

**INTERNATIONAL GAS PRODUCT SHIPPING
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019



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INTERNATIONAL GAS PRODUCT SHIPPING JOINT STOCK COMPANY

9th Floor, Green Power Building, 35 Ton Duc Thang Street, District 1
Ho Chi Minh City, S.R. Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of International Gas Product Shipping Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2019.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Mai The Toan	Chairman (appointed on 11 December 2019)
Mr. Nguyen Tai Cuong	Chairman (resigned on 1 November 2019)
Ms. Pham Thi Truc	Vice Chairwoman (appointed on 18 April 2019)
Mr. Nguyen Duyen Hieu	Member
Mr. Nguyen The Anh	Member
Ms. Vu Thi Phuong Nga	Member

Board of Directors

Mr. Nguyen Duyen Hieu	Director
Mr. Vu Van Duc	Deputy Director
Mr. Nguyen The Anh	Deputy Director (resigned on 22 July 2019)
Mr Doan Duc Trong	Deputy Director (appointed on 26 November 2019)
Mr. Nguyen Canh Toan	Deputy Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2019, and of its results and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

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

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

For and on behalf of the Board of Directors



Nguyen Duyen Hieu
Director

19 March 2020

No.: 0426 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

**To: The Shareholders
The Board of Management and Board of Directors
International Gas Product Shipping Joint Stock Company**

We have audited the accompanying financial statements of International Gas Product Shipping Joint Stock Company (the "Company"), prepared on 19 March 2020 as set out from page 3 to page 26, which comprise the balance sheet as at 31 December 2019, the income statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' Responsibility for financial statements

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

Auditors' Responsibility

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

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

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

Auditors' Opinion

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



Vo Thai Hoa
Audit Partner
Audit Practising Registration Certificate
No. 0138-2018-001-1
**BRANCH OF DELOITTE VIETNAM
COMPANY LIMITED**
19 March 2020
Ho Chi Minh City, S.R. Vietnam

Pham Hoang Khanh Phuong
Auditor
Audit Practising Registration Certificate
No. 2756-2020-001-1

INTERNATIONAL GAS PRODUCT SHIPPING JOINT STOCK COMPANY**FORM B 01-DN**9th Floor, Green Power Building, 35 Ton Duc Thang Street
District 1, Ho Chi Minh City, S.R. VietnamIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**BALANCE SHEET**

As at 31 December 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		367,343,996,019	410,398,082,575
I. Cash and cash equivalents	110	4	53,229,188,747	24,902,199,025
1. Cash	111		8,229,188,747	4,902,199,025
2. Cash equivalents	112		45,000,000,000	20,000,000,000
II. Short-term financial investments	120		153,970,000,000	185,000,000,000
1. Held-to-maturity investments	123	5	153,970,000,000	185,000,000,000
III. Short-term receivables	130		98,995,948,631	149,010,496,076
1. Short-term trade receivables	131	6	91,001,841,549	140,663,174,230
2. Short-term advances to suppliers	132		736,037,456	743,377,741
3. Other short-term receivables	136	7	7,258,069,626	7,603,944,105
IV. Inventories	140	8	17,158,920,107	24,297,941,773
1. Inventories	141		17,158,920,107	24,297,941,773
V. Other short-term assets	150		43,989,938,534	27,187,445,701
1. Short-term prepayments	151		5,292,230,270	5,839,761,290
2. Value added tax deductibles	152		38,697,708,264	21,347,684,411
B. NON-CURRENT ASSETS	200		535,173,336,649	280,338,045,032
I. Long-term receivables	210		1,070,905,502	1,030,344,002
1. Other long-term receivables	216	7	1,070,905,502	1,030,344,002
II. Fixed assets	220		534,102,431,147	279,307,701,030
1. Tangible fixed assets	221	9	534,102,431,147	279,294,219,552
- Cost	222		809,727,208,952	520,968,124,902
- Accumulated depreciation	223		(275,624,777,805)	(241,673,905,350)
2. Intangible assets	227		-	13,481,478
- Cost	228		435,570,550	435,570,550
- Accumulated amortization	229		(435,570,550)	(422,089,072)
TOTAL ASSETS (270=100+200)	270		902,517,332,668	690,736,127,607

The accompanying notes are an integral part of these financial statements

INTERNATIONAL GAS PRODUCT SHIPPING JOINT STOCK COMPANY

FORM B 01-DN

9th Floor, Green Power Building, 35 Ton Duc Thang Street
District 1, Ho Chi Minh City, S.R. VietnamIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

BALANCE SHEET (Continued)

As at 31 December 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		450,320,181,814	287,126,245,440
I. Current liabilities	310		204,044,953,686	157,936,802,694
1. Short-term trade payables	311	10	111,488,392,025	97,226,434,490
2. Short-term advances from customers	312		323,474,825	163,932,734
3. Taxes and amounts payable to the State budget	313	11	4,169,119,964	4,084,863,211
4. Payables to employees	314		15,227,297,063	8,207,802,881
5. Short-term accrued expenses	315		1,883,050,566	1,039,482,205
6. Other current payables	319		336,851,033	411,450,701
7. Short-term loans and obligations under financial leases	320	12	57,376,620,000	21,942,900,000
8. Short-term provisions	321	13	12,275,999,994	24,202,714,290
9. Bonus and welfare funds	322		964,148,216	657,222,182
II. Long-term liabilities	330		246,275,228,128	129,189,442,746
1. Long-term loans and obligations under finance leases	338	12	237,105,225,000	126,171,675,000
2. Long-term provisions	342	13	9,170,003,128	3,017,767,746
D. EQUITY	400		452,197,150,854	403,609,882,167
I. Owner's equity	410	14	452,197,150,854	403,609,882,167
1. Owner's contributed capital	411		360,000,000,000	300,000,000,000
- Ordinary shares carrying voting rights	411a		360,000,000,000	300,000,000,000
2. Other owner's capital	414		1,709,511,521	1,709,511,521
3. Investment and development fund	418		26,005,785,387	22,794,970,353
4. Retained earnings	421		64,481,853,946	79,105,400,293
- Retained earnings accumulated to the prior year end	421a		12,074,770,225	14,889,099,615
- Retained earnings of the current year	421b		52,407,083,721	64,216,300,678
TOTAL RESOURCES (440=300+400)	440		902,517,332,668	690,736,127,607

Pham Tien Nam
Preparer

Le Anh Nam
Chief AccountantNguyen Duyen Hieu
Director
19 March 2020

INCOME STATEMENT

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		1,390,979,827,086	1,550,251,171,779
2. Deductions	02		-	8,640,700
3. Net revenue from goods sold and services rendered (10=01-02)	10	17	1,390,979,827,086	1,550,242,531,079
4. Cost of sales	11	18	1,282,323,562,164	1,436,757,082,141
5. Gross profit from goods sold and services rendered (20=10-11)	20		108,656,264,922	113,485,448,938
6. Financial income	21	20	14,799,147,034	16,880,551,763
7. Financial expenses	22	21	9,186,313,191	2,102,637,368
- In which: Interest expense	23		8,005,646,390	1,992,774,759
8. Selling expenses	25	22	9,070,476,251	7,569,214,148
9. General and administration expenses	26	22	40,164,623,975	40,699,238,102
10. Operating profit (30=20+(21-22)-(25+26))	30		65,033,998,539	79,994,911,083
11. Other income	31		868,549,582	190,910,100
12. Other expenses	32		219,037,833	17,160,000
13. Profit from other activities (40=31-32)	40		649,511,749	173,750,100
14. Accounting profit before tax (50=30+40)	50		65,683,510,288	80,168,661,183
15. Current corporate income tax expense	51	23	13,276,426,567	15,952,360,505
16. Net profit after corporate income tax (60=50-51)	60		52,407,083,721	64,216,300,678
17. Basic earnings per share	70	24	1,369	1,678


Pham Tien Nam
Preparer

Le Anh Nam
Chief AccountantNguyen Duyen Hieu
Director
19 March 2020

CASH FLOW STATEMENT

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	65,683,510,288	80,168,661,183
2. Adjustments for:			
Depreciation and amortization of fixed assets	02	33,964,353,933	17,356,980,090
Provisions	03	15,570,662,251	15,300,704,480
Foreign exchange gain arising from translating foreign currency items	04	(434,688,612)	(996,791,223)
Gain from investing activities	05	(13,324,694,908)	(15,426,840,740)
Interest expense	06	8,005,646,390	1,992,774,759
3. Operating profit before movements in working capital	08	109,464,789,342	98,395,488,549
Change in receivables	09	32,412,336,401	(51,499,401,597)
Change in inventories	10	7,139,021,666	(12,230,372,672)
Change in payables	11	22,741,025,930	5,024,163,474
Change in prepaid expenses	12	547,531,020	2,102,913,576
Interest paid	14	(7,884,110,124)	(1,854,542,616)
Corporate income tax paid	15	(13,323,425,828)	(15,597,836,803)
Other cash inflows	16	-	116,960,000
Other cash outflows	17	(24,789,591,665)	(9,056,764,741)
Net cash generated by operating activities	20	126,307,576,742	15,400,607,170
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets	21	(288,759,084,050)	(244,036,717,987)
2. Cash outflow for lending, buying debt instruments of other entities	23	(83,970,000,000)	(185,000,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	115,000,000,000	230,000,000,000
4. Interest earned	27	13,467,882,099	16,766,060,320
Net cash used in investing activities	30	(244,261,201,951)	(182,270,657,667)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	177,046,520,000	154,724,850,000
2. Repayment of borrowings	34	(30,822,856,513)	(5,506,987,500)
3. Dividends and profits paid	36	-	(45,000,000,000)
Net cash generated by financing activities	40	146,223,663,487	104,217,862,500
Net decrease in cash (50=20+30+40)	50	28,270,038,278	(62,652,187,997)
Cash and cash equivalents at the beginning of the year	60	24,902,199,025	87,553,380,275
Effect of changes in foreign exchange rates	61	56,951,444	1,006,747
Cash and cash equivalents at the end of the year (70=50+60+61)	70	53,229,188,747	24,902,199,025


Pham Tien Nam
 Preparer


Le Anh Nam
 Chief Accountant


Nguyen Duyen Hieu
 Director
 19 March 2020


NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

International Gas Product Shipping Joint Stock Company (the "Company") was incorporated in Vietnam under Enterprise Registration Certificate No. 0305390530 issued by Department of Planning and Investment of Ho Chi Minh City and as 7th amendment dated 8 April 2015. This Certificate replaced the Business Registration Certificate No. 4103008857 on 24 December 2007 issued by the Department of Planning and Investment of Ho Chi Minh City.

The Company has been listed on the Ho Chi Minh Stock Exchange (HOSE) with stock code as "GSP".

The number of employees as at 31 December 2019 was 193 (as at 31 December 2018: 185).

Operating industry and principal activities

The principal activities of the Company are other supporting services relating to transportation, shipping agency services, maritime brokerage services, ship supply services, vessel leasing services, shipping business services; freight transport by road; direct support services for water transport; freight inland waterway; job education; wholesale of solid fuels, liquefied gases and related products; other specialized wholesale.

Normal production and business cycle

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

Disclosure of information comparability in the financial statements

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

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

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

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

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Financial instruments

Initial recognition

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, 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 Company has the positive intent or ability to hold to maturity, including term deposits.

Interest income from held-to-maturity investments is recognized in the income statement on accrual basis.

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

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with 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 of purchase price and other relevant costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first in first out 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 condition and location for their intended use. Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Machinery and equipment	3
Office equipment	3 - 5
Motor vehicles	5 - 13



Operating lease

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Intangible assets and amortization

Intangible assets represent computer software that are stated at cost less accumulated amortization. Computer software are amortized using the straight-line method within three years.

Prepayments

Prepayments are including office rentals, insurance fees, and other types of prepayments that have already been paid but relate to results of operations of multiple financial years.

Fixed assets' overhaul expenses

Provision is recorded in the income statement on an accrual basis based on the budget until the expected dry-docking time. If the actual dry-docking expenses is higher than the provision amount according to the budget or vice versa, the difference is recognized in the income statement for that financial year.

Other payable provisions

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

Revenue recognition

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

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

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognized in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. 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 Company;
- (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.

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

Severance allowance payable

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Company for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Foreign currencies

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

Borrowing costs

Borrowing costs are recognized in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "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 profit before tax 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.

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

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

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

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	409,292,381	79,163,226
Cash in bank	7,819,896,366	4,823,035,799
Cash equivalents	45,000,000,000	20,000,000,000
	<u>53,229,188,747</u>	<u>24,902,199,025</u>

Cash equivalents represent bank deposits in Vietnam Dong at commercial banks with an original maturity of three months and earn an interest rate from 5% per annum (as at 31 December 2018: 5.2% per annum).

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent bank deposits in Vietnam Dong at commercial banks with an original maturity from six months to twelve months, and earn an interest rate from 6% to 7% per annum (as at 31 December 2018: from 5.4 % to 7% per annum).

As at 31 December 2019, The Company has used a number of short-term time deposits at commercial banks with a total amount VND 53,500,000,000 as collateral for the letter of credit guarantee (Note 12) and amount VND 40,000,000,000 to secure for Letter of guarantee to perform economic contract.

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Third-parties		
Totalgaz Vietnam Company Limited	6,672,652,828	6,277,922,588
Others	23,457,980,835	16,420,813,798
b. Related parties (Note 28)	60,871,207,886	117,964,437,844
	<u>91,001,841,549</u>	<u>140,663,174,230</u>

7. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Short-term receivables		
Accrued interest incomes	5,649,844,165	5,793,031,356
Advances to employees	1,573,137,280	1,633,625,000
Deposits	11,000,000	11,000,000
Others	24,088,181	166,287,749
	<u>7,258,069,626</u>	<u>7,603,944,105</u>
b. Long-term receivables		
Deposits	1,070,905,502	1,030,344,002
	<u>1,070,905,502</u>	<u>1,030,344,002</u>

8. INVENTORIES

	<u>Closing balance</u> VND		<u>Opening balance</u> VND	
	Cost	Provision	Cost	Provision
Goods in transit	1,101,001,249	-	-	-
Raw materials	16,057,918,858	-	24,297,941,773	-
	<u>17,158,920,107</u>	<u>-</u>	<u>24,297,941,773</u>	<u>-</u>

9. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Machinery and equipment VND	Office equipment VND	Motor vehicles VND	Total VND
COST				
Opening balance	5,893,625,449	987,878,935	514,086,620,518	520,968,124,902
Additions	91,800,000	-	288,667,284,050	288,759,084,050
Closing balance	5,985,425,449	987,878,935	802,753,904,568	809,727,208,952
ACCUMULATED DEPRECIATION				
Opening balance	(5,862,579,229)	(779,519,484)	(235,031,806,637)	(241,673,905,350)
Charge for the year	(31,480,484)	(110,683,922)	(33,808,708,049)	(33,950,872,455)
Closing balance	(5,894,059,713)	(890,203,406)	(268,840,514,686)	(275,624,777,805)
NET BOOK VALUE				
Closing balance	91,365,736	97,675,529	533,913,389,882	534,102,431,147
Opening balance	31,046,220	208,359,451	279,054,813,881	279,294,219,552

As at 31 December 2019, the Company has pledged some of its transport vehicles with the total cost and net book value as at 31 December 2019 of VND 532,519,220,219 and VND 506,111,228,571, respectively (as at 31 December 2018 VND 243,851,936,169 and VND 239,162,475,858 respectively), to secure loans sponsored by Shinhan Bank Vietnam Limited (Note 12).

The cost of tangible fixed assets as at 31 December 2019 comprises fully depreciated fixed assets which are still in use with an amount of VND 137,790,086,221 (as at 31 December 2018: VND 137,495,095,312).

10. SHORT-TERM TRADE PAYABLES

	Closing balance VND	Opening balance VND
a. Third party		
FGas Petrol JSC	8,015,139,594	12,372,344,568
OPEC Petrol Company Limited	12,848,521,412	18,467,209,768
Others	36,351,326,263	27,877,948,805
b. Related parties (Note 28)	54,273,404,756	31,829,702,877
	111,488,392,025	97,226,434,490

The Company is able to pay the short-term trade payables in full as at 31 December 2019 and 31 December 2018.

11. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	Opening balance VND	Payable during the year VND	Paid during the year VND	Closing balance VND
Value added tax	-	29,785,743,422	29,785,743,422	-
Corporate income tax	3,906,603,708	13,276,426,567	13,323,425,828	3,859,604,447
Personal income tax	48,306,259	1,152,748,110	963,690,572	237,363,797
Import-Export tax	-	26,788,705,811	26,716,554,091	72,151,720
Business license tax	-	3,000,000	3,000,000	-
Others tax	129,953,244	1,098,825,986	1,228,779,230	-
	4,084,863,211	72,105,449,896	72,021,193,143	4,169,119,964

12. LOANS

	Opening balance	In the year				Closing balance
	VND	VND	VND	VND		VND
	Amount	Increase	Decrease	Foreign exchange difference		Amount
Long-term loan	148,114,575,000	177,046,520,000	30,822,856,513	143,606,513		294,481,845,000

The Company is able to pay for the long-term loan in full as at 31 December 2019.

Long-term loan represents the loan obtain from Shinhan Bank Vietnam Limited with total credit limit of USD 14,630,000. This is a 5-7 year term loan bearing interest rate of three-month USD LIBOR plus 2.5% per annum.

According to the provisions of the Facility Agreement No. SHBVN/BC/102019/HDTD/GSP dated 18 September 2019, the Company must ensure the term deposit account at Shinhan Bank Vietnam Limited with an amount not less than 30% of the outstanding loan balance at any time. As at 31 December 2019, the outstanding loan of this agreement was VND 168,310,170,000 (as at 31 December 2018: nil).

These loans are secured by short-term time deposits (Note 5), and transport vehicles as collateral for the loan (Note 9).

Long-term loan is repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	57,376,620,000	21,942,900,000
In the second year	57,376,620,000	21,942,900,000
In the third to fifth year inclusive	163,271,430,000	65,828,700,000
After five years	16,457,175,000	38,400,075,000
	294,481,845,000	148,114,575,000
Deduct: Amount due for settlement within 12 months (shown short-term loans)	57,376,620,000	21,942,900,000
Amount due for settlement after 12 months	237,105,225,000	126,171,675,000

13. PROVISIONS

	Periodic vessel overhaul repairing	Severance allowance	Total
	VND	VND	VND
Opening balance	26,930,714,285	289,767,751	27,220,482,036
Addition	19,253,083,840	14,825,000	19,267,908,840
Reversal	(3,670,193,838)	(27,052,750)	(3,697,246,589)
Used	(21,309,806,165)	(35,335,000)	(21,345,141,165)
Closing balance	21,203,798,122	242,205,001	21,446,003,122
	Closing balance	Opening balance	
	VND	VND	
Details:			
Short-term provisions	12,275,999,994	24,202,714,290	
Long-term provisions	9,170,003,128	3,017,767,746	
	21,446,003,122	27,220,482,036	

14. OWNER'S EQUITY

	Closing balance		Opening balance	
	Number of shares	VND	Number of shares	VND
Authorized	36,000,000	360,000,000,000	30,000,000	300,000,000,000
Issued and fully contributed	<u>36,000,000</u>	<u>360,000,000,000</u>	<u>30,000,000</u>	<u>300,000,000,000</u>

Shares	Closing balance	Opening balance
Number of shares issued to the public		
Ordinary shares	36,000,000	30,000,000
Number of outstanding shares in circulation		
Ordinary shares	36,000,000	30,000,000

The Company only issued one ordinary share which was not entitled to a fixed dividend with a par value of VND 10,000/share. Shareholders owning ordinary shares are entitled to receive dividends when they are announced and have the right to vote at the rate of one voting right per share held at the shareholders' meetings of the Company. All shares have the same right to inherit the Company's net assets.

List of shareholders hold more than 5% as at balance sheet date as follows:

	Closing balance		Opening balance	
	VND	%	VND	%
PetroVietnam Transportation Corporation	243,850,800,000	67.74	203,209,000,000	67.74
Mr. Nguyen Hong Hiep	<u>30,202,920,000</u>	<u>8.39</u>	<u>17,671,800,000</u>	<u>6.09</u>

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Movement in owner's equity

	Owner's contributed capital VND	Other owner's capital VND	Investment and development fund VND	Retained earnings VND	Total VND
Prior year's opening balance	300,000,000,000	1,709,511,521	20,166,317,970	65,760,404,381	387,636,233,872
Profit for the year	-	-	-	64,216,300,678	64,216,300,678
Investment and development fund appropriation	-	-	-	(2,628,652,383)	-
Bonus and welfare funds appropriation	-	-	2,628,652,383	(2,628,652,383)	-
Remunerations of Board of Directors	-	-	-	(500,000,000)	(2,628,652,383)
Remuneration of Board of Management and Board of Supervisors	-	-	-	(114,000,000)	(500,000,000)
Dividend paid	-	-	-	(45,000,000,000)	(114,000,000)
Current year's opening balance	300,000,000,000	1,709,511,521	22,794,970,353	79,105,400,293	403,609,882,167
Profit for the year	-	-	-	52,407,083,721	52,407,083,721
Capital contribution (1)	60,000,000,000	-	-	(60,000,000,000)	-
Investment and development fund appropriation (2)	-	-	-	(3,210,815,034)	-
Bonus and welfare fund appropriation (2)	-	-	3,210,815,034	(3,210,815,034)	-
Remuneration of Board of Directors (2)	-	-	-	(500,000,000)	(3,210,815,034)
Remuneration of Board of Management and Board of Supervisors	-	-	-	(109,000,000)	(500,000,000)
Current year's closing balance	360,000,000,000	1,709,511,521	26,005,785,387	64,481,853,946	452,197,150,854

(1) According to Resolution No. 04/NQ-VTSPK-DHDCD dated 5 November 2019, the Annual General Meeting of Shareholders has approved the plan to issue shares for dividends paying of 2018 and authorized the Board of Management to implement the task related to the issuance of shares for dividends paying with the amount approved by the Annual General Meeting of Shareholders (VND 60,000,000,000). As at 31 December 2019, the Company was approved by the Securities Commission in accordance with Decision No. 579/QĐ-SGDHCM on 30 December 2019 for issuing additional shares with the value of VND 60,000,000,000.

(2) Resolution No. 02/NQ-VTSPK-DHDCD dated 10 April 2019 by the Annual General Meeting of Shareholders has approved appropriation for investment and development fund, bonus and welfare fund, remuneration of the Company's Board of Directors, bonus for Board of Management and Board of Supervisors from profit after tax of 2018.

15. OFF BALANCE SHEET ITEM

Foreign currency:

	<u>Closing balance</u>	<u>Opening balance</u>
United States Dollar ("USD")	<u>102,955</u>	<u>4,243</u>

16. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Company is currently organized into two business divisions-Transportation and Trading. The Company prepared the segment Income Statement based on these two business segments. The main operation of these two business is as follows:

Transportation: supplying transportation by motor vessels;

Trading: trading of solid fuels, liquefied gases and related products.

The information on the Company's business activities is as follows:

Balance sheet

Opening balance	Transportation services VND	Trading VND	Total VND
Segment assets	879,493,510,696	23,023,821,972	902,517,332,668
Total assets			902,517,332,668
Segment liabilities	422,129,519,640	28,190,662,174	450,320,181,814
Total liabilities			450,320,181,814
Closing balance	Transportation services VND	Trading VND	Total VND
Segment assets	671,401,248,987	19,334,878,620	690,736,127,607
Total assets			690,736,127,607
Segment liabilities	270,667,698,641	16,458,546,799	287,126,245,440
Total liabilities			287,126,245,440

Income Statement

Current year	Transportation services VND	Trading VND	Total VND
Revenue			
External sales	755,993,140,246	634,986,686,840	1,390,979,827,086
Total revenue	755,993,140,246	634,986,686,840	1,390,979,827,086
Cost of sales			
External sales	648,722,393,643	633,601,168,521	1,282,323,562,164
Total cost of sales	648,722,393,643	633,601,168,521	1,282,323,562,164
Income Statement			
Income statement	107,270,746,603	1,385,518,319	108,656,264,922
Not allocated expenses			(49,235,100,226)
Profit from operating activities			59,421,164,696
Financial income			14,799,147,034
Other income			649,511,749
Financial expense			(9,186,313,191)
Profit before tax			65,683,510,288
Corporate income tax expense			(13,276,426,567)
Profit for the year			52,407,083,721
Other information			
Depreciation			33,964,353,933

Prior year	Transportation services VND	Trading VND	Total VND
Revenue			
Net revenue from goods sold and rendered services	1,031,886,520,190	518,356,010,889	1,550,242,531,079
Total revenue	1,031,886,520,190	518,356,010,889	1,550,242,531,079
Cost of sales			
External sales	919,116,977,489	517,640,104,652	1,436,757,082,141
Total cost of sales	919,116,977,489	517,640,104,652	1,436,757,082,141
Income statement			
Income statement	112,769,542,701	715,906,237	113,485,448,938
Not allocated expenses			(48,268,452,250)
Profit from operating activities			65,216,996,688
Financial income			16,880,551,763
Other income			173,750,100
Financial expenses			(2,102,637,368)
Profit before tax			80,168,661,183
Corporate income tax expenses			(15,952,360,505)
Profit for the year			64,216,300,678
Other information			
Depreciation			17,356,980,090

Report by geographical segment

The main activity of International Gas Product Shipping is transportation and trading, mainly from Dung Quat Oil Refinery to other domestic provinces. Geographically, the Company mainly operates within Vietnam. Accordingly, the Board of Directors assessed and believed that no geographical segment reporting was prepared for the financial statements for the year ended 31 December 2019 was in accordance with Vietnamese Accounting Standard No. 28 - "Segment Reporting" and the Company's current operating situation.

17. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
Gross revenue		
Transportation services	755,993,140,246	1,031,895,160,890
Trading	634,986,686,840	518,356,010,889
	1,390,979,827,086	1,550,251,171,779
Sale deductions		
Sale deduction	-	(8,640,700)
	-	(8,640,700)
Net Revenue	1,390,979,827,086	1,550,242,531,079

18. COST OF SALES AND SERVICES RENDERED

	Current year VND	Prior year VND
Transportation services	633,601,168,521	919,116,977,489
Trading	648,722,393,643	517,640,104,652
	1,282,323,562,164	1,436,757,082,141

19. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials	126,618,112,893	108,786,797,454
Labour	67,479,864,204	54,965,922,820
Depreciation and amortization	33,964,353,933	17,356,980,090
Out-sourced services	451,828,014,564	772,215,459,840
Other monetary expenses	12,065,267,398	14,060,269,535
	691,955,612,992	967,385,429,739

20. FINANCIAL INCOME

	Current year VND	Prior year VND
Interest income	13,324,694,908	15,437,202,785
Foreign exchange gain	1,474,452,126	1,443,348,978
	14,799,147,034	16,880,551,763

21. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	8,005,646,390	1,992,774,759
Foreign exchange loss	1,180,666,801	109,862,609
	9,186,313,191	2,102,637,368

22. GENERAL AND ADMINISTRATION EXPENSES AND SELLING EXPENSES

	Current year VND	Prior year VND
General and administration expenses		
- Salary expenses	16,401,903,341	13,788,568,089
- Out-sourced services	23,312,559,787	26,244,607,102
- Other expenses	450,160,847	666,062,911
	40,164,623,975	40,699,238,102
Selling expenses		
- Out-sourced services	6,891,787,660	4,205,515,331
- Other expenses	2,178,688,591	3,363,698,817
	9,070,476,251	7,569,214,148

23. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
- Corporate income tax based on taxable income in the current year	13,023,661,205	15,847,908,742
- Adjusted the expenses of corporate income tax of the previous years to the current income tax expense	252,765,362	104,451,763
	13,276,426,567	15,952,360,505

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

	Current year VND	Prior year VND
Profit before tax	65,683,510,288	80,168,661,183
Less: non-assessable income	(56,951,444)	(1,010,701,574)
Less: deductible expenses	(1,024,965,507)	-
Add back: non-deductible expenses	516,712,690	81,584,099
Taxable profit	65,118,306,027	79,239,543,708
Tax rate	20%	20%
Corporate income tax expense based on taxable profit in the current year	13,023,661,205	15,847,908,742

The Company is obliged to pay corporate income tax at the rate of 20% (2018: 20%) of its taxable profit.

No other deferred tax assets or liabilities are recognized as there are no significant temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax base used in the computation of taxable profit.

24. BASIC EARNINGS PER SHARE

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

	Current year VND	Prior year (Restated) VND
Profit attributable to ordinary shareholders (VND)	52,407,083,721	64,216,300,678
Less: Bonus and welfare fund, remuneration of Board of Management, remunerations of Board of Directors and Supervisors (VND)	(3,117,360,610)	(3,819,815,034)
Earnings for the purpose of calculating basic earnings per share (VND)	49,289,723,111	60,396,485,644
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	36,000,000	36,000,000
Basis earnings per share (VND)	1,369	1,678

Bonus and welfare fund, remuneration of Board of Management, remunerations of Board of Directors and Supervisors for the year ended 31 December 2019 are estimated based on the actual percentage of appropriation of 2018 that is 6% of profit after tax. The calculation of basic earnings per share is for comparison purpose because the Company has not planned for appropriation in 2019 yet.

According to the Resolution of the 2019 Annual General Meeting of Shareholders No. 04/2019/NQ-VTSPK-DHDCD dated on 5 November 2019 the Annual General Meeting of Shareholders has approved the plan to issue shares for dividends paying of 2018 and authorized the Board of Management to implemented the task related to the issuance of shares for dividends paying with the amount approved by the Annual General Meeting of Shareholders (VND 60,000,000,000). As at 31 December 2019, the Company was approved by the Securities Commission in accordance with Decision No. 579/QĐ-SGDHCM on 30 December 2019 for issuing additional shares with the value of VND 60,000,000,000. According to guidance of Vietnamese Accounting Standard No. 30 (VAS 30) "Earning per Share", this event leads to the retrospective adjustment of the total number of average shares for financial statements for the year ended 31 December 2018 from 30,000,000 shares to 36,000,000 shares.

The Company has restated basic earnings per share for prior year due to effective of the amount appropriated from bonus and welfare fund and remuneration of the Board of Management and the Board of Supervisors. Earning per share in the financial statements for the year ended 31 December 2019 is restated as follows:

	<u>Current year</u>	<u>Change</u>	<u>Prior year (Restated)</u>
Profit attributable to ordinary shareholders (VND)	64,216,300,678	-	64,216,300,678
Less: Bonus and welfare fund, remuneration of Board of Management, remunerations of Board of Directors and Supervisors (VND)	(3,852,978,041)	33,163,007	(3,819,815,034)
Earnings for the purpose of calculating basic earnings per share (VND)	60,363,322,637	33,163,007	60,396,485,644
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	30,000,000	6,000,000	36,000,000
Basis earnings per share (VND)	2,012	(334)	1,678

25. OPERATING LEASE COMMITMENTS

	<u>Current year VND</u>	<u>Prior year VND</u>
Minimum lease payments under operating leases recognized in the income statement	4,680,954,601	4,856,304,530

At the balance sheet date, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>Closing balance VND</u>	<u>Opening balance VND</u>
Within one year	4,286,316,004	4,000,616,004
In the second to fifth year inclusive	2,949,474,314	6,521,679,525
	7,235,790,318	10,522,295,529

Operating lease represents total payment for car rental and office lease on the 9th floor of Green Power Building, 35 Ton Duc Thang Street, District 1, Ho Chi Minh City till 30 September 2021.

26. CAPITAL COMMITMENTS

On 10 April 2019, Resolution of General Meeting of Shareholders has approved the investment plan for financial year 2019, including investment in VLGC liquefied gas vessel worth USD 50 million (equivalent to VND 1,057 billion), this project will be carried over to implement in 2020. As at 31 December 2019, the Company has completed the investment in LPG vessel with capacity of 5,000 cbm with amount of USD 10.9 million, this is a project that was carried over from 2018.

27. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of net debt (borrowings as disclosed in Note 12, offset by cash and cash equivalents) and shareholders' equity (comprising capital, reserves and retained earnings).

Gearing ratio

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

	Closing balance	Opening balance
	VND	VND
Borrowings	294,481,845,000	148,114,575,000
Less: Cash and cash equivalent	53,229,188,747	24,902,199,025
Net debt	241,252,656,253	123,212,375,975
Equity	452,197,150,854	403,609,882,167
Net debt to equity ratio	0.53	0.31

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 and equity instrument are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	53,229,188,747	24,902,199,025
Trade and other receivables	97,733,591,216	147,497,549,588
Financial investments	153,970,000,000	185,000,000,000
	304,932,779,963	357,399,748,613
Financial liabilities		
Borrowings	294,481,845,000	148,114,575,000
Trade and other payables	111,737,125,675	97,637,885,191
Accrued expenses	1,883,050,566	1,039,482,205
	408,102,021,241	246,791,942,396

The Company 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 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

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

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

Market risk

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

Foreign currency risk management

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

	Assets		Liabilities	
	Closing	Opening	Closing	Opening
	balance	balance	balance	balance
	VND	VND	VND	VND
United States Dollar ("USD")	6,416,403,853	105,100,867	308,242,502,821	152,632,238,752
Japanese Yen ("JYP")	-	-	1,870,412,933	3,741,318,610
Euro ("EUR")	-	-	14,922,291	-

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar.

The Company's sensitivity to a 3% increase and decrease in Vietnam Dong against United States Dollar. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents Board of Directors' 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 3% change in foreign currency rates. For a 3% increase/decrease in the USD against Vietnam Dong, the profit before tax in the year would decrease/increase by the following amount VND 9,054,782,969 (2018: VND 4,575,814,137).

Interest rate risk management

The Company has interest rate risks arising from interest bearing loan which is arranged. The risk is managed by the Company by maintaining an appropriate level of borrowing and analysing market competition to enjoy favourable interest rates from appropriate lender.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. As at the balance sheet date, the Board of Directors assessed that the Company does not have any significant credit risk exposure to any counterparty.

Liquidity risk management

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

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

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Cash and cash equivalents	53,229,188,747	-	-	53,229,188,747
Trade and other receivables	96,662,685,714	1,070,905,502	-	97,733,591,216
Financial investments	153,970,000,000	-	-	153,970,000,000
	303,861,874,461	1,070,905,502	-	304,932,779,963
Borrowings	57,376,620,000	151,214,686,875	85,890,538,125	294,481,845,000
Trade and other payables	111,737,125,675	-	-	111,737,125,675
Accrued expenses	1,883,050,566	-	-	1,883,050,566
	170,996,796,241	151,214,686,875	85,890,538,125	408,102,021,241
Net liquidity gap	132,865,078,220	(150,143,781,373)	(85,890,538,125)	(103,169,241,278)
Opening balance	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Cash and cash equivalents	24,902,199,025	-	-	24,902,199,025
Trade and other receivables	146,467,205,586	1,030,344,002	-	147,497,549,588
Financial investments	185,000,000,000	-	-	185,000,000,000
	356,369,404,611	1,030,344,002	-	357,399,748,613
Borrowings	21,942,900,000	82,285,875,000	43,885,800,000	148,114,575,000
Trade and other payables	97,637,885,191	-	-	97,637,885,191
Accrued expenses	1,039,482,205	-	-	1,039,482,205
	120,620,267,396	82,285,875,000	43,885,800,000	246,791,942,396
Net liquidity gap	235,749,137,215	(81,255,530,998)	(43,885,800,000)	110,607,806,217

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

28. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties

Related parties	Relationship
PetroVietnam Transportation Corporation	Holding Company
Nhat Viet Transportation Corporation	Same holding company (PetroVietnam Transportation Corporation)
PetroVietnam Transportation Hanoi JSC	Same holding company (PetroVietnam Transportation Corporation)
PetroVietnam Transportation Vung Tau JSC	Same holding company (PetroVietnam Transportation Corporation)
Quang Ngai Petro Transportation JSC	Same holding company (PetroVietnam Transportation Corporation)
Cuu Long Petro Gas Transportation Services JSC	Same holding company (PetroVietnam Transportation Corporation)
Indochina Petroleum Transportation JSC	Same holding company (PetroVietnam Transportation Corporation)
Binh Son Refining and Petrochemical JSC	Subsidiary of PetroVietnam Transportation Corporation
Gas Trading Company- Branch of PetroVietnam Gas JSC - Corporation	Member of PetroVietnam Oil and Gas Group
PetroVietnam Northern Gas JSC	Member of PetroVietnam Oil and Gas Group
PetroVietnam Southern Gas JSC	Member of PetroVietnam Oil and Gas Group
PVI Insurance South	Member of PetroVietnam Oil and Gas Group
PVI Insurance Hanoi	Member of PetroVietnam Oil and Gas Group

Related parties

Relationship

PVI Insurance Ben Thanh	Member of PetroVietnam Oil and Gas Group
PVI Insurance Saigon	Member of PetroVietnam Oil and Gas Group
PetroVietnam Paint JSC	Member of PetroVietnam Oil and Gas Group
PetroVietnam Oil Hai Phong JSC	Member of PetroVietnam Oil and Gas Group
PV Gas City	Member of PetroVietnam Oil and Gas Group
PetroVietnam Maintenance and Repair Corporation	Member of PetroVietnam Oil and Gas Group
Branch of PetroVietnam Gas JSC – Corporation – Vung Tau Processing Company	Member of PetroVietnam Oil and Gas Group
PetroVietnam Technical Safety Registration Company Limited	Member of PetroVietnam Oil and Gas Group

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

	Current year	Prior year
	VND	VND
Provide ship rental and transportation		
Gas Trading Company - Branch of PetroVietnam Gas JSC - Corporation	447,059,759,134	447,994,814,417
Nhat Viet Transportation Corporation	131,814,254,459	-
Binh Son Refining and Petrochemical JSC	44,051,611,837	458,022,656,827
PetroVietnam Transportation Corporation	43,628,523,398	51,438,182,716
PetroVietnam Northern Gas JSC	3,968,081,248	1,542,204,247
PetroVietnam Southern Gas JSC	5,050,035,371	1,756,459,252
Sales of fuel		
Branch of PV Gas City	34,060,235,356	39,607,588,326
Indochina Petroleum Transportation JSC.	-	16,656,430,609
Ship rental		
Nhat Viet Transportation Corporation	120,278,294,994	70,775,592,504
Gas Trading Company- Branch of PetroVietnam Gas JSC - Corporation	1,489,071,727	16,425,241,827
PetroVietnam Southern Gas JSC	133,928,827	-
Purchase products and services		
Gas Trading Company - Branch of PetroVietnam Gas JSC - Corporation	172,142,549,443	36,245,647,510
PetroVietnam Oil Hai Phong JSC	59,783,440,346	36,472,514,257
PetroVietnam Southern Gas JSC	55,437,262,701	165,066,862,675
PetroVietnam Transportation Vung Tau JSC	7,716,566,762	5,168,088,566
PetroVietnam Transportation Hanoi JSC	7,220,229,084	5,943,733,349
Petrovietnam Oil and Gas Group	801,686,612	162,565,676
Quang Ngai Petro Transportation JSC	4,945,799,684	4,775,818,326
PetroVietnam Oil Saigon JSC	680,588,827	481,074,873
PetroVietnam Maintenance and Repair Corporation	550,955,845	375,940,910
PetroVietnam Technical Safety Registration Company Limited	226,550,000	167,200,000
Branch of PetroVietnam Gas JSC – Corporation – Vung Tau Processing Company	134,642,569	54,361,256
PetroVietnam Securities	20,000,000	-
Nhon Trach Shipyard JSC.	-	947,545,179
PV Gas City	-	1,181,798

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	<u>Current year</u> VND	<u>Prior year</u> VND
Car rental		
Indochina Petroleum Transportation JSC	1,357,045,650	1,261,729,272
Insurance purchase		
PVI Insurance Corporation	11,225,019,886	7,345,868,075
Paint purchase		
PetroVietnam Paint JSC	2,574,938,636	1,162,290,907
Dividend declared and paid		
PetroVietnam Transportation Corporation	40,641,800,000	30,418,350,000

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

	<u>Current year</u> VND	<u>Prior year</u> VND
Salaries, bonus	4,607,076,203	4,039,364,179

Significant related party balances as at the balance sheet date were as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Trade receivables		
Gas Trading Company - Branch of PetroVietnam Gas JSC - Corporation	40,467,209,720	33,332,699,854
Nhat Viet Transportation Corporation	11,599,948,636	-
PetroVietnam Transportation Corporation	4,405,405,274	12,538,706,035
Branch of PV Gas City	3,812,299,717	4,609,110,711
PetroVietnam Southern Gas JSC	586,344,539	785,820,815
Binh Son Refining and Petrochemical JSC	-	66,698,100,429
	60,871,207,886	117,964,437,844
Trade payables		
Gas Trading Company - Branch of PetroVietnam Gas JSC - Corporation	25,120,344,249	4,625,111,059
Nhat Viet Transportation Corporation	15,597,876,553	8,417,704,479
PetroVietnam Oil Hai Phong JSC	7,556,567,980	2,556,556,320
PetroVietnam Transportation Vung Tau JSC	1,823,684,036	1,235,384,576
PetroVietnam Transportation Ha Noi JSC	1,635,080,618	1,086,883,953
PetroVietnam Southern Gas JSC	1,507,666,657	12,623,361,888
Quang Ngai Petro Transportation JSC	706,900,553	532,766,922
PetroVietnam Maintenance And Repair Corporation	134,800,600	-
PetroVietnam Paint JSC	127,432,500	531,044,000
Indochina Petroleum Transportation JSC	63,051,010	204,444,680
PetroVietnam Technical Safety Registration Company Limited	-	16,445,000
	54,273,404,756	31,829,702,877



29. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the year excludes an amount of VND 5,649,844,165 (2018: VND 5,793,031,356), representing interest income incurred during the year that has not yet been received. Consequently, changes in accounts receivable have been adjusted by the same amount.

Dividend paid to owners during the year excludes an amount of VND 60,000,000,000 (2018: VND: Nil), representing dividend paid by shares during the year. Consequently, changes in capital contribution have been adjusted by the same amount.



Pham Tien Nam
Preparer



Le Anh Nam
Chief Accountant



Nguyen Duyen Hieu
Director
19 March 2020

