,178</u>
Opening balance	<u>21,602,554,546</u>	<u>4,401,213,174</u>	<u>26,003,767,720</u>

Land use rights represent the indefinite land use rights at the lot of Building CC1.2 – Unit No. 1 - Phuoc An – Long Tho Residential Area, Nhon Trach District, Dong Nai Province.

Software represents equipment and asset maintenance management system at the factory, SAP accounting software and the Company's website.

11. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Studying CO2 reduction system	1,406,363,636	1,406,363,636
Construction investment	1,416,854,546	2,254,388,269
	<u>2,823,218,182</u>	<u>3,660,751,905</u>

Construction in progress represents the cost of research, construction investment and cost of purchasing of fixed assets which should undergo installation, 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 2018 and 31 December 2017.

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 used for making this provision of other investments is Sopewaco's financial statements for the year ended 31 December 2016. As at 31 December 2016, Sopewaco's accumulated loss was higher than its charter capital. Therefore, the Board of Directors of the Company decided to make full provision for its long-term investments as at 31 December 2017 and 30 June 2018

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13. PREPAYMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Short-term		
Other expenses	542,358,004	360,207,603
	542,358,004	360,207,603
b. Long-term		
Insurance fee for long-term loans	188,046,818,675	219,975,968,939
Mobilization fee, variable and fixed fee of maintenance contracts	160,925,238,438	177,473,528,484
Overhaul expenses to be allocated	118,192,008,555	147,015,945,192
Life insurance fee	2,516,666,667	6,291,666,667
Other expenses	18,983,472,723	22,895,748,310
	488,664,205,058	573,652,857,592

Short-term prepayment represents insurance fee for factory with the insurance term of 1 year.

Long-term prepayments include expenditures as follows:

- Insurance fee for long-term loans: According to the export credit contract dated 22 July 2010 and 23 July 2010 between the Company and banks represented by Citibank - an authorized agency. The insurance fee was issued by HERMES and NEXI to guarantee lenders during the credit term of 2.5 years of grace period and 9.5 years of payment. Insurance fee for these loans is allocated using the straight-line method over the durations of such long-term loans.
- Mobilization fee, variable fee and fixed fee of maintenance contracts of machinery and equipment: The maintenance contract No. 68/2011/PVPOWER NT2 – PVPS between PETROVIETNAM NHON TRACH 2 POWER JOINT STOCK COMPANY and PetroVietnam Power Technical Services Joint Stock Company is to maintain the major equipment and machinery in Nhon Trach 2 Combined Cycle Power Plant for the duration of 11.7 years or 200,000 equivalent operation hours (EOH). Mobilization fee, variable fee and fixed fee had been paid before Nhon Trach 2 Combined Cycle Power Plant was in the commercial operation and these fees are allocated to the interim income statement in the period based on the actual EOH hours.
- Major overhaul expense 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. Accordingly, this expense was recognized and allocated to the interim income statement for the next 25,000 EOH.

14. DEFERRED TAX ASSETS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Corporate income tax rates used for determination of value of deferred tax assets	5%	5%
Deferred tax assets related to deductible temporary differences	1,414,869,026	1,164,052,104
Deferred income tax assets	1,414,869,026	1,164,052,104

15. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u>		<u>Opening balance</u>	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
a. Short-term trade payables to related parties				
- Petro Vietnam Gas Joint Stock	1,461,587,987,507	1,461,587,987,507	803,144,467,801	803,144,467,801
- Petro Vietnam Power Technical Services Joint Stock Company	78,159,717,307	78,159,717,307	70,832,511,352	70,832,511,352
- Southern Management Board of PVC's project	454,403,426	454,403,426	454,403,426	454,403,426
- Real Estate Corporation	1,140,250,000	1,140,250,000	1,140,250,000	1,140,250,000
- Petro Vietnam Technical Safety Registration Company Limited	-	-	683,650,652	683,650,652
- Petro Vietnam Nhon Trach Power Company	-	-	63,345,450	63,345,450
	<u>1,541,342,358,240</u>	<u>1,541,342,358,240</u>	<u>876,318,628,681</u>	<u>876,318,628,681</u>
b. Short-term trade payables to third parties				
Others	12,234,331,613	12,234,331,613	45,406,598,338	45,406,598,338
	<u>1,553,576,689,853</u>	<u>1,553,576,689,853</u>	<u>921,725,227,019</u>	<u>921,725,227,019</u>

16. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	<u>Opening balance</u>	<u>Payable during the period</u>	<u>Paid during the period</u>	<u>Closing balance</u>
	VND	VND	VND	VND
Payables				
Value added tax	105,302,152,723	128,004,369,585	102,388,567,620	130,917,954,688
Import tax	-	1,529,609,150	1,529,609,150	-
Corporate income tax	896,471,877	26,974,579,526	11,385,935,269	16,485,116,134
Personal income tax	561,048,639	6,580,862,688	7,140,117,878	1,793,449
Natural resource tax	3,075,957,000	18,382,176,810	18,600,792,480	2,857,341,330
Other tax	1,157,268	5,396,054,205	5,396,462,187	749,286
	<u>109,836,787,507</u>	<u>186,867,651,964</u>	<u>146,441,484,584</u>	<u>150,262,954,887</u>

17. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Maintenance expenses	79,958,929,545	81,238,231,701
Accrual interest expenses	8,252,398,942	8,720,675,781
Land rental	11,439,650,080	10,909,145,440
Others	9,638,874,412	2,787,880,984
	<u>109,289,852,979</u>	<u>103,655,933,906</u>

Short-term accrued expenses mainly represent maintenance expenses, accrued according to transferring agreement and the amendment and supplement contract of long term maintenance agreement 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 comprising of Siemens AG and Siemens Ltd. Viet Nam for maintaining machinery and equipment for Nhon Trach 2 Combined Cycle Power Plant for the duration of 11.7 years or 100,000 equivalent operation hours (EOH) for each operator.

18. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	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 (*)	1,240,598,447,358	4,751,488,460
Other payables	570,587,331	550,705,570
	<u>1,280,447,319,063</u>	<u>44,580,478,404</u>

(*) According to the Resolution No. 15/NQ-CPNT2 dated 30 June 2018 of General Shareholders' Meeting, the Company approved the additional dividend distribution appropriated to dividend from accumulated retained earnings of the period from 20 June 2007 to 31 December 2015, with an amount of VND 803,749,872,968 equivalent to 27.92% par value for the shareholders of the Company. According to the Resolution No. 14/NQ-CPTN2 dated 29 June 2018 of Board of Directors, the Company approved the dividend advance by cash with proportion of 15% of a share worth equivalent to VND 431,814,043,500 from retained earnings of the Company in the period from 1 January 2018 to 30 June 2018. Dividend and profit payables as at the period end are the dividend appropriated according to Resolutions stated above and the balance of dividend and profit payables balance as at 31 December 2017.

19. LOANS

	<u>Current portion of long-term loans</u>	<u>Long-term loans</u>
	VND	VND
Opening balance		
- Amount	1,066,152,126,657	2,631,620,466,530
- Amount able to paid off	1,066,152,126,657	2,631,620,466,530
During the period		
- Increase	531,167,884,484	-
+ Transfer from long-term loans	531,167,884,484	-
- Decrease	534,984,242,173	540,296,990,377
+ Transfer to current portion of long-term loans	-	531,167,884,484
+ Paid during this period	529,487,441,304	-
+ Differences by foreign exchange rate	5,496,800,869	9,129,105,893.00
Closing balance		
- Amount	1,062,335,768,968	2,091,323,476,153
- Amount able to paid off	1,062,335,768,968	2,091,323,476,153

Details of long-term loans by lenders are as below:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
HERMES, CIRR, NEXI and Citibank	3,153,659,245,121	3,697,772,593,187
	<u>3,153,659,245,121</u>	<u>3,697,772,593,187</u>

As at 22 July 2010 and 23 July 2010, the Company entered into long-term loan contracts with agency banks such as HERMES, CIRR, NEXI and Citibank in which Citibank is a main agency bank for total credit limit USD 215,380,981 and EUR 202,585,883. These loans are guaranteed by the Government of Vietnam and granted the insurance by HERMES and NEXI. The loan bears interest rates of 6 - month Euribor and 6 - month Libor plus the adjustment. The principal and interests are repaid every 6 months in which the principal is repaid on 19 installments during 9.5 years and the first repayment is on 1 June 2012. The balances of loans as at 30 June 2018 are USD 67,170,588 and EUR 60,578,094 respectively (As at 31 December 2017: USD 78,408,979 and EUR 70,845,796).

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	1,062,335,768,968	1,066,152,126,657
In the second year	1,062,335,768,968	1,066,152,126,657
In the third to fifth year inclusive	<u>1,028,987,707,185</u>	<u>1,565,468,339,873</u>
	<u>3,153,659,245,121</u>	<u>3,697,772,593,187</u>
Less: Amount due for settlement within 12 months	(1,062,335,768,968)	(1,066,152,126,657)
Amount due for settlement after 12 months	<u>2,091,323,476,153</u>	<u>2,631,620,466,530</u>

20. LONG-TERM PROVISIONS

Long-term provisions mainly represent maintenance expenses, accrued according to transferring agreement and the amendment and supplement contract of long term maintenance agreement No. 68/2011/PVPOWER NT2 – PVPS for Nhon Trach 2 Power Plant between PetroVietnam Nhon Trach 2 Power Joint Stock Company, PetroVietnam Power Technical Services Joint Stock Company for maintaining machinery and equipment for Nhon Trach 2 Combined Cycle Power Plant for the duration of 11.7 years or 100,000 equivalent operation hours (EOH) for each machinery group.

21. OWNERS' EQUITY

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

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

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

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

Movement in owners' equity:

	Owners' contributed capital VND	Share premium VND	Investment and Development fund VND	Retained earnings VND	Total VND
For the period ended 30 June 2017					
Opening balance	2,848,760,290,000	(210,000,000)	137,294,913,354	1,922,588,920,362	4,908,434,123,716
Capital increase	30,000,000,000	-	-	-	30,000,000,000
Profit for the period	-	-	-	456,315,495,528	456,315,495,528
Dividends declared	-	-	-	(460,601,646,400)	(460,601,646,400)
Other decreases	-	(247,500,000)	-	-	(247,500,000)
Closing balance	<u>2,878,760,290,000</u>	<u>(457,500,000)</u>	<u>137,294,913,354</u>	<u>1,918,302,769,490</u>	<u>4,933,900,472,844</u>
For the year period 30 June 2018					
Opening balance	2,878,760,290,000	(457,500,000)	137,294,913,354	1,969,624,367,294	4,985,222,070,648
Fund appropriation	-	-	-	(13,500,000,000)	(13,500,000,000)
Profit for the period	-	-	-	503,653,028,926	503,653,028,926
Dividends declared	-	-	-	(1,811,315,974,468)	(1,811,315,974,468)
Closing balance	<u>2,878,760,290,000</u>	<u>(457,500,000)</u>	<u>137,294,913,354</u>	<u>648,461,421,752</u>	<u>3,664,059,125,106</u>

According to Resolution No. 14/QĐ-CPNT2 dated 24 April 2018 of General Shareholders' Meeting, the Company distributed to additional dividend from retained earnings of 2017 with an amount of VND 575,752,058,000 equivalent to 20% par value for the shareholders of the Company.

According to Resolution No. 15/NQ-CPNT2 dated 30 June 2018 of Annual General Shareholders' Meeting, the Company distributed to additional dividend from retained earnings of the period from 20 June 2007 to 31 December 2015 with an amount of VND 803,749,872,968 equivalent to 27.92% par value for the shareholders of the Company.

According to Resolution No. 14/NQ-CPTN2 dated 29 June 2018 of Board of Directors, the Company has advanced the dividend by cash with proportion of 15% of a share worth equivalent to 431,814,043,500 VND from retained earnings of the Company in the period from 01 January 2018 to 30 June 2018.

The finalized figures relating to distribution of the above funds and dividend from its profit after tax of 2018 will be approved by the shareholders in the Company's Annual General Shareholders' meeting.

22. OFF BALANCE SHEET ITEMS

	<u>Unit</u>	<u>Closing balance</u>	<u>Opening balance</u>
		VND	VND
United States Dollar	USD	243.68	267.88
Euro	EUR	<u>8.40</u>	<u>6.94</u>

23. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's principal activities are to manufacture and sell electricity in domestic. Other business activities make up minor ratio in total revenue and operating result of Company in this period as well as previous reporting period. Consequently, financial information has been presented in the interim balance sheet as at 30 June 2018 and the balance sheet 31 December 2017 as well as revenues, expenses presented in the interim income statement for the period from 01 January 2018 to 30 June 2018 and from 01 January 2017 to 30 June 2017 are relevant to principle activities. Hence, the Company did not prepare the report by business segment and geographical segment.

24. NET REVENUE FROM GOODS SOLD

Net revenue from goods sold includes revenue of selling electricity in the period from 1 January 2018 to 31 May 2018 and from the 01 June 2018 to 30 June 2018 following electricity price based on gas market price as stated in the Power Purchase 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 of selling electricity in the period from 1 January 2018 to 31 May 2018 is recorded based on the foreign exchange rate as at the invoice issuance date. The revenue for the period from 01 June 2018 to 30 June 2018 which is not issued invoice and recorded based on the estimated foreign exchange rate at the reporting date. Therefore, the variance of revenue from selling electricity for the period from 01 June 2018 to 30 June 2018 will be exactly adjusted and recognised after the foreign exchange rate is fixed.

25. PRODUCTION COST BY NATURE

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Raw materials and consumables	2,771,551,776,936	2,151,862,099,304
Labour	38,745,449,989	48,393,914,711
Depreciation and amortization	343,466,424,072	343,384,162,444
Out-sourced services	270,494,713,765	243,261,333,018
Other monetary expenses	35,830,395,609	25,610,529,168
	<u>3,460,088,760,371</u>	<u>2,812,512,038,645</u>

26. FINANCIAL INCOME

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Interest income	32,913,300,667	32,181,899,969
Foreign exchange gain	20,276,661,933	375,161,479
	<u>53,189,962,600</u>	<u>32,557,061,448</u>

27. FINANCIAL EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Interest expense	51,050,788,618	64,619,433,847
Insurance fee for long-term loans	31,929,150,264	31,929,150,265
Guarantee fee for long-term loans charged by the Government	4,522,118,600	6,123,561,305
Foreign exchange loss	3,750,870,502	185,885,713,967
Others	<u>1,516,238,161</u>	<u>1,893,007,802</u>
	<u>92,769,166,145</u>	<u>290,450,867,186</u>

28. GENERAL AND ADMINISTRATION EXPENSES

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Management staff	16,922,638,688	21,961,678,464
Office supplies	2,012,558,282	1,619,088,487
Depreciation and amortisation	4,810,757,097	4,787,477,013
Taxes, fees and charges	164,233,972	160,149,963
Out-sourced services	18,786,934,623	15,833,867,672
Others	<u>12,090,055,148</u>	<u>8,985,515,269</u>
	<u>54,787,177,810</u>	<u>53,347,776,868</u>

29. CURRENT CORPORATE INCOME TAX EXPENSE

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Current corporate income tax expense		
- Corporate income tax based on taxable income in the current period	26,974,579,526	24,486,886,586
Total current corporate income tax expense	<u>26,974,579,526</u>	<u>24,486,886,586</u>

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

	<u>Current period</u>			<u>Prior period</u>
	<i>Main activities</i>	<i>Other activities</i>	Total	Total
	VND	VND	VND	VND
Profit before tax	530,005,591,971	371,199,559	530,376,791,530	480,493,379,407
Add: non-deductible expenses	6,186,358,069	453,725,123	6,640,083,192	6,446,743,932
Less: non-assessable income	58,233	-	58,233	8,959
Taxable income	536,191,891,807	824,924,682	537,016,816,489	486,940,114,380
Tax rate	5%	20%		
Total corporate income tax expense	<u>26,809,594,590</u>	<u>164,984,936</u>	<u>26,974,579,526</u>	<u>24,486,886,586</u>

The Company is obliged to pay corporate income tax at the rate of 10% of its taxable income from producing and trading power activities (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 manufacturing and selling electricity power and a reduction of 50% for the following nine years. This is the eighth profit making year of the Company from manufacturing and selling electricity power and also 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.

30. BASIC EARNINGS PER SHARE

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

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Profit after tax	503,653,028,926	456,315,495,528
Bonus and welfare fund appropriation (*)	14,200,000,000	14,200,000,000
Profit after tax for calculating earnings per share	489,453,028,926	442,115,495,528
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	287,876,029	286,898,128
Basic earnings per share	<u>1,700</u>	<u>1,541</u>

(*) The bonus and welfare fund appropriation in the period for the 6 months ended 30 June 2017 is recalculated and restated in accordance with Resolution No. 14/QĐ-CPNT2 dated 24 April 2018 of General Shareholders' Meeting. The detail of the restatement of Bonus and welfare fund appropriation profit to recalculate the basic earnings per share as follows:

Item	Reported amount	Restatement (Restated)	Net change
(1)	(2)	(3)	(2)-(3)
	VND	VND	VND
Profit after tax	456,315,495,528	456,315,495,528	-
Bonus and welfare fund appropriation	10,000,000,000	14,200,000,000	(4,200,000,000)
Profit after tax for calculating earnings per share	446,315,495,528	442,115,495,528	4,200,000,000
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	286,898,128	286,898,128	-
Basic earnings per share	1,556	1,541	15

31. SELLING COMMITMENTS

The Company signed Power Purchase Contract No. 07/2012/HD-NMD-NT2 dated 6 July 2012 with Electric Power Trading Company (EPTC). Accordingly, all electricity production is produced under the requirement of Electricity Regulatory Authority of Vietnam is exclusively purchased by EPTC with the duration of 10 years from the date when Nhon Trach 2 Combined Cycle Power Plant was in the commercial operation on 16 October 2011.

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 19, offset by cash and cash equivalents) and owners' equity (comprising contributed capital, share premium, investment and development fund and retained earnings).

Gearing ratio

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Borrowings	3,153,659,245,121	3,697,772,593,187
Less: Cash and cash equivalents	755,316,977,104	145,968,678,560
Net debt	2,398,342,268,017	3,551,803,914,627
Equity	3,664,059,125,106	4,985,222,070,648
Net debt to equity ratio	<u>0.65</u>	<u>0.71</u>

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	
	Closing balance VND	Opening balance VND
Financial assets		
Cash and cash equivalents	755,316,977,104	145,968,678,560
Short-term investments	478,000,000	900,000,000,000
Trade and other receivables	<u>2,526,283,719,640</u>	<u>1,764,984,775,876</u>
	<u>3,282,078,696,744</u>	<u>2,810,953,454,436</u>
Financial liabilities		
Borrowings	3,153,659,245,121	3,697,772,593,187
Trade and other payables	2,833,814,963,849	966,107,814,127
Accrued expenses	<u>109,289,852,979</u>	<u>103,655,933,906</u>
	<u>6,096,764,061,949</u>	<u>4,767,536,341,220</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 VND	Opening balance VND	Closing balance VND	Opening balance VND
USD	5,585,146	6,071,499	1,539,549,883,607	1,777,139,576,768
EUR	<u>223,819</u>	<u>188,143</u>	<u>1,614,109,361,514</u>	<u>1,920,633,016,419</u>

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 3% increase and decrease in Vietnam Dong against the relevant foreign currencies. 3% 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 3% change in foreign currency rates. For a 3% 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>Prior period</u>
	VND	VND
USD	46,186,328,954	61,049,678,487
EUR	48,423,274,131	62,783,328,766
	<u>94,609,603,085</u>	<u>123,833,007,253</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 01 January 2018 to 30 June 2018 would have decreased/increased by VND 63,073,184,902 (the period from 01 January 2017 to 30 June 2017: VND 82,555,463,368).

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 prices 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 on sales to Vietnam Electricity and cash deposited at banks which has maturity less than 1 year occurring in the period from 01 January 2018 to 30 June 2018. The cash is deposited at the prestigious financial institutions. The Board of Directors perceived that there is no material credit risk relating to the deposits and these financial institutions have ability to pay the liabilities without any losses to the Company. The maximum exposure to credit risk is represented by the outstanding receivables from related parties as presented in Note 33 and one specific major customer as presented in Note 6.

Liquidity risk management

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

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

As at 30/6/2018	Less than 1 year VND	From 1-5 years VND	Total VND
Cash and cash equivalents	755,316,977,104	-	755,316,977,104
Short-term investments	478,000,000	-	478,000,000
Trade and other receivables	2,488,631,012,640	37,652,707,000	2,526,283,719,640
	<u>3,244,425,989,744</u>	<u>37,652,707,000</u>	<u>3,282,078,696,744</u>
As at 30/6/2018	Less than 1 year VND	From 1-5 years VND	Total VND
Borrowings	1,062,335,768,968	2,091,323,476,153	3,153,659,245,121
Trade and other payables	2,833,814,963,849	-	2,833,814,963,849
Accrued expenses	109,289,852,979	-	109,289,852,979
	<u>4,005,440,585,796</u>	<u>2,091,323,476,153</u>	<u>6,096,764,061,949</u>
Net liquidity gap	<u>(761,014,596,052)</u>	<u>(2,053,670,769,153)</u>	<u>(2,814,685,365,205)</u>
As at 31/12/2017	Less than 1 year VND	From 1-5 years VND	Total VND
Cash and cash equivalents	145,968,678,560	-	145,968,678,560
Short-term investments	900,000,000,000	-	900,000,000,000
Trade and other receivables	1,727,332,068,876	37,652,707,000	1,764,984,775,876
	<u>2,773,300,747,436</u>	<u>37,652,707,000</u>	<u>2,810,953,454,436</u>
As at 31/12/2017	Less than 1 year VND	From 1-5 years VND	Total VND
Borrowings	1,066,152,126,657	2,631,620,466,530	3,697,772,593,187
Trade and other payables	966,107,814,127	-	966,107,814,127
Accrued expenses	103,655,933,906	-	103,655,933,906
	<u>2,135,915,874,690</u>	<u>2,631,620,466,530</u>	<u>4,767,536,341,220</u>
Net liquidity gap	<u>637,384,872,746</u>	<u>(2,593,967,759,530)</u>	<u>(1,956,582,886,784)</u>

The Board of Directors assessed the liquidity risk at high level. The Board of Directors 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:

<u>Related party</u>	<u>Relationship</u>
Petro Vietnam Power Corporation - JSC	Shareholder
Petro Vietnam Gas Joint Stock Corporation	The same group
Petro Vietnam Power Technical Services Joint Stock Company	The same group
Southern Management Board of PVC's project	The same group
Petro Vietnam Insurance Joint Stock Corporation	The same group
Petro Vietnam 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
Petro Vietnam 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
Petro Vietnam Technical Safety Registration Company Limited	The same group
Petro Vietnam Securities Incorporated	The same group

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

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Purchases of services		
Petro Vietnam Gas Joint Stock Corporation	2,610,137,521,356	2,100,738,676,197
Petro Vietnam Power Technical Services Joint Stock Company	18,648,116,283	17,652,684,710
Petro Vietnam Insurance Joint Stock Corporation (PVMR)	22,175,016,143	8,007,102,528
Petrovietnam Maintenance and Repair Corporation (PVMR)	641,327,273	2,200,770,000
Petro Vietnam Nhon Trach Power Company	567,830,125	465,681,000
Petro Vietnam Power Corporation - JSC	-	798,329,842
PVcomBank	<u>304,924,059</u>	<u>370,103,976</u>
Financial income		
Interest income from time deposits at PVcomBank	<u>17,225</u>	<u>2,498,532,142</u>
Dividend paid		
Petro Vietnam Power Corporation - JSC	<u>341,852,160,000</u>	<u>358,944,768,000</u>

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

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Salaries and benefits in kind	<u>2,388,999,608</u>	<u>2,864,407,781</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Trade receivables		
Petro Vietnam Gas Joint Stock Corporation	6,855,187	5,776,664
Petro Vietnam Power Technical Services Joint Stock Company	-	31,828,712
Advance to suppliers		
Petro Vietnam Power Technical Services Joint Stock Company	63,832,786,519	64,370,973,636
Trade payables		
Petro Vietnam Gas Joint Stock Corporation	1,461,587,987,507	803,144,467,801
Petro Vietnam Power Technical Services Joint Stock Company	78,159,717,307	70,832,511,352
Southern Management Board of PVC's project Petroleum Power Property Joint Stock Company	454,403,426	454,403,426
Petro Vietnam Nhon Trach Power Company	1,140,250,000	1,140,250,000
Petro Vietnam Technical Safety Registration Company Limited	-	63,345,450
	-	683,650,652
Other payables		
Petro Vietnam Gas Joint Stock Corporation	39,278,284,374	39,278,284,374

34. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the period excluded an amount of VND 909,242,778 (the first 6 months of 2017: VND 7,677,500,000), representing additional uncollected interest income during the period that has not yet been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Interest paid during the period excluded an amount of VND 8,252,398,942 (the first 6 months of 2017: VND 9,032,677,394) representing interest expenses that have not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

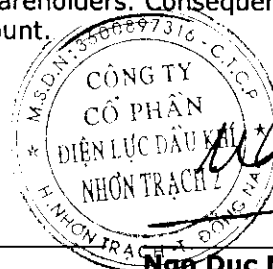
Dividends and profits paid to the shareholder during the period excluded an amount of VND 1,235,846,958,898 (the first 6 months of 2017: VND 4,543,152,320) representing dividends and profits have not yet been paid fully to shareholders. Consequently, changes in accounts payable have been adjusted by the same amount.



Le Van Tu
Preparer



Le Viet An
Chief Accountant




Ngo Duc Nhan
Director
31 July 2018

