



**PetroVietnam Low Pressure Gas  
Distribution Joint Stock Company**

Interim Financial Statements  
for the six-month period ended 30 June 2020



## PetroVietnam Low Pressure Gas Distribution Joint Stock Company Corporate Information

<b>Enterprise Registration Certificate No.</b>	4103006815 0304998686	23 May 2007 31 December 2015
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The Company's Enterprise Registration Certificate has been amended several times, the most recent of which is by Enterprise Registration Certificate No. 0304998686 dated 31 December 2015. The Enterprise Registration Certificate and its amendment were issued by the Department of Planning and Investment of Ho Chi Minh City.

<b>Board of Management</b>	Mr. Tran Trung Chinh Mr. Tran Thanh Nam Mr. Le Ba Khanh Anh Ms. Nguyen Thuc Quyen Mr. Wataru Fujisaki  Mr. Hideaki Shibata	Chairman Member Member Member Member (from 28 April 2020) Member (until 28 April 2020)
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<b>Supervisory Board</b>	Ms. Pham Thi Thu Ha Ms. Dang Thi Hong Yen Mr. Nguyen Vu Anh	Head of the Supervisory Board Member Member
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<b>Board of Directors</b>	Mr. Tran Thanh Nam Mr. Nguyen Quang Huy Mr. Dinh Ngoc Huy Mr. Do Pham Hong Minh Mr. Le Minh Hai	Director Deputy Director Deputy Director Deputy Director Deputy Director
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<b>Registered Office</b>	7 <sup>th</sup> Floor, PV Gas Tower 673 Nguyen Huu Tho Street Phuoc Kien Commune, Nha Be District Ho Chi Minh City Vietnam
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<b>Auditor</b>	KPMG Limited Vietnam
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## **PetroVietnam Low Pressure Gas Distribution Joint Stock Company Statement of the Board of Directors**

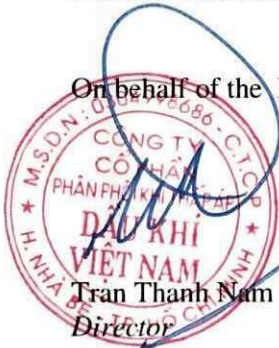
The Board of Directors of PetroVietnam Low Pressure Gas Distribution Joint Stock Company (“the Company”) presents this statement and the accompanying interim financial statements of the Company for the six-month period ended 30 June 2020.

The Board of Directors is responsible for the preparation and fair presentation of the interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting. In the opinion of the Board of Directors:

- (a) the interim financial statements set out on pages 5 to 37 give a true and fair view of the financial position of the Company as at 30 June 2020, and of the results of operations and the cash flows of the Company for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Company will not be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised the accompanying interim financial statements for issue.

On behalf of the Board of Directors 



Ho Chi Minh, 7 August 2020



KPMG Limited Branch  
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115 Nguyen Hue Street, Ben Nghe Ward  
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## **INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

### **To the Shareholders**

### **PetroVietnam Low Pressure Gas Distribution Joint Stock Company**

We have reviewed the accompanying interim financial statements of PetroVietnam Low Pressure Gas Distribution Joint Stock Company (“the Company”), which comprise the balance sheet as at 30 June 2020, the related statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Company’s Board of Directors on 7 August 2020, as set out on pages 5 to 37.

### **Management’s Responsibility**

The Company’s Board of Directors is responsible for the preparation and fair presentation of these interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor’s Responsibility**

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review engagements 2410 – *Review of interim financial information performed by the independent auditor of the entity*.

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





## Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view, in all material respects, of the financial position of PetroVietnam Low Pressure Gas Distribution Joint Stock Company as at 30 June 2020 and of its results of operations and its cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

## Other matters

The financial statements of the Company for the year and six-month period ended 31 December 2019 and 30 June 2019, respectively, were audited and reviewed by another firm of auditors whose reports dated 10 March 2020 and 8 August 2019 expressed an unqualified opinion and an unqualified conclusion on those statements.



Nelson Rodriguez Casihan  
Practicing Auditor Registration  
Certificate No. 2225-2018-007-1  
Deputy General Director

Ho Chi Minh City, 7 August 2020

Pham Thi Hoang Anh  
Practicing Auditor Registration  
Certificate No. 3434-2017-007-1

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Balance sheet as at 30 June 2020**

**Form B 01a – DN**

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	30/6/2020 VND	1/1/2020 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 130 + 140 + 150)	<b>100</b>		<b>2,324,947,248,675</b>	<b>2,345,668,640,287</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>6</b>	<b>1,486,750,283,373</b>	<b>1,445,988,903,939</b>
Cash	111		244,884,283,373	337,857,457,912
Cash equivalents	112		1,241,866,000,000	1,108,131,446,027
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>700,732,011,177</b>	<b>772,010,287,050</b>
Accounts receivable from customers	131	7	701,470,808,750	777,188,656,483
Prepayments to suppliers	132		6,303,671,731	2,356,629,316
Other short-term receivables	136	8(a)	9,789,729,443	9,697,199,998
Allowance for doubtful debts	137	9	(16,832,198,747)	(17,232,198,747)
<b>Inventories</b>	<b>140</b>	<b>10</b>	<b>62,860,178,118</b>	<b>64,391,889,477</b>
Inventories	141		62,860,178,118	64,391,889,477
<b>Other current assets</b>	<b>150</b>		<b>74,604,776,007</b>	<b>63,277,559,821</b>
Short-term prepaid expenses	151	14(a)	4,632,113,935	2,375,610,201
Deductible value added tax	152		69,972,662,072	60,901,949,620
<b>Long-term assets</b> (200 = 210 + 220 + 240 + 260)	<b>200</b>		<b>579,385,837,329</b>	<b>615,467,656,890</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>2,854,958,845</b>	<b>2,846,929,112</b>
Other long-term receivables	216	8(b)	2,854,958,845	2,846,929,112
<b>Fixed assets</b>	<b>220</b>		<b>466,332,546,368</b>	<b>502,508,295,397</b>
Tangible fixed assets	221	11	418,907,691,919	453,968,025,702
Cost	222		1,211,679,724,060	1,206,998,395,913
Accumulated depreciation	223		(792,772,032,141)	(753,030,370,211)
Intangible fixed assets	227	12	47,424,854,449	48,540,269,695
Cost	228		55,548,287,004	55,548,287,004
Accumulated amortisation	229		(8,123,432,555)	(7,008,017,309)
<b>Long-term work in progress</b>	<b>240</b>		<b>4,237,340,843</b>	<b>985,774,334</b>
Construction in progress	242	13	4,237,340,843	985,774,334
<b>Other long-term assets</b>	<b>260</b>		<b>105,960,991,273</b>	<b>109,126,658,047</b>
Long-term prepaid expenses	261	14(b)	105,960,991,273	109,126,658,047
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>2,904,333,086,004</b>	<b>2,961,136,297,177</b>

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

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Balance sheet as at 30 June 2020 (continued)**

**Form B 01a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2020 VND	1/1/2020 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>1,500,624,402,209</b>	<b>1,596,339,479,988</b>
<b>Current liabilities</b>	<b>310</b>		<b>1,500,538,462,209</b>	<b>1,595,891,539,988</b>
Accounts payable to suppliers	311	15	1,134,774,115,611	1,368,658,905,736
Advances from customers	312	16	92,152,242,107	149,567,595,276
Taxes payable to State Treasury	313	17	1,713,285,895	15,405,863,239
Payables to employees	314		13,400,425,866	11,030,056,883
Accrued expenses	315	18	122,366,133,705	3,823,258,658
Other payables – short-term	319	19(a)	135,858,092,812	47,400,805,803
Bonus and welfare fund	322	20	274,166,213	5,054,393
<b>Long-term liabilities</b>	<b>330</b>		<b>85,940,000</b>	<b>447,940,000</b>
Other payables – long-term	337	19(b)	85,940,000	447,940,000
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>1,403,708,683,795</b>	<b>1,364,796,817,189</b>
<b>Owners' equity</b>	<b>410</b>	<b>21</b>	<b>1,403,708,683,795</b>	<b>1,364,796,817,189</b>
Share capital	411	22	899,990,250,000	899,990,250,000
Share premium	412		153,050,000	153,050,000
Treasury shares	415		(9,550,000)	(9,550,000)
Investment and development fund	418		178,262,403,866	178,262,403,866
Other equity funds	420		12,450,000,000	12,450,000,000
Retained profits	421		312,862,529,929	273,950,663,323
- Retained profits brought forward	421a		270,849,537,184	51,967,944,476
- Retained profit for the current period/year	421b		42,012,992,745	221,982,718,847
<b>TOTAL RESOURCES</b>	<b>440</b>		<b>2,904,333,086,004</b>	<b>2,961,136,297,177</b>
<b>(440 = 300 + 400)</b>				

7 August 2020

Prepared by:



Nguyen Huu Tung  
Accountant

Approved by:



Dang Quoc Vuong  
Chief Accountant



Tran Thanh Nam  
Director

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



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Statement of income for the six-month period ended 30 June 2020**

**Form B 02a – DN**

(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
<b>Revenue from sales of goods</b>	<b>01</b>	<b>25</b>	<b>3,533,055,777,536</b>	<b>3,823,720,630,386</b>
<b>Cost of sales</b>	<b>11</b>	<b>26</b>	<b>3,262,384,289,995</b>	<b>3,467,821,987,019</b>
<b>Gross profit (20 = 01 - 11)</b>	<b>20</b>		<b>270,671,487,541</b>	<b>355,898,643,367</b>
Financial income	21		5,340,032,932	9,122,261,090
Selling expenses	25	27	185,031,162,231	177,220,817,545
General and administration expenses	26	28	31,512,138,159	40,603,972,605
<b>Net operating profit</b> {30 = 20 + 21 - (25 + 26)}	<b>30</b>		<b>59,468,220,083</b>	<b>147,196,114,307</b>
Other income	31		41,414,476	119,824,038
Other expenses	32		18,000,000	30,000,000
<b>Results of other activities</b> (40 = 31 - 32)	<b>40</b>		<b>23,414,476</b>	<b>89,824,038</b>
<b>Accounting profit before tax</b> (50 = 30 + 40)	<b>50</b>		<b>59,491,634,559</b>	<b>147,285,938,345</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>30</b>	<b>13,171,141,814</b>	<b>31,883,536,150</b>
<b>Net profit after tax (60 = 50 - 51)</b>	<b>60</b>		<b>46,320,492,745</b>	<b>115,402,402,195</b>
<b>Basic earnings per share</b>	<b>70</b>	<b>31</b>	<b>467</b>	<b>1,199</b>

7 August 2020

Prepared by:



Nguyen Huu Tung  
Accountant

Approved by:



Dang Quoc Vuong  
Chief Accountant



Tran Thanh Nam  
Director

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



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Statement of of cash flows for the six-month period ended 30 June 2020**  
**(Indirect method)**

**Form B 03a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

	<b>Code</b>	<b>Note</b>	<b>Six-month period ended</b>	
			<b>30/6/2020</b>	<b>30/6/2019</b>
			<b>VND</b>	<b>VND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Accounting profit before tax</b>	<b>01</b>		<b>59,491,634,559</b>	<b>147,285,938,345</b>
<b>Adjustments for</b>				
Depreciation and amortisation	02		40,857,077,176	41,967,552,808
Allowances and provisions	03		(400,000,000)	-
Profit from investing activities	05		(4,700,387,464)	(9,167,715,635)
<b>Operating profit before changes in working capital</b>	<b>08</b>		<b>95,248,324,271</b>	<b>180,085,775,518</b>
Change in receivables	09		64,608,594,641	(56,961,535,910)
Change in inventories	10		1,531,711,359	(4,514,008,236)
Change in payables and other liabilities	11		(86,061,553,827)	594,148,123,034
Change in prepaid expenses	12		3,288,036,901	4,227,309,425
Income tax paid	15		(26,066,719,512)	(53,328,541,477)
Other payments for operating activities	17		(9,518,388,180)	(11,315,863,185)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>43,030,005,653</b>	<b>652,341,259,169</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for additions to fixed assets	21		(7,888,326,516)	(16,796,405,044)
Receipts of interests	27		5,619,700,297	9,116,165,855
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>(2,268,626,219)</b>	<b>(7,680,239,189)</b>

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

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Statement of of cash flows for the six-month period ended 30 June 2020**  
**(Indirect method – continued)**

**Form B 03a – DN**

*(Issued under Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2020 VND	30/6/2019 VND
Net cash flows during the period (50 = 20 + 30)	50		40,761,379,434	644,661,019,980
Cash and cash equivalents at the beginning of the period	60		1,445,988,903,939	1,151,770,997,375
Cash and cash equivalents at the end of the period (70 = 50 + 60)	70	6	1,486,750,283,373	1,796,432,017,355


7 August 2020

Prepared by:



Nguyen Huu Tung  
Accountant

Approved by:



Dang Quoc Vuong  
Chief Accountant



Tran Thanh Nam  
Director

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

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

These notes form an integral part of and should be read in conjunction with the accompanying interim financial statements.

## **1. Reporting Entity**

### **(a) Ownership structure**

PetroVietnam Low Pressure Gas Distribution Joint Stock Company (“the Company”) is incorporated as a joint stock company in Vietnam.

The Company’s shares have been listed on Ho Chi Minh Stock Exchange with stock code PGD.

### **(b) Principal activities**

The principal activities of the Company are to trade and transport natural gas.

### **(c) Normal operating cycle**

The normal operating cycle of the Company is generally within 12 months.

### **(d) Company structure**

As at 30 June 2020, the structure of the Company consists of the Head office and 03 dependent branches, including:

- Branch of PetroVietnam Low Pressure Gas Distribution Joint Stock Company – Vung Tau Low Pressure Gas Distribution Enterprise;
- Branch of PetroVietnam Low Pressure Gas Distribution Joint Stock Company – Nhon Trach Low Pressure Gas Distribution Enterprise; and
- Branch of PetroVietnam Low Pressure Gas Distribution Joint Stock Company – Northern Low Pressure Gas Distribution Enterprise.

As at 30 June 2020, the Company had 266 employees (1/1/2020: 269 employees).

## **2. Basis of preparation**

### **(a) Statement of compliance**

These interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020**  
**(continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(b) Basis of measurement**

The interim financial statements, except for the statement of cash flows, are prepared on the accrual basis using the historical cost concept. The statement of cash flows is prepared using the indirect method.

**(c) Annual accounting period**

The annual accounting period of the Company is from 1 January to 31 December. The interim financial statements are prepared for the six-month period ended 30 June 2020.

**(d) Accounting and presentation currency**

The Company's accounting currency is Vietnam Dong ("VND"), which is also the currency used for interim financial statements presentation purpose.

**3. Summary of significant accounting policies**

The accounting policies that have been adopted by the Company in the preparation of these interim financial statements are consistent with those adopted in the preparation of the latest annual financial statements.

**(a) Cash and cash equivalents**

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

**(b) Accounts receivables**

Trade and other receivables are stated at cost less allowance for doubtful debts.

**(c) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Company applies the perpetual method of accounting for inventories.



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020**  
**(continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(d) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repair and maintenance and overhauls cost, is charged to the statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings and structures	5 – 25 years
▪ machinery and equipment	3 – 20 years
▪ motor vehicles	6 years
▪ office equipment	3 – 6 years
▪ other tangible fixed assets	3 – 5 years

**(e) Intangible fixed assets**

**(i) Land use rights**

Land use rights comprise those acquired in a legitimate transfer. Land use rights with indefinite period use are stated at cost and not amortised. The initial cost of a land use rights comprises its purchase price and any directly attributable costs incurred in conjunction with securing the land use rights.

**(ii) Software**

Cost of acquiring new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software cost is amortised on a straight-line basis over 3 years.

**Saigon General Service Corporation**  
**Notes to the interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

**Form B 09a – DN**  
*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(f) Construction in progress**

Construction in progress represents the costs of construction and machinery which have not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

**(g) Long-term prepaid expenses**

**(i) Prepaid land costs**

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of from 10 to 39 years.

**(ii) Tools and instruments**

Tools and instruments include assets held for use by the Company in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under prevailing regulation. Cost of tools and instruments are amortised on a straight-line basis over 3 years.

**(iii) Renovation costs**

Renovation costs are stated at cost and are amortised on a straight-line basis over a period of 3 years.

**(iv) Other prepaid expenses**

Other prepaid expenses mainly include insurance expenses and advertising board rental expenses which are stated at cost and are amortised on a straight-line basis over the prepaid period.

**(h) Trade and other payables**

Trade and other payables are stated at their cost.

**(i) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020**  
**(continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(j) Share capital**

***Ordinary shares***

Ordinary shares are stated at par value. Excess of cash receipt from share issues over par value is recorded as share premium. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

**(k) Equity funds**

Allocations to equity funds from retained profits are made annually based on percentage decided by the shareholders in Annual General Shareholders' meeting.

**(l) Taxation**

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted at the end of the accounting period, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for interim financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantively enacted at the end of the accounting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(m) Revenue and other income**

**(i) *Goods sold***

Revenue from the sale of goods is recognised in the statement of income when significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or possible return of goods. Revenue on sales of goods is recognised at the net amount after deducting sales discounts stated on the invoice.



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020**  
**(continued)**

**Form B 09a – DN**

*(Issued under Circular No. 200/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance)*

**(ii) Interest income**

Interest income is recognised in the statement of income on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(n) Operating lease payments**

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

**(o) Earnings per share**

The Company presents basic earnings per share (“EPS”) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders (after deducting any amounts appropriated to bonus and welfare funds for the accounting period) of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, which comprise convertible bonds and share options.

**(p) Segment reporting**

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company operates as one business segment, which is natural gas value chain and one geographical segment, which is Vietnam.

**(q) Related parties**

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities and include close family members of any individual considered to be a related party.



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**4. Seasonality or cyclical factors**

The Company's results of operation is not affected by seasonality or cyclical factors except for the following items:

**(a) Employees' bonus**

The Company recognised employees' salary and bonus based on the profit for the interim period and the employees' salary and bonus will be finalised based on the annual profit at the year-end.

**(b) Income tax**

In accordance with the prevailing tax regulations, corporate income tax is computed and finalised at the year-end. The corporate income tax for the interim period is calculated using the applicable tax rate to the interim taxable profits of the Company.

**5. Changes in accounting estimates and composition of the Company and unusual items**

**(a) Changes in accounting estimates**

In preparing these interim financial statements and annual financial statements, the Board of Directors have made several accounting estimates. Actual results may differ from these estimates. There were no significant changes in accounting estimates compared to those made in the most recent annual financial statements or those made in the same interim period of the prior year.

**(b) Changes in composition of the Company**

There was no change in the composition of the Company for the six-month period ended 30 June 2020.

**(b) Unusual items**

There was no significant unusual item incurred during the six-month period ended 30 June 2020.

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**6. Cash and cash equivalents**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	494,331,713	122,776,163
Cash in banks	244,389,951,660	337,734,681,749
Cash equivalents	1,241,866,000,000	1,108,131,446,027
	<hr/>	<hr/>
	1,486,750,283,373	1,445,988,903,939
	<hr/>	<hr/>

Cash equivalent represented term deposits at banks with original terms to maturity of three months or less from their transaction dates, and interest rates ranging from 0.2% to 4.25% per annum.

**7. Accounts receivable from customers**

**(a) Accounts receivable from customers detailed by significant customer**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
CNG Vietnam Joint Stock Company	259,735,539,220	197,404,828,927
PetroVietnam Southern Gas Joint Stock Company	119,958,266,283	197,571,547,654
Other customers	321,777,003,247	382,212,279,902
	<hr/>	<hr/>
	701,470,808,750	777,188,656,483
	<hr/>	<hr/>

**(b) Accounts receivable from customers who are related parties**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
CNG Vietnam Joint Stock Company	259,735,539,220	197,404,828,927
PetroVietnam Southern Gas Joint Stock Company	119,958,266,283	197,571,547,654
PetroVietnam LPG Joint Stock Company	-	15,691,210,935
	<hr/>	<hr/>

The trade related amounts due from the related parties were unsecured, interest free and are receivable according to the contractual terms.

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020**  
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**8. Other receivables**

**(a) Other short-term receivables**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Deposits	2,109,868,434	26,000,000
Receivable from PetroVietnam Construction Joint Stock Company 2	4,870,608,031	4,870,608,031
Receivable from PetroVietnam Gas Joint Stock Corporation, the parent company	-	2,229,351,901
Receivable from PetroVietnam Trade Union Finance Investment Corporation, a related party	694,956,610	1,094,956,610
Receivable from CNG Vietnam Joint Stock Company, a related party	680,360,902	743,797,390
Interest income	241,971,014	521,638,379
Advances for employees	372,000,000	-
Others	819,964,452	210,847,687
	<hr/>	<hr/>
	9,789,729,443	9,697,199,998
	<hr/>	<hr/>

The non-trade related amount due from the parent company and related parties were unsecured, interest free and are receivable on demand.

**(b) Other long-term receivables**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Deposits	2,854,958,845	2,846,929,112
	<hr/>	<hr/>

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**9. Bad and doubtful debts**

**30 June 2020**

	<b>Overdue</b>	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Recoverable amount VND</b>
<b>Overdue debts</b>				
PetroVietnam Trade Union Finance Investment Corporation, a related party	Over 3 years	694,956,610	694,956,610	-
My Xuan Ceramic Company Limited	Over 3 years	11,296,297,196	11,296,297,196	-
PetroVietnam Construction Joint Stock Company 2	Over 3 years	4,870,608,031	4,840,944,941	29,663,090
		16,861,861,837	16,832,198,747	29,663,090

**1 January 2020**

	<b>Overdue</b>	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Recoverable amount VND</b>
<b>Overdue debts</b>				
PetroVietnam Trade Union Finance Investment Corporation, a related party	Over 3 years	1,094,956,610	1,094,956,610	-
My Xuan Ceramic Company Limited	Over 3 years	11,296,297,196	11,296,297,196	-
PetroVietnam Construction Joint Stock Company 2	Over 3 years	4,870,608,031	4,840,944,941	29,663,090
		17,261,861,837	17,232,198,747	29,663,090



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**10. Inventories**

	<b>30/6/2020</b>		<b>1/1/2020</b>	
	<b>Cost VND</b>	<b>Allowance VND</b>	<b>Cost VND</b>	<b>Allowance VND</b>
Raw materials	18,377,327,283	-	19,759,553,931	-
Tools and supplies	44,464,390,056	-	43,049,389,979	-
Merchandise inventories	18,460,779	-	1,582,945,567	-
	<hr/> 62,860,178,118	-	<hr/> 64,391,889,477	-

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**

Notes to the interim financial statements for the six-month period ended 30 June 2020 (continued)

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**11. Tangible fixed assets**

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Other tangible fixed assets VND	Total VND
<b>Cost</b>						
Opening balance	116,243,876,389	1,055,499,693,059	15,297,400,460	19,084,892,711	872,533,294	1,206,998,395,913
Additions	-	2,446,665,000	-	-	-	2,446,665,000
Transfer from construction in progress	2,234,663,147	-	-	-	-	2,234,663,147
Closing balance	118,478,539,536	1,057,946,358,059	15,297,400,460	19,084,892,711	872,533,294	1,211,679,724,060
<b>Accumulated depreciation</b>						
Opening balance	52,924,888,241	684,386,903,661	1,845,948,560	13,410,643,066	461,986,683	753,030,370,211
Charge for the period	5,988,834,391	30,499,201,736	1,409,656,368	1,764,408,205	79,561,230	39,741,661,930
Closing balance	58,913,722,632	714,886,105,397	3,255,604,928	15,175,051,271	541,547,913	792,772,032,141
<b>Net book value</b>						
Opening balance	63,318,988,148	371,112,789,398	13,451,451,900	5,674,249,645	410,546,611	453,968,025,702
Closing balance	59,564,816,904	343,060,252,662	12,041,795,532	3,909,841,440	330,985,381	418,907,691,919

Included in tangible fixed assets were assets costing VND445,635 million which were fully depreciated as at 30 June 2020 (1/1/2020: VND442,292 million), but which are still in active use.

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**12. Intangible fixed assets**

	<b>Land use rights VND</b>	<b>Software VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance and closing balance	45,545,065,586	10,003,221,418	55,548,287,004
<b>Accumulated amortisation</b>			
Opening balance	-	7,008,017,309	7,008,017,309
Charge for the period	-	1,115,415,246	1,115,415,246
Closing balance	-	8,123,432,555	8,123,432,555
<b>Net book value</b>			
Opening balance	45,545,065,586	2,995,204,109	48,540,269,695
Closing balance	45,545,065,586	1,879,788,863	47,424,854,449

Included in intangible fixed assets were assets costing VND5,087 million which were fully depreciated as at 30 June 2020 (1/1/2020: VND4,814 million), but which are still in active use.

**13. Construction in progress**

	<b>Six-month period ended</b>	
	<b>30/6/2020 VND</b>	<b>30/6/2019 VND</b>
Opening balance	985,774,334	3,172,093,775
Additions	6,125,875,124	10,446,148,711
Transfer to tangible fixed assets	(2,234,663,147)	(879,220,000)
Transfer to intangible fixed assets	-	(2,940,000,000)
Written off	(639,645,468)	-
Closing balance	4,237,340,843	9,799,022,486



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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Major constructions in progress were as follows:

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Natural gas supply pipeline for Trinh Gia Thinh Company Limited in Phu My II Industrial Park	2,039,743,727	-
Environmental monitoring software	900,909,091	-
Pipeline system supplying gas to customers in Long Thanh – Dong Nai area	-	325,225,556
Low-pressure gas distribution system for Hai Giang Ceramics Joint Stock Company	-	314,419,912
Others	1,296,688,025	346,128,866
	<hr/>	<hr/>
	4,237,340,843	985,774,334
	<hr/>	<hr/>

## **14. Prepaid expenses**

### **(a) Short-term prepaid expenses**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Insurance fee	4,406,197,259	2,000,402,699
Others	225,916,676	375,207,502
	<hr/>	<hr/>
	4,632,113,935	2,375,610,201
	<hr/>	<hr/>

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
**Notes to the interim financial statements for the six-month period ended 30 June 2020 (continued)**

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**(b) Long-term prepaid expenses**

	Prepaid land costs VND	Tools and instruments VND	Renovation costs VND	Others VND	Total VND
Opening balance	62,114,906,876	2,376,066,391	16,285,707,636	28,349,977,144	109,126,658,047
Additions	3,832,721,500	1,516,524,752	577,765,034	4,654,767,492	10,581,778,778
Amortisation for the period	(887,692,004)	(1,812,855,115)	(3,204,073,364)	(7,842,825,069)	(13,747,445,552)
Closing balance	65,059,936,372	2,079,736,028	13,659,399,306	25,161,919,567	105,960,991,273

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**15. Accounts payable to suppliers**

	Cost/Amount within payment capacity	
	30/6/2020 VND	1/1/2020 VND
PetroVietnam Gas Joint Stock Company, the parent company	1,123,128,853,017	1,325,571,440,337
Other suppliers	11,645,262,594	43,087,465,399
	1,134,774,115,611	1,368,658,905,736

The trade related amounts payable to the parent company were unsecured, interest free and are payable according to the contractual terms.

**16. Advances from customers**

	30/6/2020 VND	1/1/2020 VND
Posco Yamato Vina Steel Joint Stock Company	11,901,586,866	26,625,417,651
Posco Vietnam Company Limited	9,897,390,693	8,723,583,280
Hyosung Dong Nai Company Limited	9,224,933,859	12,321,089,625
Hyosung Vietnam Company Limited	9,220,872,560	26,485,863,128
NSG Vietnam Glass Industry Company Limited	-	19,514,995,388
Others	51,907,458,129	55,896,646,204
	92,152,242,107	149,567,595,276

**17. Taxes payable to State Treasury**

	1/1/2020 VND	Incurred VND	Paid VND	30/6/2020 VND
Value added tax	945,021,270	46,771,546,188	(46,960,017,691)	756,549,767
Corporate income tax	13,103,509,682	13,171,141,814	(26,066,719,512)	207,931,984
Personal income tax	1,357,332,287	5,049,789,697	(5,658,317,840)	748,804,144
Other taxes	-	271,800,312	(271,800,312)	-
	15,405,863,239	65,264,278,011	(78,956,855,355)	1,713,285,895



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**18. Accrued expenses**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Land lease	1,455,586,215	1,455,586,215
Royalty fee to Vietnam Oil and Gas Group, the ultimate parent company	1,477,595,072	-
Accrual for purchase of gas from parent company	116,833,446,324	-
Others	2,599,506,094	2,367,672,443
	<hr/>	<hr/>
	122,366,133,705	3,823,258,658
	<hr/>	<hr/>

**19. Other payables**

**(a) Other payable – short-term**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Short-term deposits received	45,716,161,280	44,869,229,972
Dividends payable	726,374,500	726,374,500
Payable to CNG Vietnam Joint Stock Company, a related party, for selling price adjustment	49,885,734,030	-
Payable to PetroVietnam Southern Gas Joint Stock Company, a related party, for selling price adjustment	36,590,739,167	-
Others	2,939,083,835	1,805,201,331
	<hr/>	<hr/>
	135,858,092,812	47,400,805,803
	<hr/>	<hr/>

**(b) Other payable – long-term**

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Long-term deposits received	85,940,000	447,940,000
	<hr/>	<hr/>

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**20. Bonus and welfare fund**

This fund is established by appropriating from retained profits as approved by shareholders at shareholders' meeting. This fund is used to pay bonus and welfare to the Company's employees in accordance with the Company's bonus and welfare policies. Movements of bonus and welfare fund during the period were as follows:

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Opening balance	5,054,393	6,096,975
Appropriation during the period (Note 21) (*)	4,307,500,000	7,500,000,000
Additional appropriation to bonus and welfare fund (Note 21)	5,480,000,000	3,970,000,000
Utilisation during the period	(9,518,388,180)	(10,888,663,185)
	<hr/>	<hr/>
Closing balance	274,166,213	587,433,790
	<hr/>	<hr/>

(\*) The appropriation of bonus and welfare fund for the for the six-month period ended 30 June 2020 was estimated based on the budget amount that was approved by shareholders at Annual General Meeting.

**Petro Vietnam Low Pressure Gas Distribution Joint Stock Company**  
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**21. Changes in owners' equity**

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Total VND
<b>Balance at 1 January 2020</b>	899,990,250,000	153,050,000	(9,550,000)	178,262,403,866	12,450,000,000	273,950,663,323	1,364,796,817,189
Net profit for the period	-	-	-	-	-	46,320,492,745	46,320,492,745
Appropriation to bonus and welfare fund	-	-	-	-	-	(4,307,500,000)	(4,307,500,000)
Additional appropriation to bonus and welfare fund	-	-	-	-	-	(5,480,000,000)	(5,480,000,000)
Others	-	-	-	-	-	2,378,873,861	2,378,873,861
<b>Balance at 30 June 2020</b>	899,990,250,000	153,050,000	(9,550,000)	178,262,403,866	12,450,000,000	312,862,529,929	1,403,708,683,795
<b>Balance at 1 January 2019</b>	899,990,250,000	153,050,000	(9,550,000)	178,262,403,866	12,450,000,000	281,433,119,476	1,372,279,273,342
Net profit for the period	-	-	-	-	-	115,402,402,195	115,402,402,195
Appropriation to bonus and welfare fund	-	-	-	-	-	(7,500,000,000)	(7,500,000,000)
Additional appropriation to bonus and welfare fund	-	-	-	-	-	(3,970,000,000)	(3,970,000,000)
Additional appropriation to Board of Management fee	-	-	-	-	-	(500,000,000)	(500,000,000)
<b>Balance at 30 June 2019</b>	899,990,250,000	153,050,000	(9,550,000)	178,262,403,866	12,450,000,000	384,865,521,671	1,475,711,675,537



**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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## 22. Share capital

The Company's authorised and issued share capital are:

	30/6/2020		1/1/2020	
	Number of shares	VND	Number of shares	VND
<b>Issued share capital</b>				
Ordinary shares	89,999,025	899,990,250,000	89,999,025	899,990,250,000
<b>Treasury shares</b>				
Ordinary shares	(955)	(9,550,000)	(955)	(9,550,000)
<b>Shares currently in circulation</b>				
Ordinary shares	89,998,070	899,980,700,000	89,998,070	899,980,700,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets.

There is no movement in share capital during the six-month periods ended 30 June 2020 and 30 June 2019.

The Company's shareholder were as follows:

	30/6/2020		1/1/2020	
	VND	%	VND	%
PetroVietnam Gas Joint Stock Corporation	454,500,000,000	50.50%	454,500,000,000	50.50%
Tokyo Gas Asia Pte. Ltd	224,097,570,000	24.90%	224,097,570,000	24.90%
Saibu Gas Co. Ltd	188,997,960,000	21.00%	-	-
Others	32,394,720,000	3.60%	221,392,680,000	24.60%
	899,990,250,000	100.00%	899,990,250,000	100.00%

The parent Company, PetroVietnam Gas Joint Stock Corporation, is incorporated in Vietnam.

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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## 23. Dividends

The Annual General Meeting of Shareholders of the Company on 28 April 2020 resolved to distribute dividends by cash amounting to VND225,000 million. The dividend payable will be accrued upon the approval of Board of Management and the list of shareholders entitled is determined.

## 24. Off balance sheet items

### (a) Lease

The future minimum lease payments under non-cancellable operating leases were:

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	4,143,672,000	4,143,672,000
Within two to five years	1,726,530,000	3,798,366,000
	5,870,202,000	7,942,038,000

### (b) Other lease commitments

#### (i) *Leasing low pressure gas system with parent company*

On 18 August 2019, the Company signed contract No. 120/2009/PV GAS-TC-PV GAS D/D4 with PetroVietnam Gas Joint Stock Corporation, the parent company for leasing the low pressure gas system – Phase 2. The monthly rental charge is VND5,001 million from 14 August 2008.

#### (ii) *Leasing gas delivery system with Nhat Minh Thanh Technology Service Trading Company Limited*

On 31 August 2017, the Company signed contract No. 07/2015/HDDVTTS/XNMB-NHATMINHTHANH with Nhat Minh Thanh Technology Service Trading Company Limited for leasing gas delivery system connecting to the low pressure gas distribution in Tien Hai Industrial Zone – Thai Binh Province in 5 years for the customers: Pha Le Viet Tiep Thai Binh Co., Ltd, Dong Lam Porcelain Co., Ltd, Branch of Thien Hoang Trading Joint Stock Company – Mikado Ceramic Factory, Long Hau Ceramic Joint Stock Company. The monthly fee for the system is calculated by volume of gas transmitting from 1 January 2018 but not exceed VND540 million.

**PetroVietnam Low Pressure Gas Distribution Joint Stock Company**  
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**(c) Capital expenditure commitments**

As at 30 June 2020 the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	<b>30/6/2020</b>	<b>1/1/2020</b>
	<b>VND</b>	<b>VND</b>
Approved and contracted	74,564,495,265	15,267,273,029

**25. Revenue from sales of goods**

Total revenue represents the gross value of goods sold, exclusive of value added tax.

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Total revenue		
▪ Sales of low pressure gas	3,346,288,202,908	3,739,144,356,148
▪ Sales of CNG	186,038,915,352	84,227,121,924
▪ Others	728,659,276	349,152,314
	<b>3,533,055,777,536</b>	<b>3,823,720,630,386</b>

**26. Cost of sales**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Total cost of sales		
▪ Low pressure gas sold	3,103,780,521,933	3,395,615,049,912
▪ CNG sold	158,591,113,514	72,187,069,396
▪ Others	12,654,548	19,867,711
	<b>3,262,384,289,995</b>	<b>3,467,821,987,019</b>



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**27. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Staff costs	49,795,936,779	44,722,717,909
Depreciation and amortisation	38,636,864,739	38,888,938,515
Rental expense	31,454,499,495	33,231,517,724
Outside services	33,571,121,361	32,710,753,491
Tools and supplies	5,779,056,818	6,563,064,605
Other expenses	25,793,683,039	21,103,825,301
	185,031,162,231	177,220,817,545

**28. General and administration expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Staff costs	6,404,928,216	5,849,206,655
Insurance expense	3,023,500,000	3,309,880,968
Rental expense	3,021,427,500	3,141,206,250
Depreciation and amortisation	2,220,212,437	3,078,614,293
Reversal of allowance for doubtful debts	(400,000,000)	-
Outside services	1,389,454,375	2,567,088,670
Tools and supplies	582,049,946	881,543,378
Other expenses	15,270,565,685	21,776,432,391
	31,512,138,159	40,603,972,605

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**29. Business costs by elements**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Cost of gas purchased	3,262,371,635,447	3,467,802,119,308
Staff costs	56,200,864,995	50,571,924,564
Depreciation and amortisation	40,857,077,176	41,967,552,808
Rental expense	34,475,926,995	36,372,723,974
Outside services	37,984,075,736	38,587,723,129
Tools and supplies	6,361,106,764	7,444,607,983
Reversal of allowance for doubtful debts	(400,000,000)	-
Other expenses	41,064,248,724	42,880,257,692

**30. Corporate income tax**

**(a) Recognised in the statement of income**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	12,786,733,466	29,619,464,804
Under provision in prior years	384,408,348	2,264,071,346
<b>Income tax expense</b>	<b>13,171,141,814</b>	<b>31,883,536,150</b>

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**(b) Reconciliation of effective tax rate**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	59,491,634,559	147,285,938,345
Non-deductible expenses	4,442,032,772	811,385,675
Taxable income	63,933,667,331	148,097,324,020
Current income tax expense	12,786,733,466	29,619,464,804
Under provision in prior years	384,408,348	2,264,071,346
Income tax expenses	13,171,141,814	31,883,536,150

**(c) Applicable tax rates**

Under the terms of current Income Tax Law, the Company has an obligation to pay the government income tax at the rate of 20% of taxable profits.

**31. Earnings per share**

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders after deducting the amounts appropriated to bonus and welfare fund and a weighted average number of ordinary shares outstanding, calculated as follows:

**(i) Net profit attributable to ordinary shareholders**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Net profit attributable to ordinary shareholders	46,320,492,745	115,402,402,195
Appropriation to bonus and welfare fund	(4,307,500,000)	(7,500,000,000)
	42,012,992,745	107,902,402,195



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**(ii) Weighted average number of ordinary shares**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>Shares</b>	<b>Shares</b>
Weighted average number of ordinary shares	89,998,070	89,998,070

**(iii) Basic earnings per share**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Basic earnings per share	467	1,199

As at 30 June 2020, the Company did not have potentially dilutive ordinary shares.

**32. Significant transactions with related parties**

In addition to related party balances disclosed in other notes to the interim financial statements, the Company had the following significant transactions with related parties during the period:

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b><i>The parent company</i></b>		
<b>PetroVietnam Gas Joint Stock Corporation</b>		
Purchases of gas	2,767,273,673,073	3,104,857,085,724
Purchase of gas – price adjustment	116,833,446,324	-
Rental fee	30,005,425,002	30,005,425,002
Office rental	3,021,427,500	3,141,206,250
Utilities expenses	214,736,104	211,238,053
<b><i>The ultimate parent company</i></b>		
<b>Vietnam Oil and Gas Group</b>		
Royalty fee	1,477,595,072	1,533,454,336
<b><i>Other related parties</i></b>		
<b>Branch of PetroVietnam Gas Joint Stock Corporation</b>		
<b>– South East Gas Transmission Company</b>		
Purchases of gas	-	363,595,696,411

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	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
<b>PetroVietnam Gas Joint Stock Company – Hai Phong Branch</b>		
Purchases of gas	360,167,356,860	-
<b>Branch of Indochina Petroleum Transportation Joint Stock Company in Ho Chi Minh City</b>		
Purchases of services	6,441,209,387	5,814,234,000
<b>PetroVietnam Southern Gas Joint Stock Company – East Branch</b>		
Purchases of gas	902,943,684	1,047,592,470
<b>CNG Vietnam Joint Stock Company</b>		
Sales of gas	681,569,345,419	583,469,168,240
Expense paid on behalf	1,239,044,457	1,530,016,449
Other sales	271,495,636	-
<b>PetroVietnam Southern Gas Joint Stock Company</b>		
Sales of gas	390,653,658,495	510,060,185,857
Purchase of gas	16,532,674,402	-
<b>PetroVietnam LPG Joint Stock Company</b>		
Sales of gas	-	21,042,736,296
<b>PetroVietnam Engineering Joint Stock Company</b>		
Purchase of service	321,818,181	-
<b>Members of Board of Management, Board of Directors and Supervisory Board</b>		
Remuneration and allowances	4,532,255,127	3,507,998,000

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**33. Non-cash investing activities**

	<b>Six-month period ended</b>	
	<b>30/6/2020</b>	<b>30/6/2019</b>
	<b>VND</b>	<b>VND</b>
Fixed assets acquired but not yet paid	3,092,429,151	160,000,000

**34. Corresponding figures**

The corresponding figures in the balance sheet as at 1 January 2020 were derived from the balances and amounts reported in the Company’s financial statements as at and for the year ended 31 December 2019 and the corresponding figures in the statements of income and cash flows for the six-month period ended 30 June 2020 were derived from amounts in the Company’s statements of income and cash flows for the six-month period ended 30 June 2019.



7 August 2020

Prepared by:



Nguyen Huu Tung  
Accountant

Approved by:


Dang Quoc Vuong  
Chief Accountant

Tran Thanh Nam  
Director

