

**TẬP ĐOÀN DẦU KHÍ QUỐC GIA VIỆT NAM**  
**TỔNG CÔNG TY**  
**PHÂN BÓN VÀ HÓA CHẤT DẦU KHÍ-CTCP**

**CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM**  
**Độc lập - Tự do - Hạnh phúc**

Số: 222 /PBHC-TCKT  
V/v công bố BCTC Năm 2015  
sau kiểm toán (bản tiếng anh)

*Tp. Hồ Chí Minh, ngày 15 tháng 4 năm 2016*

Kính gửi:

- Ủy Ban Chứng Khoán Nhà Nước;
- Sở Giao Dịch Chứng Khoán Tp.HCM.

Thực hiện thông tư số 52/2012/TT-BTC ngày 05 tháng 04 năm 2012 của Bộ Tài Chính về việc hướng dẫn công bố thông tin trên thị trường chứng khoán, Tổng Công ty Phân bón và Hóa chất Dầu khí – CTCP kính gửi Ủy ban chứng khoán Nhà Nước và Sở giao dịch chứng khoán TP.HCM Báo cáo tài chính năm 2015 sau kiểm toán bản tiếng anh như sau:

1. Báo cáo tài chính Hợp nhất năm 2015 bản tiếng anh;
2. Báo cáo tài chính Công ty Mẹ năm 2015 bản tiếng anh.

Trân trọng.

Nơi nhận:

- Như trên;
- Chủ tịch HĐQT; NĐDPV (để b/c);
- TGD (để b/c); PTGD N.V.Tòng
- Ban KS (để b/c)
- KTNB; TTTT (p/h)
- Lưu: VT, TCKT, (TXT,06b).

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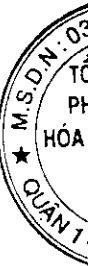
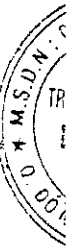
**TM. HỘI ĐỒNG QUẢN TRỊ**  
**PHÓ CHỦ TỊCH HỘI ĐỒNG QUẢN TRỊ**  
**TỔNG CÔNG TY**  
**PHÂN BÓN VÀ**  
**HÓA CHẤT DẦU KHÍ**  
**CÔNG TY**  
**CỔ PHẦN**  
**QUAN 1 - TP. HỒ CHÍ MINH**  
**Nguyễn Thị Hiền**



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

**AUDITED SEPARATE  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**



## CONTENTS

**PAGES**

STATEMENT OF THE BOARD OF GENERAL DIRECTORS	1 - 2
INDEPENDENT AUDITORS' REPORT	3
BALANCE SHEET	4 - 5
INCOME STATEMENT	6
CASH FLOW STATEMENT	7 - 8
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	9 - 40

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CỘNG HÒA  
XÃ HỘI CHỦ  
NGHĨA  
VIỆT NAM  
ĐÀ - TP.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") presents this report together with the Corporation's separate financial statements for the year ended 31 December 2015.

**THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS**

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

**Board of Management**

Mr. Le Cu Tan	Chairman
Ms. Nguyen Thi Hien	Vice Chairwoman
Mr. Doan Van Nhuom	Member (appointed on 01 January 2016)
Mr. Cao Hoai Duong	Member (resigned on 01 January 2016)
Mr. Nguyen Hong Vinh	Member
Mr. Dinh Quang Hoan	Member (resigned on 27 August 2015)

**Board of General Directors**

Mr. Doan Van Nhuom	General Director (appointed on 01 January 2016)
Mr. Cao Hoai Duong	General Director (resigned on 01 January 2016)
Mr. Tu Cuong	Deputy General Director
Mr. Hoang Viet Dung	Deputy General Director
Mr. Le Van Quoc Viet	Deputy General Director
Mr. Nguyen Van Tong	Deputy General Director
Mr. Duong Tri Hoi	Deputy General Director
Ms. Le Thi Thu Huong	Deputy General Director
Mr. Huynh Kim Nhan	Chief Accountant

**BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of General Directors of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Corporation and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of General 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 separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.

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

**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

The Board of General Directors confirms that the Corporation has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of General Directors,



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Nguyễn Văn Tong  
Deputy General Director

21 March 2016  
Ho Chi Minh City, S.R. Vietnam

No.: 496 /VNIA-HN-BC

A JOURNEY TO EXCELLENCE

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders  
The Boards of Management and General Directors  
PetroVietnam Fertilizer and Chemicals Corporation - JSC**

We have audited the accompanying separate financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 21 March 2016 as set out from page 4 to page 40, which comprise the balance sheet as at 31 December 2015, the statement of income, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Board of General Directors' Responsibility for the separate Financial Statements*

The Board of General Directors of the Corporation is responsible for the preparation and fair presentation of these separate 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 General Directors determine is necessary to enable the preparation of the separate 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 separate 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 separate financial statements are free from material misstatement.

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

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

### *Opinion*

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2015, 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.



**Dang Chi Dung**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0030-2013-001-1

**For and on behalf of  
DELOITTE VIETNAM COMPANY LIMITED**

21 March 2016  
Hanoi, S.R. Vietnam

**Vu Manh Hung**  
Auditor  
Audit Practising Registration Certificate  
No. 2737-2013-001-1

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended 31 December 2015

**BALANCE SHEET**
*As at 31 December 2015*
**FORM B 01-DN**

Unit: VND

31/12/2014

(Restated)

ASSETS	Codes	Notes	31/12/2015	31/12/2014
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>7,449,107,457,914</b>	<b>6,544,156,632,162</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>5,188,813,158,588</b>	<b>4,757,994,590,292</b>
1. Cash	111		114,813,158,588	77,994,590,292
2. Cash equivalents	112		5,074,000,000,000	4,680,000,000,000
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>70,000,000,000</b>	<b>71,245,382,915</b>
1. Held-to-maturity investments	123		70,000,000,000	71,245,382,915
<b>III. Short-term receivables</b>	<b>130</b>		<b>940,005,670,190</b>	<b>369,748,546,089</b>
1. Short-term trade receivables	131	7	236,190,426,179	141,279,226,421
2. Short-term advances to suppliers	132	8	596,396,818,230	88,504,082,423
3. Other short-term receivables	136	9	328,336,175,448	261,556,944,534
4. Provision for short-term doubtful debts	137	10	(220,917,749,667)	(121,591,707,289)
<b>IV. Inventories</b>	<b>140</b>	<b>11</b>	<b>1,129,364,660,553</b>	<b>1,206,413,629,582</b>
1. Inventories	141		1,129,364,660,553	1,206,413,629,582
<b>V. Other short-term assets</b>	<b>150</b>		<b>120,923,968,583</b>	<b>138,754,483,284</b>
1. Short-term prepayments	151	12	14,488,196,547	15,139,650,768
2. Value added tax deductibles	152		102,303,948,945	119,101,991,777
3. Taxes and other receivables from the State budget	153	20	4,131,823,091	4,512,840,739
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>3,023,114,369,845</b>	<b>3,094,226,227,660</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>50,000,000</b>	<b>50,000,000</b>
1. Other long-term receivables	216	9	50,000,000	50,000,000
<b>II. Fixed assets</b>	<b>220</b>		<b>1,580,783,127,735</b>	<b>1,729,120,290,338</b>
1. Tangible fixed assets	221	13	785,370,731,888	921,539,345,696
- Cost	222		7,024,596,782,981	6,959,961,960,095
- Accumulated depreciation	223		(6,239,226,051,093)	(6,038,422,614,399)
2. Intangible assets	227	14	795,412,395,847	807,580,944,642
- Cost	228		1,040,848,236,104	1,037,801,033,508
- Accumulated amortisation	229		(245,435,840,257)	(230,220,088,866)
<b>III. Investment properties</b>	<b>230</b>	<b>15</b>	<b>282,070,955,999</b>	<b>344,282,761,982</b>
- Cost	231		334,556,867,544	391,906,232,192
- Accumulated depreciation	232		(52,485,911,545)	(47,623,470,210)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>609,740,263,873</b>	<b>240,638,327,232</b>
1. Construction in progress	242	16	609,740,263,873	240,638,327,232
<b>V. Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>483,415,929,714</b>	<b>701,104,947,899</b>
1. Investment in subsidiaries	251		445,046,800,000	466,456,800,000
2. Investments in joint-ventures, associates	252		680,903,000,000	662,700,000,000
3. Equity investments in other entities	253		20,502,000,000	20,502,000,000
4. Provision for impairment of long-term financial investments	254		(663,035,870,286)	(448,553,852,101)
<b>VI. Other long-term assets</b>	<b>260</b>		<b>67,054,092,524</b>	<b>79,029,900,209</b>
1. Long-term prepayments	261	12	9,614,110,172	25,208,466,648
2. Deferred tax assets	262	17	57,439,982,352	53,821,433,561
<b>TOTAL ASSET (270=100 + 200)</b>	<b>270</b>		<b>10,472,221,827,759</b>	<b>9,638,382,859,822</b>

*The notes set out on pages 9 to 40 are an integral part of these separate financial statements*

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended 31 December 2015

**BALANCE SHEET (Continued)**

As at 31 December 2015

**FORM B 01-DN**

Unit: VND

31/12/2014

(Restated)

RESOURCES	Codes	Notes	31/12/2015	
<b>C. LIABILITIES</b>	<b>300</b>		<b>2,104,051,363,140</b>	<b>943,975,122,967</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,723,468,789,795</b>	<b>889,320,636,150</b>
1. Short-term trade payables	311	18	344,290,211,658	366,222,768,585
2. Short-term advances from customers	312	19	45,384,202,871	60,340,273,284
3. Taxes and amounts payable to the State budget	313	20	68,664,734,736	37,919,588,000
4. Payables to employees	314		99,565,238,768	59,936,083,892
5. Short-term accrued expenses	315	21	53,486,372,501	57,064,219,158
6. Other current payables	319	22	989,800,703,449	45,576,760,104
7. Short-term provisions	321	23	39,680,210,527	217,105,262,533
8. Bonus and welfare funds	322		82,597,115,285	45,155,680,594
<b>II. Long-term liabilities</b>	<b>330</b>		<b>380,582,573,345</b>	<b>54,654,486,817</b>
1. Long-term unearned revenue	336		2,182,443,406	2,853,964,450
2. Other long-term payables	337	22	600,000,000	-
3. Long-term loans and obligations under finance leases	338	24	226,950,078,667	-
4. Long-term provisions	342	23	96,551,724,140	-
5. Scientific and technological development fund	343		54,298,327,132	51,800,522,367
<b>D. EQUITY</b>	<b>400</b>		<b>8,368,170,464,619</b>	<b>8,694,407,736,855</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>25</b>	<b>8,368,170,464,619</b>	<b>8,694,407,736,855</b>
1. Owner's contributed capital	411		3,800,000,000,000	3,800,000,000,000
- Ordinary shares carrying voting rights	411a		3,800,000,000,000	3,800,000,000,000
2. Share premium	412		21,179,913,858	21,179,913,858
3. Treasury shares	415		(2,296,824,120)	(2,296,824,120)
4. Foreign exchange reserve	417		-	(719,794)
5. Investment and development fund	418		3,444,814,857,841	3,444,814,857,841
6. Retained earnings	421		1,104,472,517,040	1,430,710,509,070
- Retained earnings accumulated to the prior period end	421a		806,260,241,770	1,007,866,370,295
- Retained earnings of the current year	421b		298,212,275,270	422,844,138,775
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>10,442,321,637,759</b>	<b>9,638,382,859,822</b>

Hoang Thi Lan Anh  
Preparer

21 March 2016

Huynh Kim Nhan  
Chief Accountant



Nguyễn Văn Tong  
Deputy General Director

The notes set out on pages 9 to 40 are an integral part of these separate financial statements

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

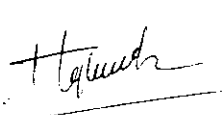
43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam


**Separate financial statements**  
For the year ended 31 December 2015

**INCOME STATEMENT**  
For the year ended 31 December 2015

**FORM B 02-DN**  
Unit: VND

ITEMS	Codes	Notes	2015	2014 (Restated)
1. Gross revenue from goods sold and services rendered	01	28	8,395,699,818,428	7,627,863,121,528
2. Deductions	02	28	112,817,988,804	121,642,589,279
3. Net revenue from goods sold and services rendered (10=01-02)	10		8,282,881,829,624	7,506,220,532,249
4. Cost of sales	11	29	5,536,482,216,522	5,455,955,933,263
5. Gross profit from goods sold and services rendered (20=10-11)	20		2,746,399,613,102	2,050,264,598,986
6. Financial income	21	31	308,798,232,412	466,062,614,665
7. Financial expenses	22	32	216,400,098,567	285,412,138,127
8. Selling expenses	25	33	634,197,814,849	595,315,677,630
9. General and administration expenses	26	33	490,153,495,126	458,312,137,579
10. Operating profit (30=20+(21-22)-(25+26))	30		1,714,446,436,972	1,177,287,260,315
11. Other income	31	34	24,443,324,321	10,480,189,203
12. Other expenses	32	34	1,048,768,634	7,294,508,763
13. Profit from other activities (40=31-32)	40		23,394,555,687	3,185,680,440
14. Accounting profit before tax (50=30+40)	50		1,737,840,992,659	1,180,472,940,755
15. Current corporate income tax expense	51	35	273,088,484,232	142,737,727,722
16. Deferred corporate tax (income)	52	17	(3,618,548,791)	(28,397,345,472)
17. Net profit after corporate income tax (60=50-51-52)	60		1,468,371,057,218	1,066,132,558,505

  
Hoàng Thị Lan Anh  
Preparer

  
Huỳnh Kim Nhan  
Chief Accountant

  
Nguyễn Văn Tong  
Deputy General Director

21 March 2016

The notes set out on pages 9 to 40 are an integral part of these separate financial statements

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam**Separate financial statements**  
For the year ended 31 December 2015**CASH FLOW STATEMENT**  
*For the year ended 31 December 2015***FORM B 03-DN**  
Unit: VND

ITEMS	Codes	2015	2014 (Restated)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>1. Profit before tax</i>	<i>01</i>	<i>1,737,840,992,659</i>	<i>1,180,472,940,755</i>
<i>2. Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment properties	02	232,711,857,515	233,938,186,757
Provisions	03	515,375,396,030	455,530,268,776
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(185,722,992)	104,776,992
(Gain) from investing activities	05	(323,666,799,418)	(465,326,399,498)
Other adjustments	07	-	43,515,737,023
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>2,162,075,723,794</i>	<i>1,448,235,510,805</i>
(Increase) in receivables	09	(142,450,718,627)	(200,021,974,409)
Decrease/(Increase) in inventories	10	77,048,969,029	(192,338,894,352)
(Decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	(369,792,878,177)	(237,429,148,831)
Decrease in prepaid expenses	12	16,245,810,697	23,775,772,270
Corporate income tax paid	15	(244,247,300,070)	(81,295,982,938)
Other cash inflows	16	106,450,370,984	1,632,509,124
Other cash outflows	17	(339,051,256,935)	(160,910,776,942)
<i>Net cash generated by operating activities</i>	<i>20</i>	<i>1,266,278,720,695</i>	<i>601,647,014,727</i>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(870,500,435,648)	(196,031,053,519)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	70,835,909,091	18,044,367,201
3. Cash recovered from lending, selling debt instruments of other entities	24	1,245,382,915	1,663,615,831,634
4. Equity investments in other entities	25	-	(28,563,000,000)
5. Cash recovered from investments in other entities	26	4,606,214,100	135,900,173,400
6. Interest earned, dividends and profits received	27	301,110,587,409	427,813,648,765
<i>Net cash (used in)/generated by investing activities</i>	<i>30</i>	<i>(492,702,342,133)</i>	<i>2,020,779,967,481</i>

*The notes set out on pages 9 to 40 are an integral part of these separate financial statements*

**CASH FLOW STATEMENT (Continued)**

For the year ended 31 December 2015

FORM B 03-DN

Unit: VND

ITEMS	Codes	2015	2014 (Restated)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	226,950,078,667	-
2. Dividends and profits paid	36	(569,893,611,925)	(1,516,104,854,000)
<i>Net cash (used in) financing activities</i>	<i>40</i>	<i>(342,943,533,258)</i>	<i>(1,516,104,854,000)</i>
<b>Net increase in cash (50=20+30+40)</b>	<b>50</b>	<b>430,632,845,304</b>	<b>1,106,322,128,208</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>4,757,994,590,292</b>	<b>3,651,611,169,091</b>
Effect of changes in foreign exchange rates	61	185,722,992	61,292,993
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>5,188,813,158,588</b>	<b>4,757,994,590,292</b>

*Hoang Thi Lan Anh*

Hoang Thi Lan Anh  
Preparer

21 March 2016

*Huynh Kim Nhan*

Huynh Kim Nhan  
Chief Accountant



Nguyen Van Tong  
Deputy General Director

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

**FORM B 09-DN**

*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 Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Corporation"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 13<sup>th</sup> amendment on 10 March 2016, issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Corporation officially transformed its operation into parent-subsidiary model in accordance with Resolution No. 01/ND-DHDCD passed at the Shareholders' General Meeting. Accordingly, the Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC was established from functional departments of PetroVietnam Fertilizer and Chemicals Joint Stock Company, project management units and Phu My Fertilizer Plant. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 5 November 2007 with stock symbol "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group which holds 61.37 % of its charter capital as at 31 December 2015.

The total number of employees of the Corporation as at 31 December 2015 was 1,180 (31 December 2014: 1,144).

**Operating industries and principal activities**

The operating industries of the Corporation include:

- Production and trading of fertilizer, liquid ammonia, industrial gas, other chemicals.
- Provision of technical services relating to production and trading of fertilizer and other related chemicals (excluding heavily toxic chemicals).
- Relevant technical consultancy and architecture activities.
- Production, transmission and distribution of electricity.
- Trading of real estates, land use rights in all kinds.
- Sales of agriculture and forestry products (excluding wood, bamboo) and living animals.
- Goods transport services by inbound waterway and trucks, processing of oil and gas-related products and minerals.
- Services of vocational training.
- Services directly supporting waterway transportation; loading and unloading goods; maritime and shipping agency and goods storage.

The principal activities of the Corporation are production and trading of fertilizer used in agriculture.

**Normal production and business cycle**

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

**The Corporation's structure**

As at 31 December 2015, the Corporation had 05 subsidiaries, 03 associates, 01 branch, 01 plant, 01 Project Management Unit and 01 representative office as follows:

- Phu My Fertilizer Plant
- Ho Chi Minh Branch
- Fertilizer and Chemicals Project Management Unit
- Representative office in Myanmar

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**1. GENERAL INFORMATION (Continued)****The Corporation's structure (Continued)**

The general information about subsidiaries and associates of the Corporation are as follows:

	Place of incorporation and operation	Proportion of ownership interest(%)	Proportion of voting power held (%)	Principal activity	Relationship
Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75	75	Trading of fertilizer and chemicals	Subsidiary
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75	75	Trading of fertilizer and chemicals	Subsidiary
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75	75	Trading of fertilizer and chemicals	Subsidiary
Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi City	75	75	Trading of fertilizer and chemicals	Subsidiary
PetroVietnam Southern Building and Development JSC (*)	Ho Chi Minh City	81.38	81.38	Construction and installation of civil and industrial works and services provision	Subsidiary
Phu My Fertilizer Packaging JSC	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages	Associate
PetroVietnam Urban Development JSC	Can Tho City	35.63	35.63	Construction and installation of civil and industrial works and services provision	Associate
PetroVietnam Petrochemical and Textile Fiber JSC	Hai Phong City	25.99	25.99	Production and sale of polyester fibers	Associate

(\*) In accordance with Resolution No. 15/NQ-PBHC, on 13 January 2016, the Board of Management approved the quotation result to transfer the entire 81.38% of its share capital at PetroVietnam Southern Building and Development Joint Stock Company ("PVFCCo-SBD"). After the transferring process, the Corporation will officially no longer own shares of PVFCCo-SBD.

**Disclosure of information comparability in the separate financial statements**

As stated in Note 3, since 01 January 2015, the Corporation has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for the financial year beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Accordingly, certain figures of the balance sheet as at 31 December 2014, of the income statement and of the cash flow statement for the year then ended have been reclassified due to effects of adoption of Circular 200 on the preparation and presentation of the separate financial statements to enhance their comparability with the current year's figures.

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

The accompanying separate 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 Corporation's separate financial statements are prepared based on the aggregation of financial statements of the head office of PetroVietnam Fertilizer and Chemicals Corporation - JSC and its dependent accounting units. The major transactions and balances between the head office and its dependent accounting units are eliminated in the Corporation's separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR (Continued)**

**Accounting convention (Continued)**

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

**Financial year**

The Corporation's financial year begins on 01 January and ends on 31 December.

**3. ADOPTION OF NEW ACCOUNTING GUIDANCE**

**New guidance on accounting regime for enterprises**

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of General Directors has adopted Circular 200 in the preparation and presentation of the separate financial statements for the year ended 31 December 2015.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Accounting estimates**

The preparation of the separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of General 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 separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of General 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 Corporation comprise cash, cash equivalents, trade receivables, other receivables and short-term and long-term financial investments.

**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 Corporation comprise trade and other payables, accrued expenses, loans and payable provisions.

**Subsequent measurement after initial recognition**

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and cash equivalents**

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

**Financial investments**

***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits in banks held to maturity to earn periodic interest.

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

Held-to-maturity investments are measured at cost less provision for doubtful debts (if any).

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

***Investments in subsidiaries***

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

***Investments in associates***

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Interests in subsidiaries and associates are initially recognised at cost. The Corporation's share of the net profit of the investee after acquisition is recognised in the income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Investments in subsidiaries and associates are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries and associates are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

***Equity investments in other entities***

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

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables**

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

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

**Inventories**

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

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

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any).

In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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

	<b>2015</b>
	<b>Years</b>
Buildings, structures	10 - 25
Machinery, equipment	3 - 6
Motor vehicles	6
Office equipment	3 - 5
Others	3

With respect to repairing expenses of fixed assets at Phu My Fertilizer Plant which is on a cyclical basis, the Corporation shall be permitted to accrue such expenses to operating expenses in advance on the basis of annual budget. If actual expenses of repairs are higher than the accrued expenses, then the difference shall be directly charged to operating expenses. If the actual expenses of repairs are lower than the accrued expenses, then the difference shall be accounted for as a reduction of operating expenses of the year.

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 income statement.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Intangible assets and amortization**

Intangible assets represent land use rights, patent rights, computer software and other intangible assets which are stated at cost less accumulated amortization. Land use rights are amortised using the straight-line method over the duration of the right to use the land, Indefinite-term land use rights are not amortized. The patent rights and other intangible assets are amortized using the straight-line method over 6 years. The computer software is amortized using the straight-line method over 3 years.

**Operating leases**

Operating leases include office and land rentals. Payments under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**Construction in progress**

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other costs and related borrowing costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

**Investment properties**

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation while investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs.

Investment properties, which are composed of land use rights and buildings and structures of Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City; Cuu Long Supermarket-Office Building in Ca Mau Province; PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City held by the Corporation to earn rentals, are stated at cost less accumulated depreciation.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives as follows:

	<b>2015</b>
	<b>Years</b>
Land use rights	44 - 50
Buildings and structures	25

The Corporation does not depreciate investment properties which are indefinite-term land use rights.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Prepayments**

Prepayments include asset insurance premium, land rentals, spare parts and other types of long-term prepayments. Where:

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

Spare parts which are put in use at Phu My Fertilizer Plant are charged to the income statement on the straight-line basis over 6 years in accordance with the depreciation duration of production lines. As at 31 December 2015, the cost of spare parts of Phu My Fertilizer Plant was fully recognized in profit or loss.

Other types of long-term prepayments comprise of tools and supplies issued for consumption and are charged to the income statement on the straight-line basis from 1.5 to 2 years.

**Payable provisions**

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

**Science and Technology Development Fund**

Science and Technology Development Fund are appropriated in order to invest for science and technology activities of the Corporation. This Fund was formed on the basis of the Corporation's development demand and technology innovation and is recognized in the operation results of the year.

**Revenue recognition**

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

- (a) The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) The Corporation 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 Corporation; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue from leasing investment property is recognized in the income statement on the straight-line basis over the lease term.

Financial income mainly comprises interest on demand and term deposits, dividend income from short-term and long-term investments, and foreign exchange gains. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****Foreign currencies**

The Corporation 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". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 31 December 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying rate announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 31 December 2015. The abovementioned rate differs from that stated in Circular No. 200/2014/TT-BTC issued on 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises. However, such difference has no material influence on the Corporation's separate financial statements for the year ended 31 December 2015.

**Borrowing costs**

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

**Taxation**

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

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

For fertilizer production at Phu My Fertilizer Plant: the Corporation is obliged to pay corporate income tax at the rate of 15% of its assessable income. The Corporation is entitled to corporate income tax exemption for four years from the first profit-making year (2004) and a 50% reduction in tax payable for the seven years thereafter (from 2008). The year ended 31 December 2015 is the first year the Corporation applied the tax rate of 15% for the fertilizer production.

For other business activities, the Corporation is obliged to pay corporate income tax at the rate of 22% of its taxable income.

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Taxation (Continued)**

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

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

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

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

**5. CASH AND CASH EQUIVALENTS**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Cash on hand	1,101,032,562	538,978,228
Bank demand deposits	113,712,126,026	77,455,612,064
Cash equivalents (*)	5,074,000,000,000	4,680,000,000,000
	<u>5,188,813,158,588</u>	<u>4,757,994,590,292</u>

(\*) Cash equivalents represent the time deposits for original terms from 1 to 3 months at commercial banks with interest rates ranging from 0.8% to 5.3% per annum.

**6. FINANCIAL INVESTMENTS**

	<u>31/12/2015</u>		<u>31/12/2014</u>	
	<u>Cost</u>	<u>Carrying amount</u>	<u>Cost</u>	<u>Carrying amount</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
<b>Short-term held-to-maturity investments</b>				
Term deposits	70,000,000,000	70,000,000,000	71,245,382,915	71,245,382,915

Short-term held-to-maturity investments as at 31 December 2015 represent time deposits with original terms of more than 3 months and remaining terms of less than 12 months from the reporting date at commercial banks with interest rates ranging from 4.5% to 5.1% per annum.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

Separate financial statements  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN**

**6. FINANCIAL INVESTMENTS (Continued)**

	31/12/2015			31/12/2014		
	Cost	Provision	Fair value	Cost	Provision	Fair value
	VND	VND	VND	VND	VND	VND
<b>Investments in subsidiaries</b>						
Central PetroVietnam Fertilizer and Chemicals JSC	445,046,800,000	-	514,525,000,000	466,456,800,000	-	-
SouthWest PetroVietnam Fertilizer and Chemicals JSC	75,000,000,000	-	101,250,000,000	75,000,000,000	-	-
SouthEast PetroVietnam Fertilizer and Chemicals JSC	127,500,000,000	-	131,325,000,000	127,500,000,000	-	-
Northern PetroVietnam Fertilizer and Chemicals JSC	93,750,000,000	-	171,250,000,000	93,750,000,000	-	-
Phu My Fertilizer Packaging Joint Stock Company	90,000,000,000	-	110,700,000,000	90,000,000,000	-	-
PetroVietnam Southern Building and Development JSC	58,796,800,000	-	-	21,410,000,000	-	-
<b>Investments in associates</b>						
PetroVietnam Urban Development JSC	680,903,000,000	(662,700,000,000)	-	662,700,000,000	(448,217,981,815)	-
PetroVietnam Petrochemical and Textile Fiber JSC	100,000,000,000	(100,000,000,000)	-	100,000,000,000	(88,530,185,091)	-
Phu My Fertilizer Packaging Joint Stock Company	562,700,000,000	(562,700,000,000)	-	562,700,000,000	(359,687,796,724)	-
	18,203,000,000	-	25,483,920,000	-	-	-
<b>Investments in other entities</b>						
Petroleum Information Technology Telecom and Automation JSC	20,502,000,000	(335,870,286)	-	20,502,000,000	(335,870,286)	-
	3,600,000,000	(335,870,286)	-	3,600,000,000	(335,870,286)	-
Ut Xi Aquatic Products Processing Corporation	16,902,000,000	-	-	16,902,000,000	-	-

As stipulated in Circular No. 200/2014/TT-BTC dated 22 December 2014, the fair value of the investments as at 31 December 2015 should be presented. The Corporation has determined the fair value of investments in North PetroVietnam Fertilizer and Chemicals JSC, Central PetroVietnam Fertilizer and Chemicals JSC, SouthEast PetroVietnam Fertilizer and Chemicals JSC, SouthWest PetroVietnam Fertilizer and Chemicals JSC and Phu My Fertilizer Packaging JSC based on listed price of shares on the stock exchange and the number of shares currently held by the Corporation (as at 31 December 2014, their shares were not listed on a stock exchange; therefore, the Corporation was unable to collect reliable information in order to determine the fair value of these investments).

For the remaining investments, these companies have not had their shares listed on a stock exchange yet and the Corporation was unable to collect reliable information in order to determine their fair value. Accordingly, the fair value of such investments as at 31 December 2015 has not been determined and presented in the Notes to the separate financial statements as per Circular No. 200/2014/TT-BTC.

**Separate financial statements**  
For the year ended to 31 December 2015

**Separate financial statements**  
For the year ended to 31 December 2015

**FORM B 09-DN**

	2015			2014 (Restated)		
	Profit/(loss) after tax			Profit/(loss) after tax		
	Revenue VND	Expenditures VND	tax VND	Revenue VND	Expenditures VND	Profit/(loss) after tax VND
<b>Operating status of subsidiaries during the year</b>						
Central Petro Vietnam Fertilizer and Chemicals JSC	2,452,136,193,751	2,420,947,177,721	27,957,851,890	2,348,012,348,502	2,299,194,231,078	40,198,460,122
SouthWest Petro Vietnam Fertilizer and Chemicals JSC	2,600,069,400,533	2,566,415,301,889	32,042,485,855	2,548,197,991,082	2,513,141,318,636	31,886,979,122
SouthEast Petro Vietnam Fertilizer and Chemicals JSC	2,673,130,613,391	2,638,014,233,431	27,283,991,513	2,821,395,467,672	2,780,830,095,576	29,569,840,172
Northern Petro Vietnam Fertilizer and Chemicals JSC	1,422,902,633,794	1,393,263,049,402	25,179,482,248	1,245,771,598,872	1,219,086,997,797	26,160,802,852
Petro Vietnam Southern Building and Development JSC	187,532,521,921	179,385,395,045	6,224,259,944	181,010,851,072	174,755,943,076	6,657,036,466
<b>Operating status of associates during the year</b>						
Petro Vietnam Urban Development JSC (1)	176,246,743,797	177,663,104,727	(3,187,783,194)	119,657,880,948	133,840,321,035	(28,161,107,257)
Petro Vietnam Petrochemical and Textile Fiber JSC (2)	1,835,314,470,723	2,847,318,804,271	(1,307,136,589,258)	1,146,489,282,320	2,034,910,226,835	(1,089,171,805,579)
Phu My Fertilizer Packaging Joint Stock Company	294,832,481,955	280,191,957,123	11,113,109,189	228,454,780,484	215,102,050,199	10,177,467,918
(1)	According to the unaudited separate financial statements for the year ended 31 December 2015 of Petro Vietnam Urban Development Joint Stock Company ("PVC-Mekong"), PVC-Mekong's net assets of more than VND 185 billion is VND 280 billion less than the capital contributed by its shareholders. Therefore, the Corporation made a full provision accumulated to more than VND 100 billion for impairment of the whole investment in PVC - Mekong.					
(2)	According to the unaudited separate financial statements for the year ended 31 December 2015 of Petro Vietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX"), PVTEX's net assets of more than VND 516 billion is VND 2,681 billion less than the capital contributed by its shareholders. Therefore, the Corporation made a full provision accumulated to approximately negative VND 562 billion for impairment of the whole investment in PVTEX.					
	2015			2014		
	Purchases of goods and services		Dividends distributed	Purchases of goods and services		Dividends received
	Sales VND	VND	VND	Sales VND	VND	VND
Significant transactions between Holding Corporation and its subsidiaries and associates in the year	7,864,776,309,866	205,741,637,009	63,659,818,000	6,868,531,289,033	227,208,534,402	77,331,312,000

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the the accompanying separate financial statements***7. SHORT-TERM TRADE RECEIVABLES**

	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>VND</b>
F.A Joint Stock Company	4,789,702,071	3,110,469,670
Liven Agrichem Pte. Ltd	6,246,660,000	-
Receivables from related parties (as presented in Note 39)	221,597,415,685	133,586,438,449
Others	3,556,648,423	4,582,318,302
	<b>236,190,426,179</b>	<b>141,279,226,421</b>

**8. SHORT-TERM ADVANCES TO SUPPLIERS**

	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>VND</b>
TOYO Vietnam Corporation	-	59,325,000,000
Technip Italy S.p.A	180,551,547,337	-
Thyssenkrupp Industrial Solution (India) private limited	93,223,527,025	-
Related parties (as presented in Note 39)	302,021,476,568	7,873,610,233
Others	20,600,267,300	21,305,472,190
	<b>596,396,818,230</b>	<b>88,504,082,423</b>

**9. OTHER RECEIVABLES**

	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>(Restated) VND</b>
<b>Other short-term receivables</b>		
PetroVietnam Trade Union Finance Investment Corporation (PVFI)	110,143,267,289	110,143,267,289
PetroVietnam Petrochemical and Textile Fiber JSC (i)	101,620,682,378	-
Accrued interest income from term deposits	21,756,845,967	19,692,943,546
PetroVietnam Northen Gas JSC (ii)	12,792,091,037	12,792,091,037
Advances to employees	1,852,778,259	239,187,715
Short-term deposits	15,000,000	32,000,000
VAT refund to Phu My Fertilizer Plant	17,851,484,482	106,450,370,984
Discount receivables from suppliers	51,589,780,848	-
Others	10,714,245,188	12,207,083,963
	<b>328,336,175,448</b>	<b>261,556,944,534</b>
<b>Other long-term receivables</b>		
Long-term deposits	50,000,000	50,000,000
	<b>50,000,000</b>	<b>50,000,000</b>

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**9. OTHER RECEIVABLES (Continued)**

- (i) The balance receivable from PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX") as at 31 December 2015 represents a payment under the reciprocal guarantee commitment for short- and medium-term loans of PVTEX. Payment obligations arose from the fact that Corporation signed two reciprocal guarantee commitments with the Group relating to the guarantee obligations of the Group for short- and medium-term loans of PVTEX. In 2014, the Group guaranteed and paid a total amount of VND 389.4 billion, representing a part of the medium-term loan for the plan construction purpose and the short-term plan for the commissioning purpose with the same interest rate, on behalf of PVTEX. Accordingly, the Corporation returned an amount of VND 101.2 billion, corresponding to the Corporation's capital proportion in PVTEX, to the Group.

According to the Memorandum of Agreement between PVN, PVTEX and the Corporation, PVN shall be responsible for collecting the principal of and interest on the guarantees having paid by parties on behalf of PVTEX. Within 7 days from the day PVN receives debt payments from PVTEX (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in PVTEX to the Corporation. The interest rate is determined by the demand deposit interest rate announced by the Commercial Joint Stock Bank for Foreign Trade of Vietnam. The interest calculation period starts from the day the Corporation pays the reciprocal guarantee amount to PVN.

As at 31 December 2015, the Board of General Directors assessed the recoverability of this receivable at low level as the accumulated losses of PVTEX had exceeded its equity, and PVTEX was unable to meet its financial obligations as and when they fall due. Therefore, the Board of General Directors decided to make a full provision for this receivable.

- (ii) The balance receivable from PetroVietnam Northern Gas Joint Stock Company ("PVGN") as at 31 December 2015 represents a damage insurance amount with regard to Da Nang Warehouse construction. This amount was paid by the insurance company but has not been transferred to the Corporation by PVGN yet.

**10. BAD DEBTS**

	31/12/2015		31/12/2014	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
<b>Doubtful debts</b>	<b>220,917,749,667</b>	<b>-</b>	<b>119,297,067,289</b>	<b>-</b>
PetroVietnam Trade Union Finance Investment Corporation (i)	110,143,267,289	-	110,143,267,289	-
Ngoc Lan Private Enterprise (ii)	9,153,800,000	-	9,153,800,000	-
PetroVietnam Petrochemical and Textile Fiber JSC (iii)	101,620,682,378	-	-	-
<b>Recoverable debts</b>	<b>-</b>	<b>-</b>	<b>2,294,640,000</b>	<b>2,294,640,000</b>
<b>Others</b>	<b>-</b>	<b>-</b>	<b>2,294,640,000</b>	<b>2,294,640,000</b>

- (i) The Corporation made a full provision for the receivables amount from PetroVietnam Trade Union Finance Investment Corporation in the financial statements for the year ended 31 December 2012.

- (ii) The Corporation made a full provision for the receivables amount from Ngoc Lan Private Enterprise in the financial statements for the year ended 31 December 2011.

- (iii) The Corporation made a full provision for the receivable from PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX") with regard to reciprocal guarantee commitments for medium-term and long-term loans of PVTEX as stated in Note 9.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**11. INVENTORIES**

	31/12/2015		31/12/2014	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	79,999,169,183	-	288,454,892,852	-
Raw materials	334,315,883,128	-	480,536,280,351	-
Tools and supplies	9,473,224,785	-	4,617,257,639	-
Work in progress	28,545,263,443	-	31,549,373,712	-
Finished goods	155,670,863,168	-	258,554,534,159	-
Merchandise	521,360,256,846	-	142,701,290,869	-
<b>Total</b>	<b>1,129,364,660,553</b>	<b>-</b>	<b>1,206,413,629,582</b>	<b>-</b>

**12. PREPAYMENTS**

	31/12/2015	31/12/2014
	VND	VND
<b>Short-term</b>		
Asset insurance prepayment	10,124,705,794	9,518,700,811
Tools and supplies	871,896,526	2,055,813,687
Others	3,491,594,227	3,565,136,270
	<b>14,488,196,547</b>	<b>15,139,650,768</b>
<b>Long-term</b>		
Land rentals	3,370,950,902	3,932,776,045
Tools and supplies	3,757,699,448	15,734,967,858
Others	2,485,459,822	5,540,722,745
	<b>9,614,110,172</b>	<b>25,208,466,648</b>

**13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS**

	Buildings, structures	Machinery, equipment	Motor vehicles, transmission equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
As at 01/01/2015	1,426,724,534,990	5,359,366,758,010	54,486,512,238	112,567,786,082	6,816,368,775	6,959,961,960,095
Transfer from construction completed	-	-	-	-	1,460,533,730	1,460,533,730
Purchases	-	28,637,860,476	-	39,328,612,313	-	67,966,472,789
Disposals	-	(328,214,510)	(1,343,457,208)	(3,120,511,915)	-	(4,792,183,633)
Other increase/(decrease)	-	779,934,982	-	(779,934,982)	-	-
<b>As at 31/12/2015</b>	<b>1,426,724,534,990</b>	<b>5,388,456,338,958</b>	<b>53,143,055,030</b>	<b>147,995,951,498</b>	<b>8,276,902,505</b>	<b>7,024,596,782,981</b>
<b>ACCUMULATED DEPRECIATION</b>						
As at 01/01/2015	763,444,451,696	5,157,687,238,267	44,949,246,211	69,450,852,123	2,890,826,102	6,038,422,614,399
Charge for the year	72,710,761,070	106,465,492,790	2,735,059,526	21,319,719,987	2,364,586,954	205,595,620,327
Disposals	-	(328,214,510)	(1,343,457,208)	(3,120,511,915)	-	(4,792,183,633)
<b>As at 31/12/2015</b>	<b>836,155,212,766</b>	<b>5,263,824,516,547</b>	<b>46,340,848,529</b>	<b>87,650,060,195</b>	<b>5,255,413,056</b>	<b>6,239,226,051,093</b>
<b>NET BOOK VALUE</b>						
As at 31/12/2015	590,569,322,224	124,631,822,411	6,802,206,501	60,345,891,303	3,021,489,449	785,370,731,888
As at 01/01/2015	663,280,083,294	201,679,519,743	9,537,266,027	43,116,933,959	3,925,542,673	921,539,345,696

The cost of the Corporation's tangible fixed assets as at 31 December 2015 includes VND 5,378,778,307,722 (31 December 2014: VND 5,349,686,879,705) of assets which have been fully depreciated but are still in use.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

Separate financial statements

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

FORM B 09-DN

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

**14. INCREASES, DECREASES IN INTANGIBLE ASSETS**

	Land use rights	Patent, copyright	Computer software	Others	Total
	VND	VND	VND	VND	VND
<b>COST</b>					
As at 01/01/2015	803,964,779,348	171,736,726,176	52,117,573,588	9,981,954,396	1,037,801,033,508
Addition in the year	-	1,977,793,869	1,198,110,000	-	3,175,903,869
Disposals	-	-	(85,064,909)	(43,636,364)	(128,701,273)
As at 31/12/2015	803,964,779,348	173,714,520,045	53,230,618,679	9,938,318,032	1,040,848,236,104
<b>ACCUMULATED AMORTISATION</b>					
As at 01/01/2015	14,418,509,226	169,035,688,047	36,904,983,424	9,860,908,169	230,220,088,866
Charge for the year	4,303,568,201	2,595,868,374	8,302,715,282	110,143,108	15,312,294,965
Disposals	-	-	(63,810,329)	(32,733,245)	(96,543,574)
As at 31/12/2015	18,722,077,427	171,631,556,421	45,143,888,377	9,938,318,032	245,435,840,257
<b>NET BOOK VALUE</b>					
As at 31/12/2015	785,242,701,921	2,082,963,624	8,086,730,302	-	795,412,395,847
As at 01/01/2015	789,546,270,122	2,701,038,129	15,212,590,164	121,046,227	807,580,944,642

The cost of the Corporation's intangible assets as at 31 December 2015 includes VND 178,361,196,555 (31 December 2014: VND 178,361,196,555) of assets which have been fully amortised but are still in use.

**15. INCREASES, DECREASES IN INVESTMENT PROPERTIES**

	Land use rights	Buildings and structures	Total
	VND	VND	VND
<b>COST</b>			
As at 01/01/2015	123,999,152,000	267,907,080,192	391,906,232,192
Purchases in the year	-	1,502,792,144	1,502,792,144
Disposals	(24,500,000,000)	(34,352,156,792)	(58,852,156,792)
As at 31/12/2015	99,499,152,000	235,057,715,544	334,556,867,544
<b>ACCUMULATED DEPRECIATION</b>			
As at 01/01/2015	6,092,502,718	41,530,967,492	47,623,470,210
Charge for the year	1,330,844,702	10,473,097,521	11,803,942,223
Disposals	(1,787,736,207)	(5,153,764,681)	(6,941,500,888)
As at 31/12/2015	5,635,611,213	46,850,300,332	52,485,911,545
<b>NET BOOK VALUE</b>			
As at 31/12/2015	93,863,540,787	188,207,415,212	282,070,955,999
As at 01/01/2015	117,906,649,282	226,376,112,700	344,282,761,982

Investment properties represent land use rights and buildings and structures of Dong Tay Building at 27 Dinh Bo Linh Street, Ho Chi Minh City; Cuu Long Supermarket-Office Building in Ca Mau Province; PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City which were held to earn rentals.

According to VAS No. 05 - Investment Properties, fair value of investment properties at the balance sheet date is required to be disclosed. However, the Corporation has not determined the fair value as at 31 December 2015; therefore, no information about the fair value is stated at the notes to the separate financial statements.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the the accompanying separate financial statements***16. CONSTRUCTION IN PROGRESS**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>VND</u>	<u>VND</u>
Construction in progress	609,740,263,873	240,638,327,232
In which:		
UFC 85/Formaldehyde factory project (*)	348,243,750,831	75,732,962,614
NH3 and NPK project	108,329,487,319	23,451,226,161
Ammonia project	46,248,899,367	46,248,899,367
Apartment buildings for employees	36,342,070,618	36,342,070,618
Tay Ninh warehouse	24,001,000,364	23,573,596,728
Other projects	46,575,055,374	35,289,571,744
	<u>609,740,263,873</u>	<u>240,638,327,232</u>

(\*) The UFC 85/Formaldehyde project with total value invested up to VND 500 billion has basically been accomplished and currently in the trial progress. The project is expected to be handed over and start operating in the first quarter of 2016. As stated in Note 24, the Corporation has pledged the entire investment cost of the construction project on UFC85/Formaldehyde factory with the amount as at 31 December 2015 amounting to more than VND 348 billion to ensure long-term loans obtained from Vietnam Public Commercial Joint Stock Bank- Ho Chi Minh City Branch.

**17. DEFERRED TAX ASSETS**

The following are the major deferred tax assets recognized by the Corporation, and the movements thereon, in the 2015 and prior financial years.

	<u>Provision of short-term doubtful debts</u>	<u>Accrued expenses not yet invoiced</u>	<u>Others</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
As at 01/01/2014	13,767,908,411	11,656,179,678	-	25,424,088,089
Charge for the year	(6,498,452,770)	29,469,242,576	5,426,555,666	28,397,345,472
As at 01/01/2015	<u>7,269,455,641</u>	<u>41,125,422,254</u>	<u>5,426,555,666</u>	<u>53,821,433,561</u>
Charge for the year	15,087,094,482	(12,715,279,460)	1,246,733,769	3,618,548,791
As at 31/12/2015	<u>22,356,550,123</u>	<u>28,410,142,794</u>	<u>6,673,289,435</u>	<u>57,439,982,352</u>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the the accompanying separate financial statements***18. SHORT-TERM TRADE PAYABLES**

	31/12/2015		31/12/2014	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
TOYO Vietnam Corporation	-	-	29,662,500,000	29,662,500,000
Related parties (as presented in Note 39)	235,999,071,866	235,999,071,866	258,907,825,118	258,907,825,118
Others	108,291,139,792	108,291,139,792	77,652,443,467	77,652,443,467
	<b>344,290,211,658</b>	<b>344,290,211,658</b>	<b>366,222,768,585</b>	<b>366,222,768,585</b>

**19. SHORT-TERM ADVANCES FROM CUSTOMERS**

	31/12/2015	31/12/2014
	VND	VND
Uralkali Trading S.A	2,036,402,485	-
Related parties (as presented in Note 39)	42,317,312,072	59,041,033,554
Others	1,030,488,314	1,299,239,730
	<b>45,384,202,871</b>	<b>60,340,273,284</b>

**20. TAXES AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE BUDGET**

	31/12/2015	31/12/2014
	VND	VND
Output value added tax	851,506,910	-
Corporate income tax	65,108,176,133	36,266,991,971
Personal income tax	2,668,674,413	1,621,798,189
Natural resource tax	29,441,280	30,299,840
Others	6,936,000	498,000
	<b>68,664,734,736</b>	<b>37,919,588,000</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**20. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET (Continued)**

Implementation of tax obligation to the State budget for the year:

Items	Movement during the year			31/12/2015
	01/01/2015	Amount payable	Amount paid	
	VND	VND	VND	VND
<b>a) Tax receivables</b>				
Corporate income tax	(3,152,818,774)	-	-	(3,152,818,774)
Personal income tax	(1,360,021,965)	15,827,935,511	15,446,917,863	(979,004,317)
	<b>(4,512,840,739)</b>	<b>15,827,935,511</b>	<b>15,446,917,863</b>	<b>(4,131,823,091)</b>
<b>b) Tax payables</b>				
VAT on domestic goods	-	1,849,105,976	997,599,066	851,506,910
VAT on imports	-	5,753,373,111	5,753,373,111	-
Import-export duties	-	64,603,542,915	64,603,542,915	-
Corporate income tax	36,266,991,971	273,088,484,232	244,247,300,070	65,108,176,133
Personal income tax	1,621,798,189	17,964,898,706	16,918,022,482	2,668,674,413
Natural resource tax	30,299,840	345,331,840	346,190,400	29,441,280
Environmental protection tax	498,000	49,680,000	43,242,000	6,936,000
Business tax	-	7,000,000	7,000,000	-
Foreign contractor	-	15,091,288,961	15,091,288,961	-
<b>Total</b>	<b>37,919,588,000</b>	<b>378,752,705,741</b>	<b>348,007,559,005</b>	<b>68,664,734,736</b>

**21. SHORT-TERM ACCRUED EXPENSES**

	31/12/2015	31/12/2014
	VND	(Reclassified) VND
Social security expenses (i)	18,624,552,700	32,058,808,019
Others	34,861,819,801	25,005,411,139
	<b>53,486,372,501</b>	<b>57,064,219,158</b>

(i) Social security expenses for the year were accrued in accordance with Resolution No. 998/NQ-DKVN dated 04 May 2015 on "Acceptance for the solution of expenditure allocation of Vietnam Oil and Gas Group and companies in the Group to implement social security projects in 2015". Accordingly, expenditure allocated to the Corporation in 2015 was VND 95 billion. As at 31 December 2015, the balance of social security expenses payable to beneficiaries was VND 18,624,552,700.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**
**FORM B 09-DN**

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

**22. OTHER PAYABLES**

	31/12/2015	31/12/2014 (Reclassified)
	VND	VND
<b>Other short-term payables</b>		
Dividend payables	975,031,896,789	25,188,468,714
Short-term deposits received	3,233,141,465	5,496,394,080
Other short-term payables	11,535,665,195	14,891,897,310
	<b>989,800,703,449</b>	<b>45,576,760,104</b>
<b>Other long-term payables</b>		
Long-term deposits received	600,000,000	-
	<b>600,000,000</b>	<b>-</b>

**23. PAYABLE PROVISIONS**

	31/12/2015	31/12/2014 (Reclassified)
	VND	VND
<b>Short-term</b>		
Accrued repair and maintenance costs for Phu My Fertilizer Plant in 2015	-	217,105,262,533
Accrued GAS TURBINE maintenance costs in 2016	39,680,210,527	-
	<b>39,680,210,527</b>	<b>217,105,262,533</b>
<b>Long-term</b>		
Accrued repair and maintenance costs for the Phu My Fertilizer Plant in 2017	96,551,724,140	-
	<b>96,551,724,140</b>	<b>-</b>

**24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

Items	31/12/2014		During the year		31/12/2015	
	Amount able to		Increases	Decreases	Amount able to	
	Amount	be paid off			Amount	paid off
	VND	VND	VND	VND	VND	VND
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	-	-	226,950,078,667	-	226,950,078,667	226,950,078,667
<b>Total</b>	<b>-</b>	<b>-</b>	<b>226,950,078,667</b>	<b>-</b>	<b>226,950,078,667</b>	<b>226,950,078,667</b>

This is the long-term loan under Credit Agreement No. 03/2015/HDDA-PVB-CNHCM.QLDT dated 26 January 2015 between the Corporation and Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch with the credit limit of VND 347,574,411,133 to finance the construction project on UFC85/ Formaldehyde factory of which the Corporation acts as the investment owner. The maximum loan term is 120 months from the first disbursement date. The loan interest rate is determined by reference interest plus margin interest (2.5% per annum). Interest will be payable once every 06 months based on the actual outstanding balance on the 26<sup>th</sup> every month.

The Corporation has mortgaged the entire value of the construction project on the factory in Phu My I Industrial Zone in Ba Ria - Vung Tau province to secure the loan above.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

Separate financial statements  
For the year ended to 31 December 2015

**FORM B 09a-DN**

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

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

**25. OWNER'S EQUITY**

	Owner's contributed capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
<b>Balance as at 01/01/2014</b>	3,800,000,000,000	21,179,913,858	(2,296,824,120)	(264,120,169)	2,499,459,725,948	945,355,131,893	2,001,352,082,545	9,264,785,909,955
Profit for the year	-	-	-	-	-	-	1,066,132,558,505	1,066,132,558,505
Appropriation to bonus and welfare funds	-	-	-	-	-	-	(117,037,091,980)	(117,037,091,980)
Dividends declared	-	-	-	-	-	-	(1,519,737,040,000)	(1,519,737,040,000)
Others	-	-	-	263,400,375	-	-	-	263,400,375
<b>Balance as at 31/12/2014</b>	3,800,000,000,000	21,179,913,858	(2,296,824,120)	(719,794)	2,499,459,725,948	945,355,131,893	1,430,710,509,070	8,694,407,736,855
Reclassified under Circular No. 200	-	-	-	-	945,355,131,893	(945,355,131,893)	-	-
<b>Balance as at 01/01/2015</b>	3,800,000,000,000	21,179,913,858	(2,296,824,120)	(719,794)	3,444,814,857,841	-	1,430,710,509,070	8,694,407,736,855
Profit for the year	-	-	-	-	-	-	1,468,371,057,218	1,468,371,057,218
Appropriation to bonus and welfare funds (1)	-	-	-	-	-	-	(274,872,009,248)	(274,872,009,248)
Dividends declared (2)	-	-	-	-	-	-	(1,519,737,040,000)	(1,519,737,040,000)
Others	-	-	-	719,794	-	-	-	719,794
<b>Balance as at 31/12/2015</b>	3,800,000,000,000	21,179,913,858	(2,296,824,120)	-	3,444,814,857,841	-	1,104,472,517,040	8,368,170,464,619

(1) The Corporation made profit appropriation of VND 54,548,877,300 to the Bonus and welfare funds from the 2014 profit under Resolution No. 21/NQ-DHDCD at the rate of 12% of the retained earnings. Also, the Corporation made an interim profit appropriation of VND 220,232,131,948 to the Bonus and welfare funds, corresponding to 15% of the after-tax profit of 2015 under Resolution No. 23/NQ-DHDCD dated 22 April 2015 passed at the General Shareholders' Meeting.

(2) In 2015, the Corporation declared to pay the remaining dividend from the 2014 after-tax profit amounting to VND 569,901,390,000 (equivalent to VND 1,500 per share) under Resolution No.23/NQ-DHDCD dated 22 April 2015, and the Corporation also made the first interim dividend advance from the 2015 after-tax profit amounting to VND 949,835,650,000 (equivalent to VND 2,500 per share) in accordance with Decision No.1064/NQ-HDQT dated 11 December 2015 of the Chairman.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**25. OWNER'S EQUITY (Continued)**

	<u>31/12/2015</u>	<u>31/12/2014</u>
<b>Shares</b>		
Number of shares issued to public		
+) <i>Common shares</i>	380,000,000	380,000,000
+) <i>Preferred shares</i>	-	-
Number of treasury shares		
+) <i>Common shares</i>	65,740	65,740
+) <i>Preferred shares</i>	-	-
Number of outstanding shares in circulation		
+) <i>Common shares</i>	379,934,260	379,934,260
+) <i>Preferred shares</i>	-	-

**Charter capital**

According to Business Registration Certificate No. 4103007696 dated 31 August 2007 and the amendment dated 10 March 2016 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,914,000,000,000. The charter capital was fully contributed by the shareholders as at 31 December 2015 as follows:

Shareholders	According to the Business Registration Certificate		Contributed capital 31/12/2015	Contributed capital 31/12/2014
	VND	%	VND	VND
Vietnam Oil and Gas Group	2,332,042,530,000	59,58	2,332,042,530,000	2,332,042,530,000
Others	1,581,957,470,000	40,42	1,467,957,470,000	1,467,957,470,000
	<u>3,914,000,000,000</u>	<u>100%</u>	<u>3,800,000,000,000</u>	<u>3,800,000,000,000</u>

**26. OFF-BALANCE SHEET ITEMS**

	<u>31/12/2015</u>	<u>31/12/2014</u>
Foreign currencies		
- USD	2,141,450	1,808,468
- EUR	32,574	33,658

**27. BUSINESS AND GEOGRAPHICAL SEGMENTS**

The Corporation's principal activities are manufacturing and trading of fertilizers used in agriculture. Accordingly, the financial information presented in the balance sheet as at 31 December 2015 and all revenue and expenses presented in the income statement for the year ended 31 December 2015 are related to manufacturing and trading of fertilizers. Revenue and cost of each goods item and business activity are presented in Note 28 and Note 29.

The Corporation carries out the distribution of fertilizer products, chemicals, packaging and services across the country through subsidiaries in each area including the Northern, Central High lands, Southeast, Southwest, and Ho Chi Minh. During the year, the Corporation exported products with revenue approximating VND 134 billion- accounting for negligible proportion of gross revenue from goods sold and services rendered of the Corporation. Thus, almost the entire production and business activities of the Corporation are carried out in the territory of Vietnam.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**28. REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	2015	2014
	VND	(Restated) VND
Sales of Urea	5,848,335,220,380	6,058,201,550,510
Sales of Ca Mau Urea	-	11,480,236,000
Sales of Ammonia	271,418,980,873	181,463,231,525
Sales of electricity	1,608,040,595	1,422,244,336
Others	2,274,337,576,580	1,375,295,859,157
<b>Gross revenue from goods sold and services rendered</b>	<b>8,395,699,818,428</b>	<b>7,627,863,121,528</b>
<b>Deduction</b>		
Sales discounts	112,817,988,804	121,642,589,279
	<b>112,817,988,804</b>	<b>121,642,589,279</b>
<b>Sales to related parties (presented in Note No.39)</b>	<b>7,864,776,309,866</b>	<b>6,870,457,743,605</b>

**29. COST OF SALES**

	2015	2014
	VND	VND
Cost of sold Urea	3,202,475,538,475	4,043,371,170,001
Cost of sold Ca Mau Urea	-	10,768,492,500
Cost of sold Ammonia	144,565,582,519	88,671,273,818
Cost of sold electricity	2,568,917,637	3,169,077,631
Others	2,186,872,177,891	1,309,975,919,313
	<b>5,536,482,216,522</b>	<b>5,455,955,933,263</b>

**30. PRODUCTION COST BY NATURE**

	2015	2014
	VND	VND
Raw materials and consumables	2,396,192,410,433	3,619,695,520,975
Labour	357,744,047,445	326,457,107,178
Depreciation and amortisation	223,191,805,850	233,938,186,757
Out-sourced services	804,122,477,087	871,340,524,382
Other expenses	542,567,667,359	156,557,615,828
	<b>4,323,818,408,174</b>	<b>5,207,988,955,120</b>

**31. FINANCIAL INCOME**

	2015	2014
	VND	VND
Interest income	239,514,671,830	306,485,412,459
Dividends and profits received	63,659,818,000	80,371,154,400
Foreign exchange gain	2,992,728,792	612,865,291
Gain arising on the transfer of shares of Phu My Fertilizer Packaging Joint Stock Company	1,399,214,100	-
Gain arising on the transfer of shares of Drilling Mud Joint Stock Corporation's shares	-	78,527,105,479
Others	1,231,799,690	66,077,036
	<b>308,798,232,412</b>	<b>466,062,614,665</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the the accompanying separate financial statements***32. FINANCIAL EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>VND</b>	<b>VND</b>
Provision for impairment of long-term investments	214,482,018,185	284,356,397,495
Foreign exchange loss	1,917,612,896	850,879,848
Others	467,486	204,860,784
	<b>216,400,098,567</b>	<b>285,412,138,127</b>

**33. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>VND</b>	<b>VND</b>
<b>Selling expenses for the year</b>		
Salary and other benefits for sales staff	33,918,533,690	27,585,492,030
Transportation, loading, uploading and storages expenses	320,642,451,947	346,827,137,064
Social security expenses	83,644,132,797	93,292,232,700
Advertising and media expenses	111,389,096,361	82,888,402,710
Others	84,603,600,054	44,722,413,126
	<b>634,197,814,849</b>	<b>595,315,677,630</b>
<b>General and administration expenses for the year</b>		
Management personnel costs	103,167,796,397	99,692,332,116
Administration fee paid to the Group	30,727,444,022	35,062,450,431
Depreciation and amortisation	86,588,116,852	88,209,011,026
Others	269,670,137,855	235,348,344,006
	<b>490,153,495,126</b>	<b>458,312,137,579</b>

**34. OTHER INCOME AND OTHER EXPENSES**

	<b>2015</b>	<b>2014</b>
	<b>VND</b>	<b>(Restated)</b>
		<b>VND</b>
<b>Other income</b>		
Proceeds from disposal of investment property	19,293,095,488	-
Proceeds from customers due to their breaches of contracts	253,210,835	1,029,475,330
Others	4,897,017,998	9,450,713,873
	<b>24,443,324,321</b>	<b>10,480,189,203</b>
<b>Other expenses</b>		
Cost for disposal of investment property	-	175,336,802
Others	1,048,768,634	7,119,171,961
	<b>1,048,768,634</b>	<b>7,294,508,763</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**35. CURRENT CORPORATE INCOME TAX EXPENSE**

	<b>2015</b>	<b>2014</b>
	<b>VND</b>	<b>VND</b>
Corporate income tax based on taxable income in the current year	272,254,729,741	126,214,508,456
Adjustments for corporate income tax expenses in previous years to the current year	833,754,491	16,523,219,266
<b>Total current corporate income tax expenses</b>	<b>273,088,484,232</b>	<b>142,737,727,722</b>

For production and trading of fertilizers: the Corporation is obliged to pay corporate income tax at the rate of 15% of its assessable income. The Corporation is entitled to corporate income tax exemption for four years from the first profit-making year (2004) and a 50% reduction in tax payable for the seven years thereafter (from 2008). The year ended 31 December 2015 is the first year the Corporation enjoys 15% corporate income tax rate for profit from trading fertilizers.

For other business activities, the Corporation is obliged to pay corporate income tax at the rate of 22% of its taxable income.

**36. COMMITMENTS****Operating lease commitments**

At the balance sheet date, the payment schedule of the Corporation's operating lease commitments was as follows:

	<b>2015</b>	<b>2014</b>
	<b>VND</b>	<b>(Restated)</b>
	<b>VND</b>	<b>VND</b>
Within one year	15,021,241,138	15,508,105,138
In the second to fifth years inclusive	60,084,964,554	60,247,252,554
After five years	416,839,441,591	431,860,682,729
	<b>491,945,647,283</b>	<b>507,616,040,421</b>

On 03 September 2005, the Corporation was handed over with Land-subleasing contract No. 178/HD/TLD/UDEC.2001 dated 01 June 2001 signed between the Project Management Unit (PMU) of Phu My Fertilizer Plant and Ba Ria-Vung Tau Urban Development and Construction Company for the long-term lease of land and infrastructure in Phu My I Industrial Zone, Tan Thanh district, Ba Ria - Vung Tau province. The contract is valid for 17 years from 03 September 2004. According to the Appendix No.135/PLHD/IZICO signed on 7 November 2013, from 2014 onwards, the Corporation has to pay the annual rental fee of USD 666,524 in VND on 15 February each year.

**Capital commitment**

Under Decision No. 115/QĐ-PHBC dated 8 April 2014, the Corporation's Board of Management approved the project on investment and construction to enhance productivity of NH<sub>3</sub> workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant by applying chemical technology, supplying and meeting domestic demand for NH<sub>3</sub> and NPK fertilizer consumption with total investment cost of VND 4,987,200,000,000. The project is expected to be completed in Quarter 2 of 2017. By 31 December 2015, the cost of the project was VND 108,329,487,319.

**Other commitment**

Under the Appendix No. 04 to Gas Sales and Purchase Agreement No. 82/2010/PVGas-KTTT/TM-PVFCCo/B1 dated 07 May 2010, from 01 January 2016 to 31 December 2016 gas purchasing price is calculated using the formula to calculate gas price traded at a gas delivery place as follows: VAT exclusive gas price USD/MMBTU = 46% \* average oil price MFOC + Cuu Long charges applied to Phu My Fertilizer Plant, charge fee applied for 2016 is 0.94 USD/MMBTU.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN**

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

**37. CONTINGENT LIABILITIES**

As at 31 December 2015, the Corporate had reciprocal guarantee commitments with Vietnam Oil and Gas Group ("PVN") relating to the guarantee obligations of PVN for short and medium-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX") - the Corporation's associate. Accordingly, the Corporate was committed to return to PVN the principals, interest, other relating expenses and incurring financial losses which PVN had paid to the Banks corresponding to the Corporation's capital proportion in PVTEX. The repayment will be implemented within 45 days starting from the date when PVN sends the official letter requiring the Corporation to return the mentioned payment. On 23 January 2015, Vietnam Oil and Gas Group issued Official Letter No. 527/DKVN-TCKT requesting the Corporation to implement its commitments. Particularly, the Group guaranteed and paid a total amount of VND 388.5 billion, representing a part of the medium-term loan for the plant construction purpose and the short-term loan for the commissioning purpose, on behalf of PVTEX. Accordingly, the Corporation returned to PVN an amount of VND 101,620,682,378 billion in 2015.

According to Official Letter No. 9792/CV-KHDN dated 31 December 2014 issued by Joint Stock Commercial Bank for Investment and Development of Vietnam on restructuring the loans for the construction of Polyester Dinh Vu textile fiber manufacturing plant, the coming date for principal payment is 21 June 2017. Therefore, as at 31 December 2015, the Corporation has no obligation of returning to PVN any amount relating to reciprocal guarantee commitments as mentioned above.

**38. FINANCIAL INSTRUMENTS**

**Capital risk management**

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

The capital structure of the Corporation consists of net debt (including loans and obligations under finance leases as disclosed in Note 24, offset by cash and cash equivalents) and owner's equity (comprising capital, reserves and retained earnings).

*Gearing ratio of the Corporation at the balance sheet date was as follows:*

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Loans and obligations under finance leases	226,950,078,667	-
Less: Cash and cash equivalents	5,188,813,158,588	4,757,994,590,292
Net debt	-	-
Equity	8,368,170,464,619	8,694,407,736,855
Net debt to equity ratio	-	-

**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 asset, financial liability and equity instrument are disclosed in Note 4.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**38. FINANCIAL INSTRUMENTS (Continued)****Categories of financial instruments**

	<b>Carrying amounts</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>(Restated) VND</b>
<b>Financial assets</b>		
Cash and cash equivalents	5,188,813,158,588	4,757,994,590,292
Short-term investments	70,000,000,000	71,245,382,915
Trade and other receivables	343,593,851,960	280,973,275,951
Other long-term receivables	50,000,000	50,000,000
<b>Total</b>	<b>5,602,457,010,548</b>	<b>5,110,263,249,158</b>
<b>Financial liabilities</b>		
Loans and obligations under finance leases	226,950,078,667	-
Trade and other payables	1,334,564,059,313	410,929,485,107
Accruals	53,486,372,501	57,064,219,158
Payable provisions	136,231,934,667	217,105,262,533
<b>Total</b>	<b>1,751,232,445,148</b>	<b>685,098,966,798</b>

The Corporation has not 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 06 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 Corporation has set up risk management system to identify and assess the risks exposed by the Corporation 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 Corporation'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 Corporation's activities expose it primarily to the financial risks of changes in foreign currency rates, interest rates and prices. The Corporation does not hedge these risk exposures upon its assessment that the cost of hedging foreign exchange risk, interest rate risk or price risk might be higher than that incurred from market risk of fluctuation in foreign exchange rates, interest rates and prices in the future

**Foreign currency risk management**

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

	<b>Liabilities</b>		<b>Assets</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
United States Dollar (USD)	18,413,685,665	-	460,841,784,970	44,648,551,110
Euro (EUR)	-	-	980,005,931	859,697,601

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

38. FINANCIAL INSTRUMENTS (Continued)

*Market risk (Continued)*

*Foreign currency sensitivity analysis*

The Corporation is mainly exposed to United States Dollar and Euro

The following table details the Corporation's sensitivity to a 2% increase and decrease in Vietnam Dong against the relevant foreign currencies. 2% 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 2% change in foreign currency rates. For a 2% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would increase/decrease by the following amount:

	2015	2014
	VND	VND
United States Dollar (USD)	8,848,561,986	892,971,022
Euro (EUR)	19,600,119	17,193,952

*Share price risk management*

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits. The Corporation's Board of Management also assesses and approves decisions on share investments such as operating industry, investees, etc.

Investments in equity instruments are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments. As at 31 December 2015, the Board of General Directors assessed investments in shares and noted that except for the impairment of the investments in PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (PVTEX), PetroVietnam Urban Development Joint Stock Company (PVC-Mekong) and in Petroleum Information Technology Telecom and Automation Joint Stock Company (PAIC), there was no impairment of other investments. Therefore, the Corporation only made provision for these investments with total amount of VND 663 billion as at 31 December 2015.

*Interest rate risk management*

The Corporation has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable 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 in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the value of the construction project on UFC85/Formaldehyde factory which the Corporation is the investment owner (as Note 24) as at 31 December 2015 would increase/decrease by VND 4,539,001,573.

*Commodity price risk management*

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities.

*Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. As at 31 December 2015, the Corporation had some receivables that had been outstanding for a long time and unlikely to be recoverable. The recoverability of these amounts is uncertain based on the Board of General Directors' assessment. Therefore, the Board of General Directors decided to make provision for these receivables with an amount of over VND 220 billion accumulated to 31 December 2015.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

38. FINANCIAL INSTRUMENTS (Continued)

*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 Corporation believes can generate within that year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation 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 Corporation'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 Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/12/2015	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	5,188,813,158,588	-	-	5,188,813,158,588
Short-term investments	70,000,000,000	-	-	70,000,000,000
Trade and other receivables	343,593,851,960	-	-	343,593,851,960
Other long-term receivables	-	50,000,000	-	50,000,000
<b>Total</b>	<b>5,602,407,010,548</b>	<b>50,000,000</b>	<b>-</b>	<b>5,602,457,010,548</b>
31/12/2015	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Loans and obligations under finance leases	-	226,950,078,667	-	226,950,078,667
Trade and other payables	1,334,564,059,313	-	-	1,334,564,059,313
Accruals	53,486,372,501	-	-	53,486,372,501
Payable provisions	39,680,210,527	96,551,724,140	-	136,231,934,667
<b>Total</b>	<b>1,427,730,642,341</b>	<b>323,501,802,807</b>	<b>-</b>	<b>1,751,232,445,148</b>
<b>Net liquidity gap</b>	<b>4,174,676,368,207</b>	<b>(323,451,802,807)</b>	<b>-</b>	<b>3,851,224,565,400</b>
31/12/2014 (Restated)	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	4,757,994,590,292	-	-	4,757,994,590,292
Short-term investments	71,245,382,915	-	-	71,245,382,915
Trade and other receivables	280,973,275,951	-	-	280,973,275,951
Other long-term receivables	-	50,000,000	-	50,000,000
<b>Total</b>	<b>5,110,213,249,158</b>	<b>50,000,000</b>	<b>-</b>	<b>5,110,263,249,158</b>
31/12/2014 (Restated)	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Trade and other payables	410,929,485,107	-	-	410,929,485,107
Accruals	57,064,219,158	-	-	57,064,219,158
Payable provisions	217,105,262,533	-	-	217,105,262,533
<b>Total</b>	<b>685,098,966,798</b>	<b>-</b>	<b>-</b>	<b>685,098,966,798</b>
<b>Net liquidity gap</b>	<b>4,425,114,282,360</b>	<b>50,000,000</b>	<b>-</b>	<b>4,425,164,282,360</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN**

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

**38. FINANCIAL INSTRUMENTS (Continued)*****Liquidity risk management (Continued)***

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

**39. RELATED PARTY TRANSACTIONS AND BALANCES*****List of related parties:***

Holding Company - Vietnam Oil and Gas Group  
Subsidiaries, associates  
Companies under Vietnam Oil and Gas Group

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

	<u>2015</u>	<u>2014</u>
	<b>VND</b>	<b>VND</b>
<b>PetroVietnam Corporation</b>		
Dividends	932,655,634,657	932,655,634,657
Management fee	30,727,444,022	35,062,450,431
	<b>963,383,078,679</b>	<b>967,718,085,088</b>
<b>Sales</b>		
PetroVietnam Ca Mau Fertilizer Company limited	-	1,926,454,572
SouthWest PetroVietnam Fertilizer and Chemicals JSC	2,317,648,228,070	1,937,642,869,453
Central PetroVietnam Fertilizer and Chemicals JSC	2,111,351,609,229	1,954,386,447,377
Northern PetroVietnam Fertilizer and Chemicals JSC	1,342,270,675,961	1,059,397,902,858
SouthEast PetroVietnam Fertilizer and Chemicals JSC	2,077,481,601,379	1,895,502,068,747
PetroVietnam Southern Building and Development JSC	16,007,976,000	21,575,580,086
Phu My Fertilizer Packaging Joint Stock Company	16,219,227	26,420,512
	<b>7,864,776,309,866</b>	<b>6,870,457,743,605</b>
<b>Purchases</b>		
PetroVietnam Gas Joint Stock Corporation	1,848,830,574,204	3,002,686,898,911
PVI Holdings	62,059,552,809	56,522,071,785
Phu My Fertilizer Packaging Joint Stock Company	61,139,765,832	73,784,829,218
PetroVietnam Southern Building and Development JSC	82,639,308,271	97,956,471,000
PetroVietnam Technical Services Corporation (PTSC)	102,599,840,772	48,940,141,112
Central PetroVietnam Fertilizer and Chemicals JSC	28,191,379,910	22,794,166,441
Northern PetroVietnam Fertilizer and Chemicals JSC	18,505,308,881	14,267,121,935
PetroVietnam Transportation Corporation	13,966,295,773	9,292,966,983
SouthWest PetroVietnam Fertilizer and Chemicals JSC	8,697,417,894	10,371,018,792
SouthEast PetroVietnam Fertilizer and Chemicals JSC	6,568,456,221	8,034,927,016
Vietnam Petroleum Institute	4,567,940,948	5,659,469,821
PetroVietnam Urban Development Joint Stock Company	8,030,369,090	45,482,553,937
PetroVietnam General Services Joint Stock Corporation (Petrosetco)	10,153,508,365	8,000,497,447
PetroVietnam Security Service JSC	5,971,976,988	5,569,558,940
PetroVietnam Energy Technology Corporation - Joint Stock Company (EIC)	33,919,499,821	29,064,546,639
PetroVietnam Oil Corporation	1,313,906,063	1,956,174,866
PetroVietnam Engineering Consultancy Joint Stock Company (PVE)	-	2,980,080,744
	<b>2,297,155,101,842</b>	<b>3,443,363,495,587</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the the accompanying separate financial statements***39. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)***Significant related party balances were as follows:*

	31/12/2015	31/12/2014
	VND	VND
<b>Trade receivables</b>		
SouthEast PetroVietnam Fertilizer and Chemicals JSC	82,282,964,965	60,151,158,197
Central PetroVietnam Fertilizer and Chemicals JSC	73,561,462,846	24,512,226,211
SouthWest PetroVietnam Fertilizer and Chemicals JSC	57,963,694,843	32,733,773,156
Northern PetroVietnam Fertilizer and Chemicals JSC	7,124,457,328	15,217,039,266
Phu My Fertilizer Packaging Joint Stock Company	-	19,718,727
PetroVietnam Petrochemical and Textile Fiber JSC	195,253,105	588,280,000
PetroVietnam Southern Building and Development JSC	469,582,598	364,242,892
	<b>221,597,415,685</b>	<b>133,586,438,449</b>
<b>Advances to suppliers</b>		
PetroVietnam Energy Technology Corporation - Joint Stock Company	-	1,466,990,727
PetroVietnam Technical Services Corporation (PTSC)	295,162,847,973	-
PetroVietnam Urban Development Joint Stock Company	5,684,164,656	5,022,403,817
PetroVietnam Southern Building and Development JSC	748,148,000	1,072,403,462
PetroVietnam Securities Incorporated - Ho Chi Minh City Branch	426,315,939	311,812,227
	<b>302,021,476,568</b>	<b>7,873,610,233</b>
<b>Other short-term receivables</b>		
PetroVietnam Trade Union Finance Investment Corporation	110,143,267,289	110,143,267,289
PetroVietnam Petrochemical and Textile Fiber JSC	101,620,682,378	-
PetroVietnam Northern Gas Joint Stock Company	12,792,091,037	12,792,091,037
Northern PetroVietnam Fertilizer and Chemicals JSC	1,147,503,234	-
Central PetroVietnam Fertilizer and Chemicals JSC	855,000,000	-
Vietnam Public Joint Stock Commercial Bank- Ho Chi Minh Branch	402,294,445	2,360,777,778
	<b>226,960,838,383</b>	<b>125,296,136,104</b>
<b>Trade payables</b>		
PetroVietnam Gas Joint Stock Corporation	132,509,629,764	200,690,469,994
PetroVietnam Technical Services Corporation (PTSC)	55,215,683,349	-
PetroVietnam Southern Building and Development JSC	7,511,716,726	3,794,741,673
Central PetroVietnam Fertilizer and Chemicals JSC	3,939,037,614	6,372,455,127
Northern PetroVietnam Fertilizer and Chemicals JSC	2,180,472,076	2,337,404,066
Phu My Fertilizer Packaging Joint Stock Company	10,518,028,800	5,750,501,100
Petroleum Industrial and Civil Construction Joint Stock Company	-	6,003,742,149
PetroVietnam Urban Development Joint Stock Company	8,394,696,761	5,975,735,313
PetroVietnam Security Service Joint Stock Company	1,032,041,668	1,548,062,502
PTSC Phu My Port Joint Stock Company	5,696,909,274	12,836,436,250
PVI Insurance Hochiminh City	194,309,908	1,414,517,428
PetroVietnam Energy Technology Corporation - JSC	2,967,481,441	3,968,924,265
Vietnam Petroleum Institute	1,760,649,790	150,028,000
PetroVietnam Investment and Transportation JSC	1,211,241,068	745,237,900
SouthEast PetroVietnam Fertilizer and Chemicals JSC	1,600,646,484	3,794,741,673
SouthWest PetroVietnam Fertilizer and Chemicals JSC	1,266,527,143	3,524,827,678
	<b>235,999,071,866</b>	<b>258,907,825,118</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Separate financial statements**

For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)****FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the the accompanying separate financial statements***39. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)***Significant related party balances were as follows (Continued):*

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
<b>Advances from customers</b>		
SouthWest PetroVietnam Fertilizer and Chemicals JSC	22,569,877,500	-
Central PetroVietnam Fertilizer and Chemicals JSC	6,775,338,200	13,804,521,352
Northern PetroVietnam Fertilizer and Chemicals JSC	8,907,788,000	30,878,470,020
SouthEast PetroVietnam Fertilizer and Chemicals JSC	4,064,308,372	14,358,042,182
	<u>42,317,312,072</u>	<u>59,041,033,554</u>
<b>Loans and obligations under finance leases</b>		
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	226,950,078,667	-
	<u>226,950,078,667</u>	<u>-</u>
<b>Other payables</b>		
PetroVietnam Corporation - Dividend payables	582,914,138,405	-
	<u>582,914,138,405</u>	<u>-</u>

**40. SUBSEQUENT EVENTS**

- In accordance with Resolution No. 15/NQ-PBHC, on 13 January 2016, the Board of Management approved the quotation result to transfer the entire 81.38% of its share capital at PetroVietnam Shouthern Building and Development Joint Stock Company ("PVFCCo-SBD"). After the transferring process, the Corporation will officially no longer own shares of PVFCCo-SBD.
- On 29 January 2016, the Board of Management issued Resolution No. 23/NQ-KVN approving the share issue under employee stock ownership plan "(ESOP)". Accordingly, total of shares issued under this plan were up to 11,400,000 common shares with par value of VND 10,000 per each share. The Corporation's chartered capital after the shares issue, increased by VND 114 billion, from VND 3,800 billion to VND 3,914 billion.
- On 13 January 2016, PetroVietnam Oil and Gas Group ("PVN") issued Resolution No. 248/NQ-DKVN which approved to cancel the research project and terminate the investment cooperation agreement on the construction of the ammonium nitrate and anomia production complex between PVN and GAET Corporation. At the issue date of the separate financial statements for the year ended 31 December 2015, the involved parties are still in the process of negotiation of allocating the incurred expenditures for the project (accumulated to 31 December 2015: VND 46,248,899,367).

**41. COMPARATIVE FIGURES**

Certain figures in the balance sheet as at 31 December 2015, the income statement and the cash flow statement for the year then ended were restated in accordance with the guidance of Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises to enhance their comparability with the current year's figures.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

Separate financial statements  
For the year ended to 31 December 2015

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN**

**41. COMPARATIVE FIGURES (Continued)**

Decision No. 15/2006/QĐ-BTC

Circular No. 200/2014/TT-BTC

Change

Item	Code	Amount (VND)	Item	Code	Amount (VND)
<b>BALANCE SHEET</b>			<b>BALANCE SHEET</b>		
<b>I. Assets</b>			<b>I. Assets</b>		
1. Other receivables	135	261,285,756,819	1. Other short-term receivables	136	261,556,944,534 Restated and recorded
2. Other short-term assets	158	271,187,715	2. Other short-term assets	155	- Restated and recorded
3. Other long-term receivables	218	-	3. Other long-term receivables	216	50,000,000 Restated and recorded
4. Other long-term assets	268	50,000,000	4. Other long-term assets		- Restated and recorded
<b>II. Resources</b>			<b>II. Resources</b>		
1. Unearned revenue	338	2,853,964,450	1. Short-term unearned revenue	318	- Restated and recorded
2. Accrued expenses	316	274,169,481,691	2. Short-term accrued expenses	319	57,064,219,158 Restated and recorded
3. Short-term provisions	320	-	3. Short-term provisions	321	217,105,262,533 Restated and recorded
4. Long-term unearned revenue		-	4. Long-term unearned revenue	336	2,853,964,450 Restated and recorded
5. Investment and development fund	417	2,499,459,725,948	5. Investment and development fund	418	3,444,814,857,841 Restated and recorded
6. Financial reserve fund	418	945,355,131,893	No corresponding item		-
<b>INCOME STATEMENT</b>			<b>INCOME STATEMENT</b>		
1. Other income	31	28,524,556,404	1. Other income	31	10,480,189,203 Reclassified
2. Other expenses	32	25,338,875,964	2. Other expenses	32	7,294,508,763 Reclassified
<b>CASH FLOW STATEMENT</b>			<b>CASH FLOW STATEMENT</b>		
- Provisions	03	281,846,272,734	- Provisions	03	455,530,268,776 Reclassified
No corresponding item		-	- Other adjustments	07	43,515,737,023 New item
(Decrease)/Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(20,229,415,766)	(Decrease)/Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(237,429,148,831) Reclassified

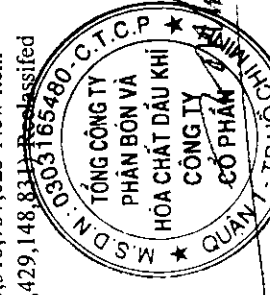
*Hoàng Thị Lan Anh*

**Hoàng Thị Lan Anh**  
Preparer

21 March 2016

*Huỳnh Kim Nhan*

**Huỳnh Kim Nhan**  
Chief Accountant



**Nguyễn Văn Tong**  
Deputy General Director



**PETROVIETNAM FERTILIZER AND CHEMICALS  
CORPORATION - JSC**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2015**



**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGES</u></b>
STATEMENT OF THE BOARD OF GENERAL DIRECTORS	1 - 2
INDEPENDENT AUDITORS' REPORT	3
CONSOLIDATED BALANCE SHEET	4 - 5
CONSOLIDATED INCOME STATEMENT	6
CONSOLIDATED CASH FLOW STATEMENT	7 - 8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9 - 48

## **STATEMENT OF THE BOARD OF GENERAL DIRECTORS**

The Board of General Directors of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2015.

### **THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS**

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

#### **Board of Management**

Mr. Le Cu Tan	Chairman
Ms. Nguyen Thi Hien	Vice Chairwoman
Mr. Doan Van Nhuom	Member (appointed on 01 January 2016)
Mr. Cao Hoai Duong	Member (resigned on 01 January 2016)
Mr. Nguyen Hong Vinh	Member
Mr. Dinh Quang Hoan	Member (resigned on 27 August 2015)

#### **Board of General Directors**

Mr. Doan Van Nhuom	General Director (appointed on 01 January 2016)
Mr. Cao Hoai Duong	General Director (resigned on 01 January 2016)
Mr. Tu Cuong	Deputy General Director
Mr. Hoang Viet Dung	Deputy General Director
Mr. Le Van Quoc Viet	Deputy General Director
Mr. Nguyen Van Tong	Deputy General Director
Mr. Duong Tri Hoi	Deputy General Director
Ms. Le Thi Thu Huong	Deputy General Director
Mr. Huynh Kim Nhan	Chief Accountant

### **BOARD OF GENERAL DIRECTORS' STATEMENT OF RESPONSIBILITY**

The Board of General Directors of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation and of its consolidated results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of General 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 consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing the consolidated financial statements so as to minimize errors and frauds.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

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**STATEMENT OF THE BOARD OF GENERAL DIRECTORS (Continued)**

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

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

For and on behalf of the Board of General Directors,



**Nguyen Van Tong**  
**Deputy General Director**

21 March 2016

*Ho Chi Minh City, S. R. Vietnam*

No.: 497 /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To:** The Shareholders  
The Boards of Management and General Directors  
PetroVietnam Fertilizer and Chemicals Corporation - JSC

We have audited the accompanying consolidated financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 21 March 2016 as set out from page 4 to page 48, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated statement of income, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Board of General Directors' Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

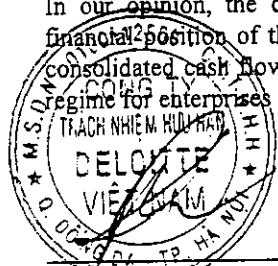
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

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

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

### *Auditors' Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



**Dang Chi Dung**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0030-2013-001-1

*For and on behalf of*  
**DELOITTE VIETNAM COMPANY LIMITED**

21 March 2016  
Hanoi, S.R. Vietnam

**Vu Manh Hung**  
Auditor  
Audit Practising Registration Certificate  
No. 2737-2013-001-1

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**CONSOLIDATED BALANCE SHEET**

*As at 31 December 2015*

**FORM B 01-DN/HN**  
Unit: VND

			31/12/2014
			(Restated)
ASSETS	Codes Notes	31/12/2015	
<b>A. CURRENT ASSETS</b>	<b>100</b>	<b>8,082,320,730,170</b>	<b>7,200,752,688,114</b>
<b>I. Cash and cash equivalents</b>	<b>110 5</b>	<b>5,690,048,266,789</b>	<b>5,078,299,954,021</b>
1. Cash	111	251,548,266,789	151,773,287,354
2. Cash equivalents	112	5,438,500,000,000	4,926,526,666,667
<b>II. Short-term financial investments</b>	<b>120 6</b>	<b>80,950,000,000</b>	<b>77,119,148,009</b>
1. Held-to-maturity investments	123	80,950,000,000	77,119,148,009
<b>III. Short-term receivables</b>	<b>130</b>	<b>821,016,395,013</b>	<b>406,076,671,375</b>
1. Short-term trade receivables	131 7	110,593,516,567	174,789,878,438
2. Short-term advances to suppliers	132 8	599,720,730,490	88,841,597,580
3. Other short-term receivables	136 9	331,619,897,623	264,036,902,646
4. Provision for short-term doubtful debts	137 10	(220,917,749,667)	(121,591,707,289)
<b>IV. Inventories</b>	<b>140 11</b>	<b>1,365,359,901,358</b>	<b>1,491,901,174,015</b>
1. Inventories	141	1,369,360,058,916	1,492,182,549,952
2. Provision for devaluation of inventories	149	(4,000,157,558)	(281,375,937)
<b>V. Other short-term assets</b>	<b>150</b>	<b>124,946,167,010</b>	<b>147,355,740,694</b>
1. Short-term prepayments	151 12	16,806,463,175	16,540,850,938
2. Value added tax deductibles	152	104,007,880,744	126,299,049,017
3. Taxes and other receivables from the State budget	153 20	4,131,823,091	4,515,840,739
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>	<b>2,836,858,993,077</b>	<b>2,910,257,813,585</b>
<b>I. Long-term receivables</b>	<b>210</b>	<b>22,282,745,091</b>	<b>1,749,902,000</b>
1. Other long-term receivables	216 9	22,282,745,091	1,749,902,000
<b>II. Fixed assets</b>	<b>220</b>	<b>1,853,675,922,763</b>	<b>2,048,617,374,641</b>
1. Tangible fixed assets	221 13	950,883,146,423	1,133,009,443,261
- Cost	222	7,325,699,359,354	7,325,619,743,462
- Accumulated depreciation	223	(6,374,816,212,931)	(6,192,610,300,201)
2. Intangible assets	227 14	902,792,776,340	915,607,931,380
- Cost	228	1,151,101,721,979	1,148,328,298,022
- Accumulated amortisation	229	(248,308,945,639)	(232,720,366,642)
<b>III. Investment properties</b>	<b>230 15</b>	<b>213,918,863,401</b>	<b>274,190,461,027</b>
- Cost	231	257,503,814,400	314,530,971,192
- Accumulated depreciation	232	(43,584,950,999)	(40,340,510,165)
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>612,341,484,055</b>	<b>246,836,829,085</b>
1. Long-term construction in progress	242 16	612,341,484,055	246,836,829,085
<b>V. Long-term financial investments</b>	<b>250 6</b>	<b>47,372,063,536</b>	<b>230,017,094,841</b>
1. Investments in joint-ventures, associates	252	27,205,933,822	209,850,965,127
2. Equity investments in other entities	253	20,502,000,000	20,502,000,000
3. Provision for impairment of long-term financial investments	254	(335,870,286)	(335,870,286)
<b>VI. Other long-term assets</b>	<b>260</b>	<b>87,267,914,231</b>	<b>108,846,151,991</b>
1. Long-term prepayments	261 12	23,061,447,048	43,566,513,172
2. Deferred tax assets	262 17	64,206,467,183	65,279,638,819
<b>TOTAL ASSET (270=100 + 200)</b>	<b>270</b>	<b>10,919,179,723,247</b>	<b>10,111,010,501,699</b>

*The notes set out on page 9 to 48 are an integral part of these consolidated financial statements*

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31 December 2015

FORM B 01-DN/HN  
Unit: VND

31/12/2014

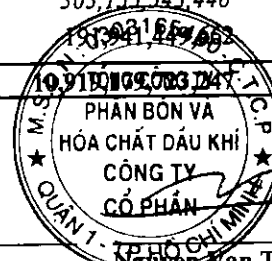
(Restated)

RESOURCES	Codes	Notes	31/12/2015	
<b>C. LIABILITIES</b>	<b>300</b>		<b>2,371,674,452,992</b>	<b>1,106,070,665,154</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,835,490,030,431</b>	<b>1,043,932,696,846</b>
1. Short-term trade payables	311	18	361,321,100,293	364,668,057,846
2. Short-term advances from customers	312	19	63,651,015,476	39,360,737,225
3. Taxes and amounts payable to the State budget	313	20	83,091,150,528	52,084,947,515
4. Payables to employees	314		118,304,455,634	79,926,390,391
5. Short-term accrued expenses	315	21	57,056,342,544	64,130,128,196
6. Short-term unearned revenue	318		700,472,473	21,747,446
7. Other current payables	319	22	1,009,921,782,301	67,855,304,671
8. Short-term loans and obligations under finance leases	320	24	2,133,324,000	93,520,912,889
9. Short-term provisions	321	23	40,184,083,102	217,455,312,628
10. Bonus and welfare funds	322		99,126,304,080	64,909,158,039
<b>II. Long-term liabilities</b>	<b>330</b>		<b>536,184,422,561</b>	<b>62,137,968,308</b>
1. Long-term unearned revenue	336		2,182,443,406	2,853,964,450
2. Other long-term payables	337	22	6,826,964,074	6,177,584,074
3. Long-term loans and obligations under finance leases	338	24	230,138,981,667	1,125,866,779
4. Deferred tax liabilities	341	17	146,185,982,143	-
5. Long-term provisions	342	23	96,551,724,139	-
6. Scientific and technological development fund	343		54,298,327,132	51,980,553,005
<b>D. EQUITY</b>	<b>400</b>		<b>8,547,505,270,255</b>	<b>9,004,939,836,545</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>25</b>	<b>8,547,505,270,255</b>	<b>9,004,939,836,545</b>
1. Owner's contributed capital	411		3,800,000,000,000	3,800,000,000,000
- Ordinary shares carrying voting rights	411a		3,800,000,000,000	3,800,000,000,000
2. Share premium	412		21,179,913,858	21,179,913,858
3. Other owner's capital	414		-	2,397,482,187
4. Treasury shares	415		(2,296,824,120)	(2,296,824,120)
5. Foreign exchange reserve	417		-	(719,794)
6. Investment and development fund	418		3,498,666,363,829	3,495,964,052,370
7. Other reserves	420		-	1,014,770,873
8. Retained earnings	421		1,038,014,367,026	1,469,879,831,035
- Retained earnings accumulated to the prior year end	421a		734,858,823,580	1,040,964,345,963
- Retained earnings of the current year	421b		303,155,543,446	428,915,485,072
9. Non-controlling interests	429		193,981,147,663	216,801,330,136
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>10,910,169,083,247</b>	<b>10,111,010,501,699</b>

Tran Xuan Thao  
Preparer

21 March 2016

Huynh Kim Nhan  
Chief Accountant



Nguyen Van Tong  
Deputy General Director

The notes set out on page 9 to 48 are an integral part of these consolidated financial statements

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

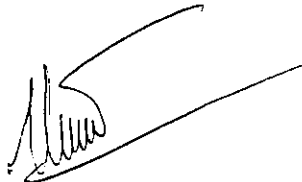
**Consolidated financial statements**  
For the year ended 31 December 2015

**CONSOLIDATED INCOME STATEMENT**

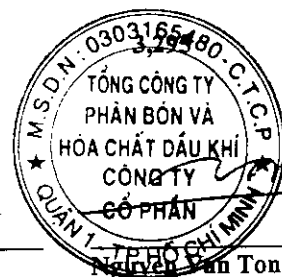
*For the year ended 31 December 2015*


**FORM B 02-DN/HN**  
Unit VND

ITEMS	Codes	Notes	2015	2014 (Restated)
1. Gross revenue from goods sold and services rendered	01		9,851,635,822,033	9,642,700,730,426
2. Deductions	02		86,688,977,560	93,850,877,835
3. Net revenue from goods sold and services rendered (10=01-02)	10	28	9,764,946,844,473	9,548,849,852,591
4. Cost of sales	11	28	6,612,423,997,803	7,121,096,149,422
5. Gross profit from goods sold and services rendered (20=10-11)	20		3,152,522,846,670	2,427,753,703,169
6. Financial income	21	30	256,561,206,512	406,506,623,868
7. Financial expenses	22	31	7,070,545,699	4,729,620,348
- In which: Interest expense	23		2,568,699,865	2,931,385,121
8. Share of net (loss) from associates	24	6	(198,273,817,160)	(279,826,945,025)
9. Selling expenses	25	32	750,985,639,837	701,604,959,417
10. General and administration expenses	26	32	597,075,933,211	570,530,577,008
11. Operating profit (30=20+(21-22)+24-(25+26))	30		1,855,678,117,275	1,277,568,225,239
12. Other income	31	33	25,682,368,809	16,648,055,652
13. Other expenses	32	33	1,087,635,279	9,545,806,055
14. Profit from other activities (40=31-32)	40		24,594,733,530	7,102,249,597
15. Accounting profit before tax (50=30+40)	50		1,880,272,850,805	1,284,670,474,836
16. Current corporate income tax expense	51	34	309,160,303,969	186,726,498,683
17. Deferred corporate tax (income)/expense	52	17	48,651,197,780	(36,514,419,748)
18. Net profit after corporate income tax (60=50-51-52)	60		1,522,461,349,056	1,134,458,395,901
18.1. Profit after tax attributable to the Holding Company	61		1,488,213,481,717	1,096,275,840,370
18.2. Profit after tax attributable to non-controlling interests	62		34,247,867,339	38,182,555,531
19. Basic earnings per share	70	35		2,506

  
Tran Xuan Thao  
Preparer

  
Huynh Kim Nhan  
Chief Accountant



  
Nguyen Van Tong  
Deputy General Director

21 March 2016

The notes set out on page 9 to 48 are an integral part of these consolidated financial statements

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**CONSOLIDATED CASH FLOW STATEMENT**

*For the year ended 31 December 2015*

**FORM B 03-DN/HN**

Unit: VND

ITEMS	Codes	2015	2014 (Restated)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>1. Profit before tax</i>	<i>01</i>	<i>1,880,272,850,805</i>	<i>1,284,670,474,836</i>
<i>2. Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment properties	02	264,527,522,125	268,667,500,841
Provisions	03	304,765,981,944	163,452,258,562
Foreign exchange loss arising from translating foreign currency items	04	33,095,831	104,776,992
(Loss) from investing activities	05	(72,101,740,932)	(125,057,581,292)
Interest expense	06	2,568,699,865	2,931,385,121
Other adjustments	07	-	43,515,737,023
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>2,380,066,409,638</i>	<i>1,638,284,552,083</i>
(Increase) in receivables	09	(57,554,865,569)	(179,353,696,872)
Decrease/(Increase) in inventories	10	90,739,190,276	(138,784,857,872)
(Decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	(232,982,368,141)	(400,599,736,783)
Decrease in prepaid expenses	12	19,650,383,838	25,771,110,979
Interest paid	14	(2,568,699,865)	(3,041,817,704)
Corporate income tax paid	15	(279,826,182,950)	(122,523,463,954)
Other cash inflows	16	106,450,370,984	-
Other cash outflows	17	(384,390,450,891)	(212,149,839,874)
<i>Net cash generated by operating activities</i>	<i>20</i>	<i>1,639,583,787,320</i>	<i>607,602,250,004</i>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(960,351,770,011)	(203,886,105,949)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	71,035,909,091	214,216,539
3. Cash outflow for lending, buying debt instruments of other entities	23	(10,950,000,000)	(5,873,765,094)
4. Cash recovered from lending, selling debt instruments of other entities	24	7,119,148,009	1,663,615,831,634
5. Equity investments in other entities	25	-	(29,363,000,000)
6. Cash recovered from investments in other entities	26	2,238,561,705	135,900,173,400
7. Interest earned, dividends and profits received	27	248,991,636,282	367,559,611,576
<i>Net cash (used in)/generated by investing activities</i>	<i>30</i>	<i>(641,916,514,924)</i>	<i>1,928,166,962,106</i>


*The notes set out on page 9 to 48 are an integral part of these consolidated financial statements*

**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

*For the year ended 31 December 2015*

FORM B 03-DN/HN  
 Unit: VND

ITEMS	Codes	2015	2014 (Restated)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	360,868,957,857	260,870,891,673
2. Repayment of borrowings	34	(176,850,686,644)	(234,682,947,069)
3. Dividends and profits paid	36	(569,893,611,925)	(1,516,104,854,000)
<i>Net cash used in financing activities</i>	<i>40</i>	<i>(385,875,340,712)</i>	<i>(1,489,916,909,396)</i>
Net increase in cash (50=20+30+40)	50	611,791,931,684	1,045,852,302,714
Cash and cash equivalents at the beginning of the year	60	5,078,299,954,021	4,032,386,358,314
Effects of changes in foreign exchange rates	61	(43,618,916)	61,292,993
Cash and cash equivalents at the end of the year (70=50+60+61)	70	5,690,048,266,789	5,078,299,954,021

  
 Tran Xuan Thao  
 Preparer

21 March 2016

  
 Huynh Kim Nhan  
 Chief Accountant



  
 Nguyen Van Tong  
 Deputy General Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***1. GENERAL INFORMATION****Structure of ownership**

PetroVietnam Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Corporation"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 13<sup>th</sup> amendment on 10 March 2016, issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Corporation officially transformed its operation into parent-subsidiary model in accordance with Resolution No. 01/ND-DHDCD passed at the Shareholders' General Meeting. Accordingly, the Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC was established from functional departments of PetroVietnam Fertilizer and Chemicals Joint Stock Company, project management units and Phu My Fertilizer Plant. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 05 November 2007 with stock symbol "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group which holds 61.37% of its charter capital as at 31 December 2015.

**Operating industries and principal activities**

The operating industries of the Corporation include:

- Production and trading of fertilizer, liquid ammonia, industrial gas, other chemicals.
- Provision of technical services relating to production and trading of fertilizer and other related chemicals (excluding heavily toxic chemicals).
- Relevant technical consultancy and architecture activities.
- Production, transmission and distribution of electricity.
- Trading of real estates, land use rights in all kinds.
- Sales of agriculture and forestry products (excluding wood, bamboo) and living animals.
- Goods transport services by inbound waterway and trucks, processing of oil and gas-related products and minerals.
- Services of vocational training.
- Services directly supporting waterway transportation; loading and unloading goods; maritime and shipping agency and goods storage.

The principal activities of the Corporation are production and trading of fertilizer used in agriculture.

**Normal production and business cycle**

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

**The Corporation's structure**

As at 31 December 2015, the Corporation had 05 subsidiaries, 03 associates, 01 branch, 01 plant, 01 Project Management Unit and 01 representative office as follows:

- Phu My Fertilizer Plant
- Ho Chi Minh Branch
- Fertilizer and Chemicals Project Management Unit
- Representative office in Myanmar

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***1. GENERAL INFORMATION (Continued)****The Corporation's structure (Continued)**

The general information about subsidiaries and associates of the Corporation are as follows:

	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal activity	Relationship
Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75	75	Trading of fertilizer and chemicals	Subsidiary
South West PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75	75	Trading of fertilizer and chemicals	Subsidiary
South East PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75	75	Trading of fertilizer and chemicals	Subsidiary
Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi City	75	75	Trading of fertilizer and chemicals	Subsidiary
PetroVietnam Southern Building and Development JSC (*)	Ho Chi Minh City	81.38	81.38	Construction and installation of civil and industrial works and services provision	Subsidiary
Phu My Fertilizer Packaging JSC	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages	Associate
PetroVietnam Urban Development JSC	Ca Mau City	35.63	35.63	Construction and installation of civil and industrial works and services provision	Associate
PetroVietnam Petrochemical and Textile Fiber JSC	Hai Phong City	25.99	25.99	Production and sale of polyester fibers	Associate

(\*) In accordance with Resolution No.15/NQ-PBHC, on 13 January 2016, the Board of Management approved the quotation result to transfer the entire 81.38% of its share capital at PetroVietnam Southern Building and Development Joint Stock Company ("PVFCCo-SBD"). After the transferring process, the Corporation will officially no longer own shares of PVFCCo-SBD.

**Disclosure of information comparability in the consolidated financial statements**

As stated in Note 3 of the Notes to the consolidated financial statements, since 01 January 2015, the Corporation has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 202") guiding the preparation and presentation of consolidated financial statements. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". Accordingly, certain figures of the consolidated balance sheet as at 31 December 2014, of the consolidated income statement and the consolidated cash flow statement for the year then ended have been restated in accordance with the guidance of Circular 200 and Circular 202 in the preparation and presentation of the consolidated financial statements to enhance their comparability with the current year's figures.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

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

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

**Financial year**

The Corporation's financial year begins on 01 January and ends on 31 December.

**3. ADOPTION OF NEW ACCOUNTING GUIDANCE**

**New guidance on accounting regime for enterprises**

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC (Circular 202) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 will supersede section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". The Board of General Directors has adopted Circular 200 in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2015.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Accounting estimates**

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of General 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 consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of General Directors' best knowledge, actual results may differ from those estimates.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) for the year ended 31 December 2015. This control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of consolidation (Continued)**

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

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

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

**Investments in associates**

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

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

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

**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 Corporation comprise cash, cash equivalents, trade and other receivables, and financial investments.

*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 Corporation comprise borrowings, trade and other payables, accrued expenses, obligations under finance leases and payable provisions.

***Subsequent measurement after initial recognition***

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and cash equivalents**

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

**Financial investments**

***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits in banks held to maturity to earn periodic interest.

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

Held-to-maturity investments are measured at cost less provision for doubtful debts (if any). Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

***Equity investments in other entities***

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

Equity investments in other entities are carried in the balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of such investments are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 issued by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations.

**Receivables**

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

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

**Inventories**

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and location for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any).

In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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

	<b>2015</b>
	<b>Years</b>
Buildings, structures	5 - 25
Machinery, equipment	3 - 6
Motor vehicles	6 - 10
Office equipment	3 - 8
Others	3

With respect to repairing expenses of fixed assets at Phu My Fertilizer Plant which is on a cyclical basis, the Corporation shall be permitted to accrue such expenses to operating expenses in advance based on annual budget. If actual expenses of repairs are higher than the accrued expenses, then the difference shall be directly charged to operating expenses. If the actual expenses of repairs are lower than the accrued expenses, then the difference shall be accounted for as a reduction of operating expenses of the year.

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

**Intangible assets and amortization**

Intangible assets represent land use rights, patent rights, computer software and other intangible assets which are stated at cost less accumulated amortization. Land use rights having a finite useful life are amortized using the straight-line method over the duration of the right to use the land, Indefinite-term land use rights are not amortized. The patent rights and other intangible assets are amortized using the straight-line method over 6 years. The computer software is amortized using the straight-line method over 3 years.

**Operating leases**

Operating leases include office and land rentals. Payments under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**Construction in progress**

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other costs and related borrowing costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investment properties**

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation. Investment properties held to earn rentals are stated at cost less accumulated depreciation while investment properties held for capital appreciation are stated at cost less impairment loss. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs.

Investment properties, which are composed of land use rights and buildings and structures of Cuu Long Supermarket-Office Building in Ca Mau Province and PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City held by the Corporation to earn rentals, are stated at cost less accumulated depreciation.

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives as follows:

	<b>2015</b>
	<b>Years</b>
Land use rights	44 - 50
Buildings and structures	25

The Corporation does not depreciate investment properties which are indefinite-term land use rights.

**Prepayments**

Long-term prepayments include asset insurance premium, land rentals, spare parts and other types of long-term prepayments. Where:

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

Spare parts which are put in use at Phu My Fertilizer Plant are charged to the income statement on the straight-line basis over 6 years in accordance with the depreciation duration of production lines. As at 31 December 2015, the cost of spare parts of Phu My Fertilizer Plant was fully recognized in profit or loss.

Other types of long-term prepayments comprise of tools and supplies issued for consumption and some other expenses which are expected to provide future economic benefits to the Corporation. Such expenditures are charged to the income statement on the straight-line basis from 1.5 to 2 years.

**Payable provisions**

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

**Science and Technology Development Fund**

Science and Technology Development Fund are appropriated in order to invest for science and technology activities of the Corporation. This Fund was formed on the basis of the Corporation's development demand and technology innovation and is recognized in the operation results of the year.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue recognition**

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

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation 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 Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

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

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

Financial income mainly comprises interest on demand and term deposits, and foreign exchange gains. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

**Construction contracts**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable of recovery.

**Foreign currencies**

The Corporation 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". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Foreign currencies (Continued)**

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 31 December 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying rate announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 31 December 2015. The abovementioned rate differs from that stated in Circular No. 200/2014/TT-BTC issued on 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises. However, such difference has no material influence on the Corporation's consolidated financial statements for the year ended 31 December 2015.

**Borrowing costs**

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

**Taxation**

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

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

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

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

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

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

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

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***5. CASH AND CASH EQUIVALENTS**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Cash on hand	1,519,452,312	1,451,261,470
Bank demand deposits	250,028,814,477	150,322,025,884
Cash equivalents (*)	5,438,500,000,000	4,926,526,666,667
	<u>5,690,048,266,789</u>	<u>5,078,299,954,021</u>

(\*) Cash equivalents represent the time deposits for original terms from 1 to 3 months at commercial banks with the interest rates ranging from 0.8% to 5.3% per annum.

**6. FINANCIAL INVESTMENTS**

	<u>31/12/2015</u>		<u>31/12/2014</u>	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
<b>Short-term held-to-maturity investments</b>				
Term deposits	80,950,000,000	80,950,000,000	77,119,148,009	77,119,148,009

Short-term held-to-maturity investments as at 31 December 2015 represent time deposits with original terms of more than 3 months and remaining terms of less than 12 months from the reporting date at commercial banks with interest rates ranging from 4.5% to 5.1% per annum.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

Consolidated financial statements  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN/HN**

**6. FINANCIAL INVESTMENTS (Continued)**

	31/12/2015			31/12/2014		
	Cost VND	Cost under equity method VND	Fair value VND	Cost VND	Cost under equity method VND	Fair value VND
<b>Investments in associates</b>						
PetroVietnam Urban Development JSC	680,903,000,000	27,205,933,822	25,483,920,000	662,700,000,000	209,850,965,127	-
PetroVietnam Petrochemical and Textile Fiber JSC	100,000,000,000	-	-	100,000,000,000	11,461,412,775	-
Phu My Fertilizer Packaging JSC	562,700,000,000	-	-	562,700,000,000	198,389,552,352	-
	18,203,000,000	27,205,933,822	25,483,920,000	-	-	-
<b>Investments in other entities</b>						
Petroleum Information Technology Telecom and Automation JSC	20,502,000,000	(335,870,286)	-	20,502,000,000	(335,870,286)	-
	3,600,000,000	(335,870,286)	-	3,600,000,000	(335,870,286)	-
Ut Xi Aquatic Products Processing JSC	16,902,000,000	-	-	16,902,000,000	-	-

As stipulated in Circular No. 200/2014/TT-BTC dated 22 December 2014, the fair value of the investments in associates and other entities as at 31 December 2015 should be presented. The Corporation has determined the fair value of investments in Phu My Fertilizer Packaging JSC based on listed price of shares on the stock exchange and the number of shares currently held by the Corporation (as at 31 December 2014, its shares were not listed on a stock exchange; therefore the Corporation was unable to collect reliable information in order to determine the fair value of these investments).

For the remaining investments, these companies have not had their shares listed on a stock exchange yet and the Corporation was unable to collect reliable information in order to determine their fair value. Accordingly, the fair value of such investments as at 31 December 2015 has not been determined and presented in the Notes to the consolidated financial statements as per Circular No. 200/2014/TT-BTC.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**6. FINANCIAL INVESTMENT (Continued)**

A summary of financial information of the Corporation's associates is as follows:

	31/12/2015			31/12/2014		
	Total assets	Total liabilities	Net assets of the Corporation	Total assets	Total liabilities	Net assets of the Corporation
	VND	VND	VND	VND	VND	VND
Petro Vietnam Urban Development JSC	6,923,094,964,214	7,378,785,674,715	(455,690,710,501)	7,800,828,506,176	6,948,750,206,622	852,078,299,554
Petro Vietnam Petrochemical and Textile Fiber JSC	330,360,207,714	330,105,596,040	254,611,674	337,765,450,027	334,323,055,159	3,442,394,868
Phu My Fertilizer Packaging JSC	6,468,231,735,297	6,987,058,617,336	(518,826,882,039)	7,353,654,378,479	6,565,344,671,260	788,309,707,219
	124,503,021,203	61,621,461,339	62,881,559,864	109,408,677,670	49,082,480,203	60,326,197,467
	2015			2014		
	Net revenue	Net profit/(loss)	Profit/(loss) from associates	Net revenue	Net profit/(loss)	Profit/(loss) from associates
	VND	VND	VND	VND	VND	VND
Petro Vietnam Urban Development JSC	2,306,393,696,475	(1,299,200,777,978)	(198,273,817,160)	1,494,601,943,752	(1,107,155,444,918)	(279,826,945,025)
Petro Vietnam Petrochemical and Textile Fiber JSC	176,246,743,797	(3,187,783,194)	(1,217,034,592)	119,657,880,948	(28,161,107,257)	210,575,667
Phu My Fertilizer Packaging JSC	1,835,314,470,723	(1,307,136,589,258)	(198,073,176,098)	1,146,489,282,320	(1,089,171,805,579)	(280,037,520,692)
	294,832,481,955	11,123,594,474	1,016,393,530	228,454,780,484	10,177,467,918	-

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***7. SHORT-TERM TRADE RECEIVABLES**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<b>VND</b>	<b>VND</b>
Tuan Vu Fertilizer Commercial and Services Company	11,223,207,929	-
Hong Long Company	10,236,830,890	11,231,088,831
Lam Son Overall Management Company	7,438,580,996	5,994,257,232
Kim Hoang Private Enterprise	11,977,390,570	25,483,271,253
Related parties (as presented in Note 39)	14,856,636,589	5,501,885,160
Others	54,860,869,593	126,579,375,962
	<b>110,593,516,567</b>	<b>174,789,878,438</b>

**8. SHORT-TERM ADVANCES TO SUPPLIERS**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<b>VND</b>	<b>VND</b>
Technip Italy S.p.A	180,551,547,337	-
Thyssenkrupp Industrial Solution (India) Private Limited	93,223,527,025	-
TOYO Vietnam Corporation	-	59,325,000,000
Ngoc Lan Manufacturing and Commercial Limited Company	9,153,800,000	9,153,800,000
Related parties (as presented in Note 39)	303,892,974,389	7,165,677,758
Others	12,898,881,739	13,197,119,822
	<b>599,720,730,490</b>	<b>88,841,597,580</b>

**9. OTHER RECEIVABLES**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<b>VND</b>	<b>(Restated) VND</b>
<b>Other short-term receivables</b>		
PetroVietnam Trade Union Finance Investment Corporation (PVFI)	110,143,267,289	110,143,267,289
PetroVietnam Petrochemical and Textile Fiber JSC (i)	101,620,682,378	-
Accrued interest income from term deposits	22,511,181,846	20,177,721,324
PetroVietnam Northern Gas JSC (ii)	12,792,091,037	12,792,091,037
Advances to employees	3,307,722,538	1,627,791,124
Short-term deposits	47,000,000	51,000,000
VAT refund to Phu My Fertilizer Plant	17,851,484,482	106,450,370,984
Discount receivables from suppliers	51,589,780,848	-
Others	11,756,687,205	12,794,660,888
	<b>331,619,897,623</b>	<b>264,036,902,646</b>
<b>Other long-term receivables</b>		
Long-term deposits	1,167,836,000	949,902,000
Capital contribution (iii)	21,114,909,091	800,000,000
	<b>22,282,745,091</b>	<b>1,749,902,000</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**9. OTHER RECEIVABLES (Continued)**

- (i) The balance receivable from PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX") as at 31 December 2015 represents a payment under the reciprocal guarantee commitment for short- and medium-term loans of PVTEX. Payment obligations arose from the fact that Corporation signed two reciprocal guarantee commitments with the Group relating to the guarantee obligations of the Group for short- and medium-term loans of PVTEX. In 2014, the Group guaranteed and paid a total amount of VND 389.4 billion, representing a part of the medium-term loan for the plan construction purpose and the short-term plan for the commissioning purpose with the same interest rate, on behalf of PVTEX. Accordingly, the Corporation returned an amount of VND 101.2 billion, corresponding to the Corporation's capital proportion in PVTEX, to the Group.

According to the Memorandum of Agreement between PVN, PVTEX and the Corporation, PVN shall be responsible for collecting the principal of and interest on the guarantees having paid by parties on behalf of PVTEX. Within 7 days from the day PVN receives debt payments from PVTEX (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in PVTEX to the Corporation. The interest rate is determined by the demand deposit interest rate announced by the Commercial Joint Stock Bank for Foreign Trade of Vietnam. The interest calculation period starts from the day the Corporation pays the reciprocal guarantee amount to PVN.

As at 31 December 2015, the Board of General Directors assessed the recoverability of this receivable at low level as the accumulated losses of PVTEX had exceeded its equity, and PVTEX was unable to meet its financial obligations as and when they fall due. Therefore, the Board of General Directors decided to make a full provision for this receivable.

- (ii) The balance receivable from PetroVietnam Northern Gas Joint Stock Company ("PVGN") as at 31 December 2015 represents a damage insurance amount with regard to Da Nang Warehouse construction. This amount was paid by the insurance company but has not been transferred to the Corporation by PVGN yet.
- (iii) Represent the amount of capital contribution in CO2 commercial products project of PetroVietnam Southern Building and Development Joint Stock Company ("PVSBD") signed with F.A Joint Stock Company and Phu My Fertilizer Plant as per Business Cooperation Contract without establishing a legal entity No. BCC279/2014/PVFCCo/HC-SBD-FA dated 06 May 2014. Under the terms of the Contract, the total capital contribution of PVSBD is VND 64 billion. As at 31 December 2015, PVSBD contributed approximately VND 21.1 billion.

**10. BAD DEBTS**

	31/12/2015		31/12/2014	
	Recoverable		Recoverable	
	Cost	amount	Cost	amount
	VND	VND	VND	VND
<b>Doubtful debts</b>	<b>220,917,749,667</b>	<b>-</b>	<b>119,297,067,289</b>	<b>-</b>
PetroVietnam Trade Union Finance Investment Corporation (i)	110,143,267,289	-	110,143,267,289	-
Ngoc Lan Private Enterprise (ii)	9,153,800,000	-	9,153,800,000	-
PetroVietnam Petrochemical and Textile Fiber JSC (iii)	101,620,682,378	-	-	-
<b>Recoverable debts</b>	<b>-</b>	<b>-</b>	<b>2,294,640,000</b>	<b>2,294,640,000</b>
<b>Others</b>	<b>-</b>	<b>-</b>	<b>2,294,640,000</b>	<b>2,294,640,000</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
**For the year ended 31 December 2015**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**10. BAD DEBTS (Continued)**

(i) The Corporation made a full provision for the receivables amount from PetroVietnam Trade Union Finance Investment Corporation in the financial statements for the year ended 31 December 2012.

(ii) The Corporation made a full provision for the receivables amount from Ngoc Lan Private Enterprise in the financial statements for the year ended 31 December 2011.

(iii) The Corporation made a full provision for the receivable from PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX") with regard to reciprocal guarantee commitments for medium-term and long-term loans of PVTEX as stated in Note 9.

**11. INVENTORIES**

	31/12/2015		31/12/2014	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	87,407,094,183	-	288,454,892,852	-
Raw materials	335,681,802,319	-	499,192,205,959	-
Tools and supplies	9,633,946,053	-	4,852,076,337	-
Work in progress	28,769,617,579	-	46,750,905,139	-
Finished goods	192,347,388,684	-	344,320,570,248	-
Merchandise	715,520,210,098	(4,000,157,558)	308,611,899,417	(281,375,937)
<b>Total</b>	<b>1,369,360,058,916</b>	<b>(4,000,157,558)</b>	<b>1,492,182,549,952</b>	<b>(281,375,937)</b>

As at 31 December 2015, the Corporation made provisions for devaluation of inventories which are merchandise having costs higher than net realisable values with an amount of VND 4,000,157,558 (as at 31 December 2014: VND 281,375,937).

**12. PREPAYMENTS**

	31/12/2015	31/12/2014
	VND	VND
<b>Short-term</b>		
Asset insurance prepayment	10,124,705,794	9,518,700,811
Others	6,681,757,381	7,022,150,127
	<b>16,806,463,175</b>	<b>16,540,850,938</b>
<b>Long-term</b>		
Land and office rentals	11,819,525,887	9,573,023,571
Tools and supplies	4,248,106,956	15,734,967,845
Others	6,993,814,205	18,258,521,756
	<b>23,061,447,048</b>	<b>43,566,513,172</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN/HN**

**13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS**

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
As at 01/01/2015	1,637,402,590,773	5,432,191,851,881	126,207,669,681	122,457,969,152	7,359,661,975	7,325,619,743,462
New purchases	2,438,863,094	30,831,147,247	15,427,127,453	39,716,271,633	-	88,413,409,427
Transfer from construction in progress	-	3,782,000,000	-	-	1,460,533,730	5,242,533,730
Disposals	-	(328,214,510)	(2,481,907,208)	(3,645,235,006)	-	(6,455,356,724)
Other increase/(Decrease)	-	779,934,982	731,360,000	(651,806,982)	-	859,488,000
Decrease due to capital divestment from Phu My Fertilizer Packaging JSC	(30,565,858,231)	(55,884,393,303)	(1,400,728,931)	(129,478,076)	-	(87,980,458,541)
<b>As at 31/12/2015</b>	<b>1,609,275,595,636</b>	<b>5,411,372,326,297</b>	<b>138,483,520,995</b>	<b>157,747,720,721</b>	<b>8,820,195,705</b>	<b>7,325,699,359,354</b>
<b>ACCUMULATED DEPRECIATION</b>						
As at 01/01/2015	835,803,982,739	5,195,716,107,958	81,508,071,921	76,657,076,568	2,925,061,015	6,192,610,300,201
Charge for the year	89,705,450,736	112,849,920,060	10,771,007,991	22,440,380,216	2,500,456,829	238,267,215,832
Disposals	(432,420,467)	(329,367,879)	(1,647,553,841)	(3,574,959,329)	-	(5,984,301,516)
Decrease due to capital divestment from Phu My Fertilizer Packaging JSC	(10,327,494,865)	(38,565,867,434)	(1,049,120,115)	(134,519,172)	-	(50,077,001,586)
<b>As at 31/12/2015</b>	<b>914,749,518,143</b>	<b>5,269,670,792,705</b>	<b>89,582,405,956</b>	<b>95,387,978,283</b>	<b>5,425,517,844</b>	<b>6,374,816,212,931</b>
<b>NET BOOK VALUE</b>						
As at 31/12/2015	694,526,077,493	141,701,533,592	48,901,115,039	62,359,742,438	3,394,677,861	950,883,146,423
As at 31/12/2014	801,598,608,034	236,475,743,923	44,699,597,760	45,800,892,584	4,434,600,960	1,133,009,443,261

The cost of the Corporation's tangible fixed assets as at 31 December 2015 includes VND 5,379,131,033,588 (31 December 2014: VND 5,363,972,216,156) of tangible assets which have been fully depreciated but are still in use.

As at 31 December 2015, certain buildings and structures, machinery and equipment and motor vehicles with the residual values of approximately VND 10.43 billion have been pledged to secure bank loans (see Note 24).

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN**

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

**14. DECREASES, INCREASES IN INTANGIBLE ASSETS**

	Land uses rights	Patent copyright	Computer software	Others	Total
	VND	VND	VND	VND	VND
<b>COST</b>					
As at 01/01/2015	913,888,881,862	171,736,726,176	52,367,493,588	10,335,196,396	1,148,328,298,022
Addition in the year	-	1,977,793,869	1,313,573,361	-	3,291,367,230
Disposals	-	-	(85,064,909)	(43,636,364)	(128,701,273)
Decrease due to capital divestment from Phu My Fertilizer Packaging JSC	-	-	(36,000,000)	(353,242,000)	(389,242,000)
As at 31/12/2015	913,888,881,862	173,714,520,045	53,560,002,040	9,938,318,032	1,151,101,721,979
<b>ACCUMULATED AMORTISATION</b>					
As at 01/01/2015	16,379,378,701	169,035,688,047	37,091,149,725	10,214,150,169	232,720,366,642
Charge for the year	5,005,600,203	2,595,868,374	8,362,752,886	110,143,108	16,074,364,571
Disposals	-	-	(63,810,329)	(32,733,245)	(96,543,574)
Decrease due to capital divestment from Phu My Fertilizer Packaging JSC	-	-	(36,000,000)	(353,242,000)	(389,242,000)
As at 31/12/2015	21,384,978,904	171,631,556,421	45,354,092,282	9,938,318,032	248,308,945,639
<b>NET BOOK VALUE</b>					
As at 31/12/2015	892,503,902,958	2,082,963,624	8,205,909,758	-	902,792,776,340
As at 31/12/2014	897,509,503,161	2,701,038,129	15,276,343,863	121,046,227	915,607,931,380

The cost of the Corporation's intangible assets as at 31 December 2015 includes VND 178,416,446,555 (31 December 2014: VND 178,805,688,555) of intangible assets which have been fully amortized but are still in use.

**15. INCREASES, DECREASES IN INVESTMENT PROPERTIES**

	Land use rights	Buildings and structures	Total
	VND	VND	VND
<b>COST</b>			
As at 01/01/2015	84,498,516,000	230,032,455,192	314,530,971,192
Transfer from construction in progress	1,825,000,000	-	1,825,000,000
Disposals	(24,500,000,000)	(34,352,156,792)	(58,852,156,792)
As at 31/12/2015	61,823,516,000	195,680,298,400	257,503,814,400
<b>ACCUMULATED DEPRECIATION</b>			
As at 01/01/2015	6,092,502,718	34,248,007,447	40,340,510,165
Charge for the year	1,330,844,702	8,855,097,020	10,185,941,722
Disposals	-	(6,941,500,888)	(6,941,500,888)
As at 31/12/2015	7,423,347,420	36,161,603,579	43,584,950,999
<b>NET BOOK VALUE</b>			
As at 31/12/2015	54,400,168,580	159,518,694,821	213,918,863,401
As at 31/12/2014	78,406,013,282	195,784,447,745	274,190,461,027

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**15. INCREASE, DECREASE IN INVESTMENT PROPERTIES (Continued)**

Investment properties represent land use rights and buildings and structures of Cuu Long Supermarket-Office Building in Ca Mau Province and PVFCCo Building at 43 Mac Dinh Chi Street, Ho Chi Minh City which were held to earn rentals.

According to VAS No. 05 - Investment Properties, fair value of investment properties at the balance sheet date is required to be disclosed. However, the Corporation has not determined the fair value as at 31 December 2015; therefore, no information about the fair value is stated at the notes to the consolidated financial statements.

**16. CONSTRUCTION IN PROGRESS**

	31/12/2015	31/12/2014
	VND	VND
Construction in progress	612,341,484,055	246,836,829,085
In which:		
UFC 85/Formaldehyde factory project (*)	348,243,750,831	75,732,962,614
NH3 and NPK project	108,329,487,319	23,451,226,161
Ammonia project	46,248,899,367	46,248,899,367
Apartment buildings for employees	36,342,070,618	36,342,070,618
Tay Ninh warehouse	24,001,000,364	23,573,596,728
Other projects	49,176,275,556	41,488,073,597
	<b>612,341,484,055</b>	<b>246,836,829,085</b>

(\*) The UFC 85/Formaldehyde project with total value invested up to VND 500 billion has basically been accomplished and currently in the trial progress. The project is expected to be handed-over and start operating in the first quarter of 2016. As stated in Note 24, the Corporation has pledged the entire investment cost of the construction project on UFC85/Formaldehyde factory with the amount as at 31 December 2015 amounting to more than VND 348 billion to ensure long-term loans obtained from Vietnam Public Commercial Joint Stock Bank- Ho Chi Minh City Branch.

**17. DEFERRED TAX ASSETS AND LIABILITIES****Deferred tax assets**

	Provision for short-term doubtful debts	Accrued expenses not yet invoiced	Unearned revenue	Others	Total
	VND	VND	VND	VND	VND
As at 01/01/2014	13,767,908,411	11,656,179,678	3,341,130,982	-	28,765,219,071
Charge for the year	(6,498,452,770)	30,179,691,223	5,681,380,012	7,151,801,283	36,514,419,748
As at 01/01/2015	7,269,455,641	41,835,870,901	9,022,510,994	7,151,801,283	65,279,638,819
Charge for the year	15,087,094,482	(12,688,721,196)	(4,140,575,309)	669,030,387	(1,073,171,636)
As at 31/12/2015	22,356,550,123	29,147,149,705	4,881,935,685	7,820,831,670	64,206,467,183

**Deferred tax liabilities**

	2015
As at 01 January	-
Effect of elimination of provisions made for devaluation of investment in associates before 2015	98,607,955,999
Charge for the year	47,578,026,144
As at 31 December	<b>146,185,982,143</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN**

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

**18. SHORT-TERM TRADE PAYABLES**

	31/12/2015		31/12/2014	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
TOYO Vietnam Corporation	-	-	29,662,500,000	29,662,500,000
Baker Hughes Asia Pacific Ltd.,	16,849,383,370	16,849,383,370	12,005,037,500	12,005,037,500
Related parties (see in Note 39)	200,604,081,795	200,604,081,795	234,170,436,834	234,170,436,834
Others	143,867,635,128	143,867,635,128	88,830,083,512	88,830,083,512
	<b>361,321,100,293</b>	<b>361,321,100,293</b>	<b>364,668,057,846</b>	<b>364,668,057,846</b>

**19. SHORT-TERM ADVANCES FROM CUSTOMERS**

	31/12/2015	31/12/2014
	VND	VND
Huu Thanh Limited Company	7,859,050,000	44,389,500
Related parties (as presented in Note 39)	6,212,372,132	5,015,288,623
Others	49,579,593,344	34,301,059,102
	<b>63,651,015,476</b>	<b>39,360,737,225</b>

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

Items	01/01/2015	Movement during the year		Decrease due to divesting capital	31/12/2015
		Amount payable	Amount paid		
	VND	VND	VND	VND	VND
<b>a) Tax receivables</b>					
Corporate income tax	3,152,818,774	-	-	-	3,152,818,774
Personal income tax	1,360,021,965	15,827,935,511	15,446,917,863	-	979,004,317
License tax	3,000,000	3,000,000	-	-	-
<b>Total</b>	<b>4,515,840,739</b>	<b>15,830,935,511</b>	<b>15,446,917,863</b>	<b>-</b>	<b>4,131,823,091</b>
<b>b) Tax payables</b>					
VAT on domestic goods	462,406,107	10,762,073,572	9,552,260,479	(51,041,589)	1,621,177,611
VAT on imports	-	25,290,085,789	25,290,085,789	-	-
Import-export duties	-	64,731,936,255	64,731,936,255	-	-
Corporate income tax	48,951,016,887	309,160,303,969	279,826,182,950	(653,071,846)	77,632,066,060
Personal income tax	2,615,904,322	26,205,509,127	24,965,035,793	(54,848,079)	3,801,529,577
Natural resource tax	30,299,840	345,331,840	346,190,400	-	29,441,280
Environmental protection tax	498,000	49,680,000	43,242,000	-	6,936,000
Business tax	-	30,000,000	30,000,000	-	-
Foreign contractor withholding tax	24,822,359	15,124,562,985	15,149,385,344	-	-
Other taxes	-	16,779,250	16,779,250	-	-
<b>Total</b>	<b>52,084,947,515</b>	<b>451,716,262,787</b>	<b>419,951,098,260</b>	<b>(758,961,514)</b>	<b>83,091,150,528</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**21. SHORT-TERM ACCRUED EXPENSES**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>VND</u>	<u>(Restated)</u>
		<u>VND</u>
<b>Short-term accrued expenses</b>		
Social security expenses (*)	18,624,552,700	32,058,808,019
Others	38,431,789,844	32,071,320,177
	<u>57,056,342,544</u>	<u>64,130,128,196</u>

(\*) Social security expenses for the year were accrued in accordance with Resolution No. 998/NQ-DKVN dated 04 May 2015 on "Acceptance for the solution of expenditure allocation of Vietnam Oil and Gas Group and companies in the Group to implement social security projects in 2015". Accordingly, expenditure allocated to the Corporation in 2015 was VND 95 billion. As at 31 December 2015, the balance of social security expenses payable to beneficiaries was VND 18,624,552,700.

**22. OTHER PAYABLES**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>VND</u>	<u>VND</u>
<b>Short-term payables</b>		
Dividend payables	975,031,896,789	25,188,468,714
Discount payables	15,207,128,913	17,993,485,335
Other short-term payables	19,682,756,599	24,673,350,622
	<u>1,009,921,782,301</u>	<u>67,855,304,671</u>
<b>Other long-term payables</b>		
Long-term deposits	6,826,964,074	6,177,584,074
	<u>6,826,964,074</u>	<u>6,177,584,074</u>

**23. PROVISION PAYABLES**

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>VND</u>	<u>VND</u>
<b>Short-term</b>		
Accrued repair and maintenance costs for Phu My Fertilizer Plant in 2015	-	217,105,262,533
Accrued GAS TURBINE maintenance costs in 2016	39,680,210,528	-
Provision for warranty for construction works	503,872,574	350,050,095
	<u>40,184,083,102</u>	<u>217,455,312,628</u>
<b>Long-term</b>		
Accrued repair and maintenance costs for Phu My Fertilizer Plant in 2017	96,551,724,139	-
	<u>96,551,724,139</u>	<u>-</u>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN/HN**

**24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES**

**Short-term loans and obligations under finance leases**

Items	31/12/2014		Movement in the year		31/12/2015	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
<b>Short-term loans</b>						
JSC Bank for Foreign Trade of Vietnam - Vung Tau Branch	91,740,870,923	91,740,870,923	122,258,204,224	171,039,367,131	42,959,708,016	-
Vietnam Prosperity Commercial Joint Stock Bank - Vung Tau Branch	21,455,796,223	21,455,796,223	106,036,629,899	96,292,632,206	31,199,793,916	-
Military Commercial Joint Stock Bank - Vung Tau Branch	5,308,574,700	5,308,574,700	4,461,660,225	9,770,234,925	-	-
JSC Bank for Investment and Development of Vietnam - Binh Dinh Branch	-	-	11,759,914,100	-	11,759,914,100	-
Military Commercial Joint Stock Bank - Vo Van Tan Transaction office	52,500,000,000	52,500,000,000	-	52,500,000,000	-	-
	12,476,500,000	12,476,500,000	-	12,476,500,000	-	-
<b>Current portion of long-term loans</b>						
Vietnam Public Joint Stock Commercial Bank	1,780,041,966	1,780,041,966	3,419,655,166	3,066,373,132	2,133,324,000	2,133,324,000
JSC Bank for Foreign Trade of Vietnam - Vung Tau Branch	1,115,831,634	1,115,831,634	-	1,115,831,634	-	-
Nam A Commercial Joint Stock Bank - An Dong Branch	664,210,332	664,210,332	1,286,331,166	1,950,541,498	-	-
Nam A Commercial Joint Stock Bank - Hoa Binh Transaction office	-	-	1,999,992,000	-	1,999,992,000	1,999,992,000
	-	-	133,332,000	-	133,332,000	133,332,000
	<b>93,520,912,889</b>	<b>93,520,912,889</b>	<b>125,677,859,390</b>	<b>174,105,740,263</b>	<b>42,959,708,016</b>	<b>2,133,324,000</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN/HN**

**24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)**

**Long-term loans and obligations under finance lease**

Items	31/12/2014		Movement in the year		Decrease due to		31/12/2015	
	Amount		Increase		capital divestment		Amount	
	VND	Amount able to be paid off VND	VND	Decrease VND	VND	VND	VND	Amount able to be paid off VND
Vietnam Public JSC Bank - Ho Chi Minh Branch (i)	-	-	226,950,078,667	-	-	226,950,078,667	226,950,078,667	
Vietnam Public JSC Bank	1,245,382,915	1,245,382,915	-	1,245,382,915	-	-	-	-
JSC Bank for Foreign Trade of Vietnam - Vung Tau Branch	1,660,525,830	1,660,525,830	5,260,674,966	3,488,163,598	3,433,037,198	-	-	-
Nam A Commercial Joint Stock Bank - An Dong Branch (ii)	-	-	6,000,000,000	999,996,000	-	5,000,004,000	5,000,004,000	
Nam A Commercial Joint Stock Bank - Hoa Binh Transaction Office (iii)	-	-	400,000,000	77,777,000	-	322,223,000	322,223,000	
<b>Total</b>	<b>2,905,908,745</b>	<b>2,905,908,745</b>	<b>238,610,753,633</b>	<b>5,811,319,513</b>	<b>3,433,037,198</b>	<b>232,272,305,667</b>	<b>232,272,305,667</b>	
<b>In which:</b>								
Amount due for settlement within 12 months	1,780,041,966							2,133,324,000
Amount due for settlement after 12 months	1,125,866,779							230,138,981,667

- (i) Represents the long-term loan Credit Agreement No. 03/2015/HDDA-PVB-CNHCM.QLDT dated 26 January 2015 between the Corporation and Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch with the credit limit of VND 347,574,411,133 to finance the construction project on UFC85/ Formaldehyde factory of which the Corporation acts as the investment owner. The maximum loan term is 120 months from the first disbursement date. The loan interest rate is determined by reference interest plus margin interest (2.5% per annum). Interest will be payable once every 06 months based on the actual outstanding balance on the 26<sup>th</sup> every month.

The Corporation has mortgaged the entire value of Factory construction project at Phu My 1 Industrial Zone in Ba Ria - Vung Tau Province to secure for the loan above.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (Continued)**

- (ii) Represents the loan under Installment Credit Contract No. 0103/2015/925 dated 26 June 2015 with Nam A Commercial Joint Stock Bank - An Dong Branch with the amount of VND 6,000,000,000. The loan term is 36 months from the contract date for the purpose of purchasing 03 Daewoo FX12 passenger buses. The interest rate is 11.2% p.a. and adjustable once every three (03) months. The loan interest is payable on the 29<sup>th</sup> every month. The loan is secured by three (03) 47-seat-Daewoo FX12 passenger buses. The loan balance as at 31 December 2015 was VND 5,000,004,000.
- (iii) Represents the loan under Installment Credit Contract No. 0089/2015/925 dated 28 May 2015 with Nam A Commercial Joint Stock Bank - Hoa Binh Branch with the amount of VND 400,000,000. The loan term is 36 months from the contract date for the purpose of purchasing vehicles. The loan interest rate is 11.2% p.a. and adjustable once every three (03) month. The interest is payable on the 29<sup>th</sup> every month. The loan is secured by the 5-seat Ford Ranger Pick-up 4x2 XLS AL. The loan balance as at 31 December 2015 was VND 322,223,000.

Long-term loans are repayable as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Within one year	2,133,324,000	1,780,041,966
In the second year	2,133,324,000	793,761,613
In the third to fifth year inclusive	228,005,657,667	332,105,166
After five year	-	-
	<u>232,272,305,667</u>	<u>2,905,908,745</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	2,133,324,000	1,780,041,966
<b>Amount due for settlement after 12 months</b>	<u><b>230,138,981,667</b></u>	<u><b>1,125,866,779</b></u>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN/HN**

**25. OWNER'S EQUITY**

**Movement in owner's equity:**

	Owner's contributed capital	Other owner's capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Other reserves	Retained earnings	Non-controlling interests
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Balance as at 01/01/2014</b>	<b>3,800,000,000,000</b>	<b>977,787,044</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>(264,120,169)</b>	<b>2,526,156,214,757</b>	<b>962,866,860,541</b>	<b>1,014,770,873</b>	<b>2,036,381,182,804</b>	<b>210,122,568,769</b>
Profit for the year	-	-	-	-	-	-	-	-	1,096,275,840,370	38,182,555,531
Profit distribution	-	-	-	-	-	3,014,884,509	5,345,687,706	-	(8,360,572,215)	-
Allocation to bonus and welfare funds	-	-	-	-	-	-	-	-	(132,748,113,582)	(3,490,631,739)
Dividends declared	-	-	-	-	-	-	-	-	(1,519,737,040,000)	(28,042,035,007)
Other increases/(decreases)	-	1,419,695,143	-	-	263,400,375	(1,419,695,143)	-	-	(1,931,466,342)	28,872,582
<b>Balance as at 31/12/2014</b>	<b>3,800,000,000,000</b>	<b>2,397,482,187</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>(719,794)</b>	<b>2,527,751,504,123</b>	<b>968,212,548,247</b>	<b>1,014,770,873</b>	<b>1,469,879,831,035</b>	<b>216,801,330,136</b>
Reclassification under Circular No. 200	-	-	-	-	-	968,212,548,247	(968,212,548,247)	-	-	-
<b>Balance as at 01/01/2015</b>	<b>3,800,000,000,000</b>	<b>2,397,482,187</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>(719,794)</b>	<b>3,495,964,052,370</b>	-	<b>1,014,770,873</b>	<b>1,469,879,831,035</b>	<b>216,801,330,136</b>
Profit for the year	-	-	-	-	-	-	-	-	1,488,213,481,717	34,247,867,339
Profit distribution (1)	-	-	-	-	-	4,386,836,518	-	-	(4,386,836,518)	-
Appropriation to bonus and welfare funds (1)	-	-	-	-	-	-	-	-	(291,337,417,673)	(5,728,298,310)
Dividends declared (2)	-	-	-	-	-	-	-	-	(1,519,737,040,000)	(23,865,144,656)
Funds transfer	-	-	-	-	-	1,014,770,873	-	(1,014,770,873)	-	-
Increased/(decrease) due to capital divestment from Phu My Fertilizer Packaging JSC	-	(2,038,211,449)	-	-	-	(2,294,797,393)	-	-	4,333,008,842	(34,237,899,815)
(Decrease) due to changes in opening balances of associates	-	-	-	-	-	-	-	-	(10,560,754,437)	-
Adjustment under Circular 202 (3)	-	-	-	-	-	-	-	-	(98,607,955,999)	-
Other adjustments	-	(359,270,738)	-	-	719,794	(404,498,539)	-	-	218,050,059	4,723,594,968
<b>Balance as at 31/12/2015</b>	<b>3,800,000,000,000</b>	<b>-</b>	<b>21,179,913,858</b>	<b>(2,296,824,120)</b>	<b>-</b>	<b>3,498,666,363,829</b>	<b>-</b>	<b>-</b>	<b>1,838,014,367,026</b>	<b>191,941,449,662</b>

(1) Profit distribution includes appropriations to Bonus and welfare funds, and Investment and Development fund of the Corporation and its member units under the Resolution passed at the General Shareholders' Meeting of the Corporation and its member units.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**25. OWNER'S EQUITY (Continued)**

(2) In 2015, the Corporation declared to pay the remaining dividend from the 2014 after-tax profit amounting to VND 569,901,390,000 (equivalent to VND 1,500 per share) under Resolution No. 23/NQ-DHDCD dated 22 April 2015, and the Corporation also made the first interim dividend advance from the 2015 after-tax profit amounting to VND 949,835,650,000 (equivalent to VND 2,500 per share) in accordance with Decision No.1064/NQ-HDQT dated 11 December 2015 of the Chairman.

(3) Under Circular No.202/2014/TT-BTC, the Corporation wrote down the retained earnings and also wrote up the deferred tax liabilities arising on the elimination of the made provision for impairment of the investments in the two associates, including PetroVietnam Petrochemical and Textile Fiber JSC ("PVTEX") and PetroVietnam Urban Development JSC ("PVC-Mekong"), for the period before 2015 (see more in Note 17).

Shares	31/12/2015	31/12/2014
Number of shares issued to public		
+ Common shares	380,000,000	380,000,000
+ Preferred shares	-	-
Number of treasury shares		
+ Common shares	65,740	65,740
+ Preferred shares	-	-
Number of outstanding shares in circulation		
+ Common shares	379,934,260	379,934,260
+ Preferred shares	-	-

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

**Charter capital**

According to Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 13th amendment dated 10 March 2016 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,914,000,000,000. The charter capital was fully contributed by the shareholders as at 31 December 2015 as follows:

Shareholders	According to Business Registration Certificate		Contributed capital 31/12/2015	Contributed capital 31/12/2014
	VND	%	VND	VND
Vietnam Oil and Gas Group	2,332,042,530,000	59,58	2,332,042,530,000	2,332,042,530,000
Others	1,581,957,470,000	40,42	1,467,957,470,000	1,467,957,470,000
	<b>3,914,000,000,000</b>	<b>100%</b>	<b>3,800,000,000,000</b>	<b>3,800,000,000,000</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the period from 01/01/2015 to 30/6/2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**25. OWNER'S EQUITY (Continued)**

**Movements of non-controlling interests during the year are as follows:**

	Owner's contributed capital	Other owner's capital	Investment and development fund	Financial reserve fund	Other reserves	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND
Balance as at 31/12/2014	162,791,200,000	2,305,307,509	9,586,028,093	7,436,761,863	975,756,536	33,706,276,135	216,801,330,136
Reclassification under Circular No. 200	-	-	7,436,761,863	(7,436,761,863)	-	-	-
Balance as at 01/01/2015	162,791,200,000	2,305,307,509	17,022,789,956	-	975,756,536	33,706,276,135	216,801,330,136
Profit for the year	-	-	-	-	-	34,247,867,339	34,247,867,339
Profit distribution	-	-	-	-	-	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	(5,742,736,029)	(5,742,736,029)
Dividends declared	-	-	-	-	-	(23,865,144,656)	(23,865,144,656)
Funds transfer	-	-	975,756,536	-	(975,756,536)	-	-
Increase/(decrease) due to capital divestment from Phu My Fertilizer Packaging JSC	(20,590,000,000)	(2,305,307,509)	(2,595,517,588)	-	-	(4,554,504,031)	(30,045,329,128)
Other increase/(decrease)	-	-	-	-	-	545,462,000	545,462,000
Balance as at 31/12/2015	142,201,200,000	-	15,403,028,904	-	-	34,337,220,758	191,941,449,662

**26. OFF-CONSOLIDATED-BALANCE-SHEET ITEMS**

	31/12/2015	31/12/2014
Foreign currencies		
- USD	2,141,450	1,808,468
- EUR	32,574	33,658

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**FORM B 09-DN/HN**

**27. BUSINESS AND GEOGRAPHICAL SEGMENTS**

**Business segments:**

The Corporation is organized into business segments which operate in relatively separate business industries and activities. The business segments of the Corporation and its subsidiaries include:

- Production and trading of fertilizer and chemicals: The Holding Company, Northern PetroVietnam Fertilizer and Chemicals JSC, Central PetroVietnam Fertilizer and Chemicals JSC, Southwest PetroVietnam Fertilizer and Chemicals JSC, and Southeast PetroVietnam Fertilizer and Chemicals JSC.
- Package production: Phu My Fertilizer Packaging JSC (As at 01 October 2015, the Corporation divested from Phu My Fertilizer Packaging JSC).
- Construction of civil works and rendering of other services: PetroVietnam Southern Building and Development JSC.

Segment information about the Corporation's operations is presented below:

**Consolidated balance sheet as at 31 December 2015**

	Production and trading of fertilizer and chemicals VND	Construction of civil works and rendering of other services VND	Consolidated adjustments VND	Total VND
<b>Assets</b>				
Segment assets	12,106,978,782,751	117,282,000,696	(1,332,286,994,022)	10,891,973,789,425
Investments in associates	580,903,000,000	100,000,000,000	(653,697,066,178)	27,205,933,822
<b>Total assets</b>	<b>12,687,881,782,751</b>	<b>217,282,000,696</b>	<b>(1,985,984,060,200)</b>	<b>10,919,179,723,247</b>
<b>Liabilities</b>				
Segment liabilities	3,634,493,437,689	34,136,718,822	(1,296,955,703,519)	2,371,674,452,992
<b>Total liabilities</b>	<b>3,634,493,437,689</b>	<b>34,136,718,822</b>	<b>(1,296,955,703,519)</b>	<b>2,371,674,452,992</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**FORM B 09-DN/HN**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**27. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)**

**Consolidated income statement for the year ended 31 December 2015:**

	Trading of fertilizer and chemicals VND	Package production VND	Construction of civil works and rendering of other services VND	Consolidated adjustments VND	Total VND
Gross revenue from goods sold and services rendered	22,742,872,324,003	228,249,060,738	187,532,521,921	(13,307,018,084,629)	9,851,635,822,033
Deductions	199,506,966,364	-	-	(112,817,988,804)	86,688,977,560
Net revenue from goods sold and services rendered	22,543,365,357,639	228,249,060,738	187,532,521,921	(13,194,200,095,825)	9,764,946,844,473
Cost of goods sold and services rendered	19,435,932,744,181	197,396,366,045	160,637,049,282	(13,181,542,161,705)	6,612,423,997,803
Selling expenses	759,597,248,907	5,559,833,015	1,314,276,957	(15,485,719,042)	750,985,639,837
General and administration expenses	583,903,457,793	14,198,903,057	17,434,068,806	(18,460,496,445)	597,075,933,211
Results of operations	1,763,931,906,758	11,093,958,621	8,147,126,876	21,288,281,367	1,804,461,273,622
(Loss) on investments in associates					(198,273,817,160)
Financial income					256,561,206,512
Financial expenses					7,070,545,699
Profit from other activities					24,594,733,532
<b>Accounting profit before tax</b>					<b>1,880,272,850,807</b>
Current corporate income tax expense					309,160,303,969
Deferred corporate income tax expense					48,651,197,780
<b>Net profit after corporate income tax</b>					<b>1,522,461,349,058</b>

**Geographical segments:**

The Corporation distributes fertilizer, chemicals, packages, and services nationwide via its subsidiaries in each region, including the North, Central Region - Central Highlands, Southeast, Southwest and Ho Chi Minh City. During the year, the Corporation exported products with the revenue of approximately VND 165.7 billion- accounting for negligible proportion of gross revenue from goods sold and services rendered of the Corporation. Thus, almost the entire production and business activities of the Corporation during the year were carried out inside the territory of Vietnam.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**28. NET REVENUE AND COST OF SALES**

	Locally-produced products <u>VND</u>	Imported goods <u>VND</u>	Total <u>VND</u>
<b>2015</b>			
Net revenue	6,792,276,265,117	2,972,670,579,356	9,764,946,844,473
Cost of sales	(3,764,056,533,500)	(2,848,367,464,303)	(6,612,423,997,803)
<b>Gross profit</b>	<b>3,028,219,731,617</b>	<b>124,303,115,053</b>	<b>3,152,522,846,670</b>
<b>2014</b>			
Net revenue	7,071,728,592,529	2,477,121,260,062	9,548,849,852,591
Cost of sales	(4,731,082,695,058)	(2,390,013,454,364)	(7,121,096,149,422)
<i>In which: Provision reversed</i>	<i>2,539,676,996</i>	<i>9,893,267,163</i>	<i>12,432,944,159</i>
<b>Gross profit</b>	<b>2,340,645,897,471</b>	<b>87,107,805,698</b>	<b>2,427,753,703,169</b>

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

	<b>2015</b> <u>VND</u>	<b>2014</b> <u>VND</u>
Sales of Phu My Urea	6,170,852,658,627	6,313,603,683,900
Sales of Ca Mau Urea	146,403,645,000	398,611,030,574
Sales of Ammonia	271,418,980,873	181,463,231,525
Sales of electricity	1,608,040,595	1,422,244,336
Others	269,574,239,723	256,984,586,198
	<b>6,859,857,564,818</b>	<b>7,152,084,776,533</b>
Sales discounts	67,581,299,701	80,356,184,004
	<b>6,792,276,265,117</b>	<b>7,071,728,592,529</b>
Revenue generated during the year with related parties (as presented in Note 39)	<b>324,142,902,346</b>	<b>150,217,876,915</b>

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

	<b>2015</b> <u>VND</u>	<b>2014</b> <u>VND</u>
Cost of sold Phu My Urea	3,278,948,003,205	4,079,664,859,782
Cost of sold Ca Mau Urea	143,568,669,246	389,241,642,156
Cost of sold Ammonia	144,565,582,519	88,671,273,818
Cost of sold electricity	2,568,917,635	3,169,077,631
Others	194,405,360,895	170,335,841,671
	<b>3,764,056,533,500</b>	<b>4,731,082,695,058</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**29. PRODUCTION COST BY NATURE**

	2015	2014
	VND	VND
Raw materials and consumables	2,464,741,340,488	3,736,969,200,487
Labour cost	503,297,670,246	480,836,113,801
Depreciation and amortisation	255,009,195,382	268,667,500,841
Out-sourced services	854,032,124,616	859,123,476,692
Other monetary expenses	579,379,555,970	187,615,021,863
	<b>4,656,459,886,702</b>	<b>5,533,211,313,684</b>

**30. FINANCIAL INCOME**

	2015	2014
	VND	VND
Interest income	251,325,096,804	321,129,781,714
Dividends and profits received	-	5,605,442,400
Foreign exchange gain	3,202,121,876	748,735,235
Gain arising on the transfer of shares of Drilling Mud Joint Stock Corporation	-	78,527,105,479
Gain arising on the transfer of share of Phu My Fertilizer Packaging Joint Stock Company	428,421,008	-
Others	1,605,566,824	495,559,040
	<b>256,561,206,512</b>	<b>406,506,623,868</b>

**31. FINANCIAL EXPENSES**

	2015	2014
	VND	VND
Interest expenses	2,568,699,865	2,931,385,121
(Resersal of)/Provision for impairment of long-term investments	-	(93,433,321)
Foreign exchange loss	4,456,247,668	1,679,680,768
Others	45,598,166	211,987,780
	<b>7,070,545,699</b>	<b>4,729,620,348</b>

**32. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES**

	2015	2014
	VND	VND
<b>Selling expenses for the year</b>		
Transportation, loading/uploading and storages expenses	321,192,309,897	365,309,546,096
Social security expenses	84,566,175,997	93,567,806,900
Advertising and media expenses	121,833,095,089	94,226,951,310
Others	223,394,058,854	148,500,655,111
	<b>750,985,639,837</b>	<b>701,604,959,417</b>
<b>General and administration expenses for the year</b>		
Management personnel costs	173,419,865,839	161,127,993,271
Administration fee paid to the Group	32,535,684,686	37,320,959,603
Depreciation and amortisation	91,890,326,106	93,397,979,136
Others	299,230,056,580	278,683,644,998
	<b>597,075,933,211</b>	<b>570,530,577,008</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam**Consolidated financial statements**  
For the year ended 31 December 2015**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***33. OTHER INCOME AND OTHER EXPENSES**

	2015	2014
	VND	VND
<b>Other income</b>		
Proceeds from disposals of investment property	19,293,095,488	-
Proceeds from customers due to their breaches of contracts	253,210,835	1,029,475,330
Others	6,136,062,486	15,618,580,322
	<b>25,682,368,809</b>	<b>16,648,055,652</b>
<b>Other expense</b>		
Expenses for disposals of fixed assets	-	175,336,802
Others	1,087,635,279	9,370,469,253
	<b>1,087,635,279</b>	<b>9,545,806,055</b>

**34. CURRENT CORPORATE INCOME TAX EXPENSE**

	2015	2014
	VND	VND
Corporate income tax based on taxable income in the current period	308,326,549,478	170,117,932,415
Adjustments for corporate income tax expenses in previous years to the current year	833,754,491	17,942,670,148
Tax reduction/exemption	-	(1,334,103,879)
<b>Total current corporate income tax expenses</b>	<b>309,160,303,969</b>	<b>186,726,498,683</b>

For fertilizer production and trading of fertilizer, the Corporation is obliged to pay corporate income tax at the rate of 15% of its assessable income. The Corporation is entitled to corporate income tax exemption for four years from the first profit-making year (2004) and a 50% reduction in tax payable for the seven years thereafter (from 2008). The year ended 31 December 2015 is the first year the Corporation enjoys 15% corporate income tax rate for profit from trading fertilizers.

For other business activities, the Corporation is obliged to pay corporate income tax at the rate of 22% of its taxable income.

**35. BASIC EARNINGS PER SHARE**

	2015	2014
	VND	(Restated) VND
<b>Profit after corporate income tax</b>	<b>1,488,213,481,717</b>	<b>1,096,275,840,370</b>
- Distribution to Bonus and Welfare funds	(236,206,155,225)	(144,229,313,780)
<b>Earnings for the purpose of calculating basic earnings per share</b>	<b>1,252,007,326,492</b>	<b>952,046,526,590</b>
Weighted average number of ordinary shares in circulation during the year	379,934,260	379,934,260
<b>Basic earnings per share</b>	<b>3,295</b>	<b>2,506</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**36. COMMITMENTS****Operating lease commitments**

At the balance sheet date, the payment schedule of the Corporation's operating lease commitments was as follows:

	31/12/2015	31/12/2014 (Restated)
	VND	VND
Within one year	21,279,554,938	21,766,418,938
In the second to fifth years inclusive	63,604,701,454	67,749,383,254
After five years	416,839,441,591	431,860,682,729
	<b>501,723,697,983</b>	<b>521,376,484,921</b>

Operating lease payments represent the total amounts that should be paid by the Corporation and its member units to lease land for construction of workshops and warehouses. The following contracts are included:

- On 03 September 2005, the holding company was handed over with a Land-subleasing Contract No. 178/HD/TLĐ/UDEC.2001 dated 01 June 2001 signed between the Project Management Unit ("PMU") of Phu My Fertilizer Plant and Ba Ria-Vung Tau Urban Development and Construction Company for the long-term lease of land and infrastructure in Phu My I Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province. The contract is valid for 17 years from 03 September 2004. According to the Appendix No. 135/PLHD/IZICO signed on 07 November 2013, from 2014 onwards, the Corporation has to pay the annual rental fee of USD 666,524 in VND on 15 February each year.
- On 14 May 2014, Northern PetroVietnam Fertilizer and Chemicals Joint Stock Company, the Corporation's subsidiary, signed Appendix No. 2 to Contract No. 1521/2011/HD-VDKVN/PVFCCo North on office lease at VPI Tower for 3 years from 01 July 2014. The total lease area is 655 m2 for office area and 55 m2 for supporting area with the monthly lease charge of VND 274,300,000.
- On 07 March 2013, Southeast PetroVietnam Fertilizer and Chemicals Joint Stock Company entered into a contract on lease of chemicals mixing workshop of Tay Nam Industry Company Limited with the total lease charge of VND 167,360,000 per month (VAT exclusive). Such contract has a term of 5 years and will end on 07 March 2018.

**Capital commitment**

Under Decision No. 115/QĐ-PHBC dated 08 April 2014, the Corporation's Board of Management approved the project on investment and construction to enhance productivity of NH<sub>3</sub> workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant by applying chemical technology, supplying and meeting domestic demand for NH<sub>3</sub> and NPK fertilizer consumption with total investment cost of VND 4,987,200,000,000. The project is expected to be completed in Quarter 2 of 2017. By 31 December 2015, the cost of the project was VND 108,329,487,319.

**Other commitment**

Under the Appendix No. 04 to Gas Sales and Purchase Agreement No. 82/2010/PVGas-KTTT/TM-PVFCCo/B1 dated 07 May 2010, from 01 January 2016 to 31 December 2016 gas purchasing price is calculated using the formula to calculate gas price traded at a gas delivery place as follows: VAT exclusive gas price USD/MMBTU = 46% \* average oil price MFOC + Cuu Long charges applied to Phu My Fertilizer Plant, charge fee applied for 2016 is 0.94 USD/MMBTU.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**37. CONTINGENT LIABILITIES**

As at 31 December 2015, the Corporate had reciprocal guarantee commitments with Vietnam Oil and Gas Group ("PVN") relating to the guarantee obligations of PVN for short and medium-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("PVTEX") – the Corporation's associate. Accordingly, the Corporate was committed to return to PVN the principals, interest, other relating expenses and incurring financial losses which PVN had paid to the Banks corresponding to the Corporation's capital proportion in PVTEX. The repayment will be implemented within 45 days starting from the date when PVN sends the official letter requiring the Corporation to return the mentioned payment. On 23 January 2015, Vietnam Oil and Gas Group issued Official Letter No.527/DKVN-TCKT requesting the Corporation to implement its commitments. Particularly, the Group guaranteed and paid a total amount of VND 388.5 billion, representing a part of the medium-term loan for the plant construction purpose and the short-term loan for the commissioning purpose, on behalf of PVTEX. Accordingly, the Corporation returned to PVN an amount of VND 101,620,682,378 billion in 2015.

According to Official Letter No.9792/CV-KHDN dated 31 December 2014 issued by Joint Stock Commercial Bank for Investment and Development of Vietnam on restructuring the loans for the construction of Polyester Dinh Vu textile fiber manufacturing plant, the coming date for principal payment is 21 June 2017. Therefore, as at 31 December 2015, the Corporation has no obligation of returning to PVN any amount relating to reciprocal guarantee commitments as mentioned above. The Corporation will continue fulfilling its commitments for the subsequent years.

**38. FINANCIAL INSTRUMENTS****Capital risk management**

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

The capital structure of the Corporation consists of net debt (including loans and obligations under finance leases as disclosed in Note 24, offset by cash and cash equivalents) and equity attributable to the shareholders of the holding company (comprising capital, reserves and retained earnings), and equity attributable to non-controlling shareholders of subsidiaries.

*Gearing ratio of the Corporation at the balance sheet date was as follows:*

	<u>31/12/2015</u>	<u>31/12/2014</u>
	<u>VND</u>	<u>VND</u>
Loans and obligations under finance leases	232,272,305,667	94,646,779,668
Less: Cash and cash equivalents	5,690,048,266,789	5,078,299,954,021
Net debt	-	-
Equity	8,547,505,270,255	9,004,939,836,545
Net debt to equity ratio	-	-

**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 asset and financial liability are disclosed in Note 4.

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***38. FINANCIAL INSTRUMENTS (Continued)****Categories of financial instruments**

	<b>Carrying amounts</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>(Restated)</b>
		<b>VND</b>
<b>Financial assets</b>		
Cash and cash equivalents	5,690,048,266,789	5,078,299,954,021
Short-term investments	80,950,000,000	77,119,148,009
Trade and other receivables	239,055,851,076	316,356,282,671
<b>Total</b>	<b>6,010,054,117,865</b>	<b>5,471,775,384,701</b>
<b>Financial liabilities</b>		
Loans and obligations under finance leases	232,272,305,667	94,646,779,668
Trade and other payables	1,377,368,345,085	437,208,578,587
Accruals	57,056,342,544	64,130,128,196
Payable provisions	136,735,807,241	217,455,312,628
<b>Total</b>	<b>1,803,432,800,537</b>	<b>813,440,799,079</b>

The Corporation has not 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 06 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 Corporation has set up risk management system to identify and assess the risks exposed by the Corporation 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 Corporation's operations.

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

**Market risk**

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency rates, interest rates, and prices. The Corporation does not hedge these risk exposures upon its assessment that the cost of hedging foreign exchange risk, interest rate risk or price risk might be higher than that incurred from market risk of fluctuation in foreign exchange rates, interest rates and prices in the future.

**Foreign currency risk management**

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

	<b>Liabilities</b>		<b>Assets</b>	
	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2015</b>	<b>31/12/2014</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
United States Dollar (USD)	18,413,685,665	-	460,841,784,970	49,165,136,455
Euro (EUR)	-	-	980,005,931	859,697,601

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***38. FINANCIAL INSTRUMENTS (Continued)*****Market risk (Continued)******Foreign currency sensitivity analysis***

The Corporation is mainly exposed to United States Dollar and Euro

The following table details the Corporation's sensitivity to a 2% increase and decrease in Vietnam Dong against the relevant foreign currencies. 2% 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 2% change in foreign currency rates. For a 2% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would increase/decrease by the following amount:

	2015	2014
	VND	VND
United States Dollar (USD)	8,848,561,986	983,302,729
Euro (EUR)	19,600,119	17,193,952

***Share price risk management***

Shares held by the Corporation are affected by market risks arising from the uncertainty about future prices of such shares. The Corporation manages this risk exposure by setting up investment limits. The Corporation's Board of Management also assesses and approves decisions on share investments such as operating industry and investees.

Investments in equity instruments are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments. As at 31 December 2015, the Board of General Directors assessed investments in shares and noted that except for the impairment of the investment in Petroleum Information Technology Telecom and Automation Joint Stock Company (PAIC), there was no impairment of other investments. Therefore, the Corporation only made provision for these investments with an amount of about VND 336 million.

***Interest rate risk management***

The Corporation has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable 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 in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the value of the construction project on UFC85/Formaldehyde factory which the Corporation is the investment owner (as Note 24) as at 31 December 2015 would increase/decrease by VND 4,539,001,573.

***Commodity price risk management***

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities.

***Credit risk***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. As at 31 December 2015, the Corporation had some receivables that had been outstanding for a long time and unlikely to be recoverable. The recoverability of these amounts is uncertain based on the Board of General Directors' assessment. Therefore, the Board of General Directors decided to make provision for these receivables with an amount of VND 220,917,749,667 accumulated to 31 December 2015 (31/12/2014: VND 121,591,707,289).

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

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

**38. FINANCIAL INSTRUMENTS (Continued)**

***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 Corporation believes can generate within that year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation 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 Corporation'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 Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

31/12/2015	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
Cash and cash equivalents	5,690,048,266,789	-	-	5,690,048,266,789
Short-term investments	80,950,000,000	-	-	80,950,000,000
Trade and other receivables	217,940,941,985	21,114,909,091	-	239,055,851,076
<b>Total</b>	<b>5,988,939,208,774</b>	<b>21,114,909,091</b>	<b>-</b>	<b>6,010,054,117,865</b>
31/12/2015	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND		VND
Loans and obligations under finance leases	2,133,324,000	230,138,981,667	-	232,272,305,667
Trade and other payables	1,370,541,381,011	6,826,964,074	-	1,377,368,345,085
Accruals	57,056,342,544	-	-	57,056,342,544
Payable provisions	40,184,083,102	96,551,724,139	-	136,735,807,241
<b>Total</b>	<b>1,469,915,130,657</b>	<b>333,517,669,880</b>	<b>-</b>	<b>1,803,432,800,537</b>
<b>Net liquidity gap</b>	<b>4,519,024,078,117</b>	<b>(312,402,760,789)</b>	<b>-</b>	<b>4,206,621,317,328</b>
31/12/2014 (Restated)	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND		VND
Cash and cash equivalents	5,078,299,954,021	-	-	5,078,299,954,021
Short-term investments	77,119,148,009	-	-	77,119,148,009
Trade and other receivables	315,556,282,671	800,000,000	-	316,356,282,671
<b>Total</b>	<b>5,470,975,384,701</b>	<b>800,000,000</b>	<b>-</b>	<b>5,471,775,384,701</b>
31/12/2014 (Restated)	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND		VND
Loans and obligations under finance leases	93,520,912,889	1,125,866,779	-	94,646,779,668
Trade and other payables	431,030,994,513	6,177,584,074	-	437,208,578,587
Accruals	64,130,128,196	-	-	64,130,128,196
Payable provisions	217,455,312,628	-	-	217,455,312,628
<b>Total</b>	<b>806,137,348,226</b>	<b>7,303,450,853</b>	<b>-</b>	<b>813,440,799,079</b>
<b>Net liquidity gap</b>	<b>4,664,838,036,475</b>	<b>(6,503,450,853)</b>	<b>-</b>	<b>4,658,334,585,622</b>

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

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1  
Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**  
For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN**

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

**39. RELATED PARTY TRANSACTIONS AND BALANCES***List of related parties:*

Holding Company - Vietnam Oil and Gas Group (PetroVietnam)

Associates

Fellow subsidiaries

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

	2015	2014
	VND	VND
<b>Vietnam Oil and Gas Group (PetroVietnam)</b>		
Dividends	932,655,634,657	932,655,634,657
Management fee	30,727,444,023	35,062,450,431
Fees of using PetroVietnam's brand-name	1,808,240,663	2,258,509,172
	<b>965,191,319,343</b>	<b>969,976,594,260</b>
<b>Sales</b>		
Drilling Mud Joint Stock Corporation (DMC)	51,062,967,200	58,222,097,606
PetroVietnam Gas Joint Stock Corporation (PV Gas)	34,989,851,105	53,571,853,658
Binh Son Refining and Petrochemical Company Limited (BSR)	14,923,027,120	4,930,623,863
PetroVietnam Oil Corporation (PV Oil)	3,591,708,300	8,950,009,524
Bien Dong Petroleum Operating Company (BIEN DONG POC)	18,125,201,663	19,652,376,961
PetroVietnam Transportation Corporation (PVTrans)	9,655,075,525	110,738,572
PetroVietnam Petrochemical and Textile Fiber JSC (PVTEX)	191,586,820,000	534,800,000
PetroVietnam Ca Mau Fertilizer Company Limited (PVCFC)	208,251,433	4,245,376,731
	<b>324,142,902,346</b>	<b>150,217,876,915</b>
<b>Purchases</b>		
PetroVietnam Gas Joint Stock Corporation (PV Gas)	1,849,430,622,610	3,002,896,859,715
PetroVietnam Security Service Joint Stock Company (PVSecurity)	5,971,976,988	5,569,558,940
PetroVietnam Ca Mau Fertilizer Company Limited (PVCFC)	69,540,000,000	307,760,541,483
PetroVietnam Energy Technology Joint Stock Company (PVEIC)	33,919,499,821	29,064,546,643
Vietnam Petroleum Institute (VPI)	4,821,665,719	13,163,032,566
PetroVietnam Oil Corporation (PV Oil)	1,999,477,828	4,256,136,075
PetroVietnam Construction Joint Stock Corporation (PVC)	8,030,369,090	45,059,393,790
PVI Holdings	64,847,199,706	76,595,931,867
PetroVietnam General Services Joint Stock Corporation (Petrosetco)	10,689,507,965	12,265,617,541
PetroVietnam Technical Services Corporation (PTSC)	105,786,102,309	52,688,745,829
PetroVietnam Transportation Corporation (PVTrans)	16,126,908,437	10,710,672,552
	<b>2,171,163,330,473</b>	<b>3,560,031,037,001</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***39. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)***Related party balances at the balance sheet date were as follows:*

	31/12/2015	31/12/2014
	VND	VND
<b>Trade receivables</b>		
Binh Son Refining and Petrochemical Company Limited (BSR)	3,261,323,890	44,000,000
Bien Dong Petroleum Operating Company (BIEN DONG POC)	5,744,374,020	4,665,206,304
PetroVietnam Power Corporation (PVPower)	4,885,205,312	-
PetroVietnam Gas Joint Stock Corporation (PV Gas)	590,785,644	54,759,939
PetroVietnam Petrochemical and Textile Fiber JSC (PVTEX)	195,253,105	588,280,000
PetroVietnam Transportation Corporation (PVTrans)	88,216,138	71,529,662
PetroVietnam Technical Services Corporation (PTSC)	91,478,480	56,591,385
PetroVietnam Ca Mau Fertilizer Company Limited (PVCFC)	-	21,517,870
	<b>14,856,636,589</b>	<b>5,501,885,160</b>
<b>Advances to suppliers</b>		
PetroVietnam Urban Development Joint Stock Company (PVC Mekong)	5,684,164,656	5,022,403,817
PetroVietnam Ca Mau Fertilizer Company Limited (PVCFC)	3,045,961,760	21,517,870
PetroVietnam Technical Services Corporation (PTSC)	295,162,847,973	-
PetroVietnam Energy Technology Joint Stock Company (PVEIC)	-	1,466,990,727
PetroVietnam Securities Incorporated - Ho Chi Minh City Branch	-	339,312,227
Vietnam Petroleum Institute (VPI)	-	143,534,819
	<b>303,892,974,389</b>	<b>7,165,677,758</b>
<b>Other short-term receivables</b>		
PetroVietnam Trade Union Finance Investment Corporation (PVFI)	110,143,267,289	110,143,267,289
PetroVietnam Petrochemical and Textile Fiber JSC (PVTEX)	101,207,873,164	-
PetroVietnam Northern Gas Joint Stock Company	12,792,091,037	12,792,091,037
	<b>224,143,231,490</b>	<b>122,935,358,326</b>
<b>Trade payables</b>		
PetroVietnam Gas Joint Stock Corporation (PV Gas)	132,617,055,994	200,708,559,394
PTSC Port Joint Stock Company	55,564,201,824	13,246,125,090
PetroVietnam Construction Joint Stock Corporation (PVC)	8,394,696,761	11,979,477,462
PetroVietnam Energy Technology Joint Stock Corporation (PVEIC)	1,796,605,459	4,613,264,616
Vietnam Petroleum Institute (VPI)	1,760,649,790	150,028,000
PVI Holdings	301,616,099	1,645,686,651
PetroVietnam General Services Joint Stock Corporation (Petrosetco)	8,575,868	1,827,295,621
PetroVietnam Oil Corporation (PV Oil)	160,680,000	-
	<b>200,604,081,795</b>	<b>234,170,436,834</b>
<b>Advances from customers</b>		
PetroVietnam Petrochemical and Textile Fiber JSC (PVTEX)	6,037,305,000	-
PetroVietnam Power Corporation (PVPower)	-	4,391,188,146
PetroVietnam Gas Joint Stock Corporation (PV Gas)	54,602,532	305,981,977
Drilling Mud Joint Stock Corporation (DMC)	120,464,600	318,118,500
	<b>6,212,372,132</b>	<b>5,015,288,623</b>

**PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

43 Mac Dinh Chi Street, Da Kao Ward, District 1

Ho Chi Minh City, S.R. Vietnam

**Consolidated financial statements**

For the year ended 31 December 2015

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***39. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)***Related party balances at the balance sheet date were as follows (Continued):*

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
<b>Loans and obligations under finance leases</b>		
Vietnam Public Joint Stock Commercial Bank- Ho Chi Minh Branch	226,950,078,667	1,245,382,915
	<u>226,950,078,667</u>	<u>1,245,382,915</u>
<b>Other short-term payables</b>		
Vietnam Oil and Gas Group (PetroVietnam) - Dividend payables	582,914,138,405	-
	<u>582,914,138,405</u>	<u>-</u>

**40. SUBSEQUENT EVENTS**

- In accordance with Resolution No.15/NQ-PBHC, on 13 January 2016, the Board of Management approved the quotation result to transfer the entire 81.38% of its share capital at PetroVietnam Southern Building and Development Joint Stock Company ("PVFCCo-SBD"). After the transferring process, the Corporation will officially no longer own shares of PVFCCo-SBD.
- On 29 January 2016, the Board of Management issued Resolution No.23/NQ-KVN approving the share issue under employee stock ownership plan "(ESOP)". Accordingly, total of shares issued under this plan were up to 11,400,000 common shares with par value of VND 10,000 per each share. The Corporation's chartered capital after the shares issue, increased by VND 114 billion, from VND 3,800 billion to VND 3,914 billion.
- On 13 January 2016, PetroVietnam Oil and Gas Group ("PVN") issued Resolution No.248/NQ-DKVN which approved to cancel the research project and terminate the investment cooperation agreement on the construction of the ammonium nitrate and anomia production complex between PVN and GAET Corporation. At the issue date of the consolidated financial statements for the year ended 31 December 2015, the involved parties are still in the process of negotiation of allocating the incurred expenditures for the project (accumulated to 31 December 2015: VND 46,248,899,367).

**41. COMPARATIVE FIGURES**


Certain figures in the consolidated balance sheet as at 31 December 2014, the consolidated income statement and the consolidated cash flow statement for the year then ended were restated in accordance with the guidance of Circular 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises, and Circular 202/2014/TT-BTC guiding the preparation and presentation of the consolidated financial statements to enhance their comparability with the current year's figures.


**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

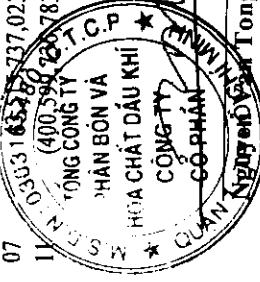
*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**41. COMPARATIVE FIGURES (Continued)**

Decision No. 15/2006/QĐ-BTC			Circular 200/2014/TT-BTC			
Items	Codes	Amount (VND)	Items	Codes	Amount (VND)	Change
<b>BALANCE SHEET</b>			<b>BALANCE SHEET</b>			
<b>I. Assets</b>			<b>I. Assets</b>			
1. Short-term investments	121	76,245,382,915	1. Held-to-maturity investments	123	77,119,148,009	Restated and recoded
2. Other long-term investment	258	22,175,765,094	2. Equity investments in other entities	253	20,502,000,000	Restated and recoded
3. Other receivables	135	262,358,111,522	3. Other short-term receivables	136	264,036,902,646	Restated and recoded
4. Other short-term assets	158	1,675,791,124	4. Other short-term assets	155	-	Restated and recoded
5. Other long-term receivables	218	-	5. Other long-term receivables	216	1,749,902,000	Restated and recoded
6. Other long-term assets	268	952,902,000	6. Other long-term assets	268	-	Restated and recoded
<b>II. Resources</b>			<b>II. Resources</b>			
1. Unearned revenue	338	2,875,711,896	1. Short-term unearned revenue	318	21,747,446	Restated and recoded
2. Accrued expenses	316	281,235,390,729	2. Short-term accrued expenses	315	64,130,128,196	Restated and recoded
3. Short-term provisions	320	350,050,095	3. Short-term provisions	321	217,455,312,628	Restated and recoded
4. Long-term unearned revenue		-	4. Long-term unearned revenue	336	2,853,964,450	Restated and recoded
5. Investment and development fund	417	2,527,751,504,123	5. Investment and development fund	418	3,495,964,052,370	Restated and recoded
6. Financial reserve fund	418	968,212,548,247	<i>No corresponding item</i>			
<b>INCOME STATEMENT</b>			<b>INCOME STATEMENT</b>			
1. Basic earnings per share	70	2,885	1. Basic earnings per share	70	2,506	Restated
<b>CASH FLOW STATEMENT</b>			<b>CASH FLOW STATEMENT</b>			
- Provisions	03	(10,231,737,480)	- Provisions	03	163,452,258,562	Restated
<i>No corresponding item</i>			- Other adjustments	07	163,452,258,562	Restated
(Decrease)/Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(183,400,003,718)	(Decrease)/Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(400,590,230,783)	Restated

  
Tran Xuan Thao  
Preparer

  
Huynh Kim Nhan  
Chief Accountant

  
Nguyễn Văn Tong  
Deputy General Director

Tran Xuan Thao  
Preparer

Huynh Kim Nhan  
Chief Accountant

21 March 2016

Nguyen Van Tong  
Deputy General Director

