PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019

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PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY
43 Mac Dinh Chi Street, Da Kao Ward, District 1
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Pacific Petroleum Transportation 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 office during the year and to the date of this report are as follows:

Board of Management

Mr. Mai The Toan	Chairman
Mr. Le Manh Tuan	Member
Mr. Doan Dinh Hieu	Member
Mr. Le Manh Hung	Member
Mr. Truong Minh Hung	Member

Board of Directors

Mr. Le Manh Tuan	Director
Mr. Nguyen Trong Quy	Deputy Director
Mr. Le Truc Lam	Deputy Director
Mr. Khieu Trung Truc	Deputy Director (appointed on 5 December 2019)

THE 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 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. 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,

M.S.D.N: 0305475110 - C.T.C.P
CÔNG TY CỔ PHẦN VẬN TẢI DẦU KHÍ THÁI BÌNH DƯƠNG
QUẬN 1 - T.P HỒ CHÍ MINH

Le Manh Tuan
Director
27 March 2020

Deloitte.

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INDEPENDENT AUDITORS' REPORT

To: The Shareholders, Board of Management, and Board of Directors
Pacific Petroleum Transportation Joint Stock Company

We have audited the accompanying financial statements of Pacific Petroleum Transportation Pacific Joint Stock Company (the "Company"), prepared on 27 March 2020, as set out from page 3 to page 25, which comprise the balance sheet as at 31 December 2019, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the 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.

Opinion

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

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

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

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

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BALANCE SHEET

As at 31 December 2019

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	**100**		**782,139,270,707**	**1,182,273,717,285**
I. Cash and cash equivalents	**110**	**4**	**192,056,429,807**	**634,347,157,463**
1. Cash	111		15,555,391,820	29,378,727,547
2. Cash equivalents	112		176,501,037,987	604,968,429,916
II. Short-term financial investments	**120**		**408,190,000,000**	**141,500,000,000**
1. Held-to-maturity investments	123	5	408,190,000,000	141,500,000,000
III. Short-term receivables	**130**		**164,951,454,530**	**365,167,112,378**
1. Short-term trade receivables	131	6	160,419,722,660	350,624,498,686
2. Short-term advances to suppliers	132		36,000,000	56,254,796
3. Other short-term receivables	136	7a	4,495,731,870	14,486,358,896
IV. Inventories	**140**		**12,457,027,650**	**8,455,808,235**
1. Inventories	141	8	12,457,027,650	8,455,808,235
V. Other short-term assets	**150**		**4,484,358,720**	**32,803,639,209**
1. Short-term prepayments	151	9a	4,484,358,720	1,000,536,999
2. Value added tax deductibles	152		-	5,042,302,210
3. Taxes and other receivables from the State budget	153	13a	-	26,760,800,000
B. NON-CURRENT ASSETS	**200**		**1,815,119,159,407**	**1,671,218,510,223**
I. Long-term receivable	**210**		**395,000,000**	**395,000,000**
1. Other long-term receivables	216	7b	395,000,000	395,000,000
II. Fixed assets	**220**		**1,780,441,375,585**	**1,652,124,299,125**
1. Tangible fixed assets	221	10	1,780,441,375,585	1,652,124,299,125
- Cost	*222*		*3,293,085,488,935*	*2,856,292,805,545*
- Accumulated depreciation	*223*		*(1,512,644,113,350)*	*(1,204,168,506,420)*
2. Intangible assets	227		-	-
- Cost	*228*		*65,000,000*	*65,000,000*
- Accumulated amortisation	*229*		*(65,000,000)*	*(65,000,000)*
III. Other long-term assets	**260**		**34,282,783,822**	**18,699,211,098**
1. Long-term prepayments	261	9b	1,511,111,133	2,311,111,125
2. Deferred tax assets	262	11	32,771,672,689	16,388,099,973
TOTAL ASSETS (270=100+200)	**270**		**2,597,258,430,114**	**2,853,492,227,508**

BALANCE SHEET (Continued)
As at 31 December 2019

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	**300**		**1,276,962,183,016**	**1,583,752,381,757**
I. Current liabilities	**310**		**686,522,774,109**	**697,993,816,551**
1. Short-term trade payables	311	12	75,371,017,048	258,967,015,684
2. Taxes and amounts payable to the State budget	313	13b	20,623,155,483	34,081,433,285
3. Payables to employees	314		2,171,887,416	2,436,411,635
4. Short-term accrued expenses	315	14	19,638,019,248	81,520,931,597
5. Other current payables	319	15	5,957,358,707	8,007,473,678
6. Short-term loans	320	16	552,260,025,438	310,181,802,227
7. Short-term provisions	321	18	8,367,083,333	-
8. Bonus and welfare funds	322		2,134,227,436	2,798,748,445
II. Long-term liabilities	**330**		**590,439,408,907**	**885,758,565,206**
1. Long-term loans	338	17	583,986,114,907	877,391,481,873
2. Long-term provisions	342	18	6,453,294,000	8,367,083,333
D. EQUITY	**400**		**1,320,296,247,098**	**1,269,739,845,751**
I. Owner's equity	**410**	**19**	**1,320,296,247,098**	**1,269,739,845,751**
1. Owner's contributed capital	411		942,750,280,000	942,750,280,000
- Ordinary shares carrying voting rights	*411a*		*942,750,280,000*	*942,750,280,000*
2. Investment and development fund	418		140,145,536,670	49,451,317,900
3. Other reserves	420		1,874,782,311	1,874,782,311
4. Retained earnings	421		235,525,648,117	275,663,465,540
- Retained earnings accumulated to the prior year end	*421a*		*84,752,565,644*	*94,275,028,000*
- Retained earnings of the current year	*421b*		*150,773,082,473*	*181,388,437,540*
TOTAL RESOURCES (440=300+400)	**440**		**2,597,258,430,114**	**2,853,492,227,508**

Nguyen Thi Phuong Lan	Phan Phong Phuc	Le Manh Tuan
Preparer	**Chief Accountant**	**Director**
		27 March 2020

INCOME STATEMENT

For the year ended 31 December 2019

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Revenue from services rendered	**01**		**1,601,949,601,908**	**1,488,513,975,534**
2. Net revenue from services rendered (10=01)	**10**	**22**	**1,601,949,601,908**	**1,488,513,975,534**
3. Cost of services rendered	11	23	1,449,618,405,653	1,280,062,069,635
4. Gross profit from services rendered (20=10-11)	**20**		**152,331,196,255**	**208,451,905,899**
5. Financial income	21	25	88,009,601,399	82,302,356,729
6. Financial expenses	22	26	33,406,392,414	40,295,784,576
- In which: Interest expense	*23*		*24,077,845,096*	*21,116,789,351*
7. General and administration expenses	26	27	19,496,259,720	18,608,838,541
8. Operating profit (30=20+(21-22)-26)	**30**		**187,438,145,520**	**231,849,639,511**
9. Other income	31		1,258,252,231	-
10. Other expenses	32		29,419,327	272,794,375
11. Profit/(loss) from other activities (40=31-32)	**40**		**1,228,832,904**	**(272,794,375)**
12. Accounting profit before tax (50=30+40)	**50**		**188,666,978,424**	**231,576,845,136**
13. Current corporate income tax expense	51	28	54,277,468,667	66,576,507,569
14. Deferred corporate tax income	52	11	(16,383,572,716)	(16,388,099,973)
15. Net profit after corporate income tax (60=50-51-52)	**60**		**150,773,082,473**	**181,388,437,540**
16. Basic earnings per share	**70**	**29**	**1,546**	**1,823**

Nguyen Thi Phuong Lan	**Phan Phong Phuc**	**Le Manh Tuan**
Preparer	**Chief Accountant**	**Director**
		27 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***	***188,666,978,424***	***231,576,845,136***
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	308,475,606,930	270,869,637,532
Provisions	03	6,453,294,000	(40,427,509,369)
Foreign exchange (gain)/loss	04	(9,055,067,896)	13,779,173,088
Gain from investing activities	05	(39,069,636,903)	(42,124,031,997)
Interest expense	06	24,077,845,096	21,116,789,351
3. Operating profit before movements in working capital	***08***	***479,549,019,651***	***454,790,903,741***
Changes in receivables	09	228,155,465,646	(203,842,355,884)
Changes in inventories	10	(4,001,219,415)	(352,043,558)
Changes in payables	11	(301,120,204,128)	62,926,918,115
Changes in prepaid expenses	12	(2,683,821,729)	781,777,337
Interest paid	14	(25,693,052,185)	(22,777,947,558)
Corporate income tax paid	15	(43,648,166,925)	(60,975,988,218)
Other cash outflows	17	(6,606,174,135)	(5,524,102,500)
Net cash generated by operating activities	***20***	***323,951,846,780***	***225,027,161,475***
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(436,714,483,390)	-
2. Cash outflow for lending, buying debt instruments of other entities	23	(812,390,000,000)	(348,635,000,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	545,700,000,000	338,135,000,000
4. Interest earned	27	42,932,931,315	38,149,473,099
Net cash (used in)/generated by investing activities	***30***	***(660,471,552,075)***	***27,649,473,099***
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	260,474,400,000	-
2. Repayment of borrowings	34	(273,198,442,781)	(266,652,291,244)
3. Dividends paid	36	(93,047,510,500)	(11,998,500)
Net cash used in financing activities	***40***	***(105,771,553,281)***	***(266,664,289,744)***
Net decrease in cash (50=20+30+40)	**50**	**(442,291,258,576)**	**(13,987,655,170)**
Cash and cash equivalents at the beginning of the year	**60**	**634,347,157,463**	**648,356,252,821**
Effects of changes in foreign exchange rates	61	530,920	(21,440,188)
Cash and cash equivalents at the end of the year (70=50+60+61)	**70**	**192,056,429,807**	**634,347,157,463**

Nguyen Thi Phuong Lan	**Phan Phong Phuc**	**Le Manh Tuan**
Preparer	**Chief Accountant**	**Director**
		27 March 2020

CÔNG TY CỔ PHẦN VẬN TẢI DẦU KHÍ THÁI BÌNH DƯƠNG

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

Pacific Petroleum Transportation Joint Stock Company (the "Company") was incorporated in Vietnam under the Enterprise Registration Certificate No. 0305475110 issued by Ho Chi Minh City Department of Planning and Investment on 28 January 2008 and the subsequent amended Enterprise Registration Certificate with the 7th amendment dated 31 August 2016. This Enterprise Registration Certificate replaced the Certificate No. 4103009251 firstly issued by Ho Chi Minh City Department of Planning and Investment on 28 January 2008.

The number of employees as at 31 December 2019 is 23 (31 December 2018: 22).

Operating industry and principal activities

The principal activities of the Company are crude oil transportation, vocational training, job introduction services, transport vehicle leasing, ship brokerage services, shipping agents, ship supply, ship repair, inland waterway transport, wholesale of machinery, equipment and other spare parts, storage of goods, direct support services for waterway transport, loading and unloading goods, wholesale solid, liquid, gas fuels and related products, other specialized wholesale services, support services for crude oil and natural gas exploitation, international multimodal transport business.

Normal production and business cycle

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

Disclosure of information comparability in the financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the 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 and financial investments.

Financial liabilities: At the date of initial recognition financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accrued expenses and borrowings.

Subsequent measurement after initial recognition

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

Cash and cash equivalents

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

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. Held-to-maturity investments of the Company are mainly term deposits held to maturity to earn periodic interest.

Receivables

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the 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:

	Year
Vessels	6 - 15

Construction in progress

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

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases.

The Company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

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 amortisation

Intangible assets represent the cost of accounting softwares that are stated at cost less accumulated amortisation. The cost of accounting softwares are amortised using the straight-line method within three (3) years.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods.

Long-term prepaid expenses include the value of loan guarantees, office equipment, office repair costs, supplies and spare parts used on board. These costs are capitalized as prepayments and are allocated to the income statement, using the straight-line method in accordance with the current accounting regulations.

Payable provisions

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

Provision for periodic repair of ships is gradually allocated to operating expenses based on the budget until the year when the asset repair is expected. At the year of the repair, if the actual repair cost is larger than the estimated amount or vice versa, the difference is recorded in the income statement of that financial year. Particularly, the cost of periodic repair of the leased vessel shall be borne by the charterer.

Revenue recognition

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised 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.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

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 this date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowings costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs".

Taxation

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

The tax currently payable is based on taxable profit for the 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 recognised 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 recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the 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

	Closing balance VND	Opening balance VND
Cash on hand	12,113,397	51,252,938
Bank demand deposits	15,543,278,423	29,327,474,609
Cash equivalents (*)	176,501,037,987	604,968,429,916
	192,056,429,807	**634,347,157,463**

(*) Cash equivalents represent term deposits in VND with term ranging from one (1) to three (3) months at commercial banks, with annual interest rate ranging from 0.5% to 5.5% (as at 31 December 2018: from 4.8% to 5.5%).

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments represent deposits in Vietnam Dong with remaining term of no more than 12 months at commercial banks with annual interest rates ranging from 5.3% to 7.2% (as at 31 December 2018: from 5.1% to 7.3%).

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
Related parties (Note 32)	147,679,788,755	281,224,920,823
Others	12,739,933,905	69,399,577,863
	160,419,722,660	**350,624,498,686**

7. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Short-term		
Related parties (Note 32)	1,609,234,500	4,888,054,810
+ Accrual interest of bank deposits	*1,148,564,382*	*4,426,487,671*
+ Other	*460,670,118*	*461,567,139*
Accrual interest of bank deposits	2,876,497,370	3,461,868,493
SK Shipping Co., Ltd.	-	6,076,435,593
Advances to employees	-	50,000,000
Mortgages	10,000,000	10,000,000
	4,495,731,870	**14,486,358,896**
b. Long-term		
Mortgages	395,000,000	395,000,000
	395,000,000	**395,000,000**

8. INVENTORIES

Inventories represent the value of fuel, supplies and spare parts available on board at the balance sheet date.

9. PREPAYMENTS

a. Short-term prepayments

Short-term prepayments represent the insurance fee at the balance sheet date.

b. Long-term prepayments

Long-term prepayments represent the loan-guaranteed fee at the balance sheet date.

10. TANGIBLE FIXED ASSETS

	Office equipment VND	Vessels VND	Total VND
COST			
Opening balance	-	2,856,292,805,545	2,856,292,805,545
Additions	78,200,000	436,714,483,390	436,792,683,390
Closing balance	78,200,000	3,293,007,288,935	3,293,085,488,935
ACCUMULATED DEPRECIATION			
Opening balance	-	1,204,168,506,420	1,204,168,506,420
Charge for the year	-	308,475,606,930	308,475,606,930
Closing balance	-	1,512,644,113,350	1,512,644,113,350
NET BOOK VALUE			
Opening balance	**-**	**1,652,124,299,125**	**1,652,124,299,125**
Closing balance	**78,200,000**	**1,780,363,175,585**	**1,780,441,375,585**

As described in Note 17, the Company has pledged assets which are PVT Athena crude oil vessel and Dai Hung Queen FSO 105,000 DWT floating bunker with the net book value as at 31 December 2019 amounting to VND 1,381,254,661,597 (as at 31 December 2018: VND 1,652,124,299,125) to secure loans from Vietnam Oil and Gas Group; and Apollo oil vessel with the net book value as at 31 December 2019 amounting to VND 399,108,513,988 (as at 31 December 2018: nil) to secure long-term loan from Orient Commercial Joint Stock Bank – Tan Binh Branch.

11. DEFERRED TAX ASSETS

	Exchange rate differeces VND	Depreciation of fixed assets VND	Total VND
Opening balance	4,527,258	16,383,572,715	16,388,099,973
Credit for the year	-	16,383,572,716	16,383,572,716
Closing balance	**4,527,258**	**32,767,145,431**	**32,771,672,689**

12. SHORT-TERM TRADE PAYABLES

	Closing balance VND	Opening balance VND
Related parties (Note 32)	36,148,711,006	213,885,193,563
Cockett Marine Oil (Asia) Pte., Ltd.	-	13,185,451,727
Zhoushan Xinya Shipyard Co., Ltd.	-	28,115,989,750
International Oil and Gas Technical Service Corporation	4,837,941,475	3,158,766,133
Vinabuker Supply Joint Stock Company	32,830,459,100	-
Others	1,553,905,467	621,614,511
	75,371,017,048	**258,967,015,684**

13. TAXES AND OTHER RECEIVABLES FROM/AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance VND	Reclassification VND	Decreases during the year VND	Closing balance VND
a. Receivables				
Corporate income tax	17,600,000,000	2,490,107,787	20,090,107,787	-
Others	9,160,800,000	(2,490,107,787)	6,670,692,213	-
	26,760,800,000	-	**26,760,800,000**	-

	Opening balance VND	Increases during the year VND	Decreases during the year VND	Closing balance VND
b. Payables				
Value added tax	6,503,298,983	21,179,914,882	25,193,861,632	2,489,352,233
Value added tax of the import activities	-	5,044,130,356	5,044,130,356	-
Import, export tax	-	2,764,283,538	2,764,283,538	-
Corporate income tax	27,442,321,072	54,277,468,667	63,738,274,712	17,981,515,027
Personal income tax	135,813,230	711,852,322	695,377,329	152,288,223
Withholding Tax	-	1,481,206,241	1,481,206,241	-
License tax	-	3,000,000	3,000,000	-
Others	-	8,187,255,200	8,187,255,200	-
	34,081,433,285	**93,649,111,206**	**107,107,389,008**	**20,623,155,483**

14. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
VLCC ship rentals cost, fuel, agency services	16,583,052,686	76,422,891,249
Interest expense	2,738,243,740	3,775,516,073
Others	316,722,822	1,322,524,275
	19,638,019,248	**81,520,931,597**

15. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance VND
Related parties (Note 32)	2,352,778,492	5,634,397,225
Dividends payable	1,491,676,400	264,158,900
Triliance Petrochemical Company (Hong Kong) (*)	2,094,467,906	2,095,820,339
Others	18,435,909	13,097,214
	5,957,358,707	**8,007,473,678**

(*) As at 31 December 2019, the Company recognized other payable to Triliance Petrochemical Company (Hong Kong) amounting to VND 2,094,467,906. This payable relates to the service provided in 2016 but no revenue has been recognized due to ongoing dispute resolution process. The outcome of the dispute has not been determined; therefore, the Company is recording this amount in other liabilities at the balance sheet date.

16. SHORT-TERM LOANS

Short-term loans represent the current portion of long-term loans, including:

	Opening balance VND	In the year: Current portion of long-term loans VND	In the year: Exchange rate differences VND	In the year: Payment VND	Closing balance VND
Citibank Vietnam	227,436,814,515	422,724,815,138	(29,583,202,963)	190,911,215,237	429,667,211,453
Vietnam Oil and Gas Group	67,912,508,336	67,912,508,336	-	67,912,508,336	67,912,508,336
Vietnam Public Joint Stock Commercial Bank	14,832,479,376	14,374,719,208	(19,149,007)	14,374,719,208	14,813,330,369
Orient Commercial Joint Stock Bank - Tan Binh Branch	-	40,073,006,160	(206,030,880)	-	39,866,975,280
	310,181,802,227	**545,085,048,842**	**(29,808,382,850)**	**273,198,442,781**	**552,260,025,438**

17. LONG-TERM LOANS

	Opening balance VND	In the year: Increase VND	In the year: Exchange rate differences VND	In the year: Transfer to current portion of long-term loans VND	Closing balance VND
Citibank Vietnam (*)	429,852,014,554	-	(7.127.199.416)	422,724,815,138	-
Vietnam Oil and Gas Group (**)	373,375,717,172	-	-	67.912.508.336	305.463.208.836
Vietnam Public Joint Stock Commercial Bank (***)	74,163,750,147	-	(534.349.588)	14.374.719.208	59.254.681.351
Orient Commercial Joint Stock Bank - Tan Binh Branch (****)	-	260.474.400.000	(1.133.169.120)	40.073.006.160	219.268.224.720
	877.391.481.873	**260.474.400.000**	**(8.794.718.124)**	**545,085,048,842**	**583,986,114,907**

(*) The loan from Citibank Vietnam through PetroVietnam Transportation Corporation has total limit of USD 98,004,105 to finance the purchase of the Athena vessel and build new Aframax crude oil vessel. This loan is secured by the Company's freight revenue, the Corporation's contribution to the Company and the guarantee of the Vietnam Oil and Gas Group, bearing interest at 5.01% per annum for the project of buying Athena ship and 5.1% per annum for the Aframax shipbuilding project. The loan will be paid in 20 semi-annual installments from 21 May 2011 to 21 November 2020.

(**) The loan from the Vietnam Oil and Gas Group is VND 627 billion to support the Company to repay the loan from Citibank Vietnam due in 2011. As described in Note 10, which is secured by PVT Athena crude oil vessel and FSO Dai Hung Queen 105,000 DWT floating bunker. The loan bears interest at 2.5% per annum and will be paid in 10 years starting from 30 September 2015.

(***) The loan from Vietnam Public Joint Stock Commercial Bank of Vietnam with a total credit limit of USD 10 million to implement the project to convert 105,000 DWT crude oil tankers into floating bunker. This loan is unsecured, bore interest at 3% per annum in the first year and 2.5% per annum in subsequent years and due within ten years after the first loan disbursement (on 11 December 2015).

(****) The loan from Orient Commercial Joint Stock Bank – Tan Binh Branch has total credit limit of USD 13 million to finance the purchase of the Apollo oil vessel (IMO No: 9321964) built in Japan in 2006. As described in Note 10, this loan is secured by Apollo crude oil vessel. This loan bears interest at 5.35% per annum in the first six (6) months; from the seventh month onwards, the interest rate is periodically adjusted every six (6) months; and the loan will be paid in 84 months from the date following the first disbursement date (the last due date is 22 June 2026).

Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
Within one year	552,260,025,438	310,181,802,227
In the second year	122,592,822,341	512,597,006,449
From third to fifth year inclusive	367,779,793,474	248,234,969,412
After fifth year	93,613,499,092	116,559,506,012
	1,136,246,140,345	**1,187,573,284,100**
Less: amount due for settlement within 12 months (Details stated in Short-term loans – Note 16)	552,260,025,438	310,181,802,227
Amount due for settlement after 12 months	**583,986,114,907**	**877,391,481,873**

18. PROVISIONS

	Periodic repairs of Athena vessel VND	Periodic repairs of Apollo vessel VND	Tổng VND
Opening balance	8,367,083,333	-	8,367,083,333
Additional provision for the year	-	6,453,294,000	6,453,294,000
Closing balance	**8,367,083,333**	**6,453,294,000**	**14,820,377,333**

The details of provisions as below:

	Closing balance VND	Opening balance VND
Short-term provisions	8,367,083,333	-
Long-term provisions	6,453,294,000	8,367,083,333
	14,820,377,333	**8,367,083,333**

19. OWNERS' EQUITY

Issued shares

	Closing balance	Opening balance
Number of shares authorised to issue	94,275,028	94,275,028
Par value of original share (VND per share)	10,000	10,000
Total par value (VND)	**942,750,280,000**	**942,750,280,000**
Issued and contributed shares:		
Number of shares issued and contributed	94,275,028	94,275,028
Par value of original share (VND per share)	10,000	10,000
Total par value (VND)	**942,750,280,000**	**942,750,280,000**

The Company only issued one type of ordinary share which was not entitled to a fixed dividend with a par value of VND 10,000 per 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 inherent right to the net assets of the Company.

Movement in owners' equity

	Owners' contributed capital VND	Investment and development fund VND	Other reserves VND	Retained earnings VND	Totals VND
Prior year's opening balance	942,750,280,000	5,401,849,150	1,874,782,311	142,424,496,750	1,092,451,408,211
Profit for the year	-	-	-	181,388,437,540	181,388,437,540
Appropriation of investment and development fund		44,049,468,750		(44,049,468,750)	
Appropriation of bonus and welfare funds	-	-	-	(3,600,000,000)	(3,600,000,000)
Appropriation of management bonus fund	-	-	-	(500,000,000)	(500,000,000)
Current year's opening balance	**942,750,280,000**	**49,451,317,900**	**1,874,782,311**	**275,663,465,540**	**1,269,739,845,751**
Profit for the year	-	-	-	150,773,082,473	150,773,082,473
Appropriation of investment and development fund (1)	-	90,694,218,770	-	(90,694,218,770)	-
Appropriation of bonus and welfare funds (1)	-	-	-	(5,441,653,126)	(5,441,653,126)
Appropriation of management bonus fund (1)	-	-	-	(500,000,000)	(500,000,000)
Dividends declared (2)	-	-	-	(94,275,028,000)	(94,275,028,000)
Current year's closing balance	**942,750,280,000**	**140,145,536,670**	**1,874,782,311**	**235,525,648,117**	**1,320,296,247,098**

(1) According to the Resolution of the General Meeting of Shareholders No. 01/NQ-TBD/ĐHĐCĐ dated 18 April 2019, the Company approved amounts allocated for setting up funds include the allocation for development investment fund, bonus and welfare fund and management bonus fund from the retained earnings in 2018.

(2) According to the Resolution of the General Meeting of Shareholders No. 01/NQ-TBD/ĐHĐCĐ dated 18 April 2019, the Company declared 2018 dividend payment to its shareholders from retained earnings of 2018 of with an amount of VND 94,275,028,000. During the year, the dividends have been paid.

The detailed list of the Company's shareholders at the end of the year as below:

	Opening and closing balance	
	VND	%
PetroVietnam Transportation Corporation	612,000,000,000	64.92%
Vietcombank Securities Company	103,590,000,000	10.99%
PVI Asset Management	95,437,470,000	10.12%
PetroVietnam Finance Fund Management Inc	84,496,530,000	8.96%
Other shareholders	47,226,280,000	5.01%
	942,750,280,000	**100%**

20. OFF BALANCE SHEET ITEMS

Operating lease assets

Minimum total amount for rent in the future of the operating lease contract for renting irrevocable assets on 31 December 2019 is VND 1,616,160,000 (as at 31 December 2018: VND 3,232,320,000) (Note 30).

Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	516,238	7,908
Euro (EUR)	297	701

Bad debt written off

	Closing balance	Opening balance
Receivable from compensation	78,702,730,000	80,000,000,000

Pursuant to the Resolution No. 03/NQ-TBD-HĐQT dated 20 March 2019 of the Board of Management, the Company assessed the recoverability of this amount was impossible so they decided to transfer the balance to off balance sheet item in order to follow up and settle it in accordance with current regulations.

On 11 January 2019, the Company received a compensation of VND 1,297,270,000 from Ms. Huynh Thi Huyen Nhu and recorded other income according to Decision No. 101/ QD-CTHADS dated 10 January 2019 of the Civil Judgment Execution Department.

21. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company's principal activity is to provide crude oil transportation services, FSO floating bunker rental and ship management services. These are services providing for vessels and operating by only one department of the Company. Geographically, the Company mainly operates in the territory of Vietnam. Accordingly, the Board of Directors has assessed and believes that no preparation and presentation of business and geographical segments in financial statements for financial year ended 31 December 2019 is in accordance with generally accepted accounting principles of Vietnamese Accounting Standard No. 28 "Segment Reporting" and in line with the current business situation of the Company.

22. NET REVENUE FROM SERVICES RENDERED

	Current year VND	Prior year VND
Crude oil transportation services	891,537,166,460	781,978,420,609
FSO floating bunker rental	262,516,642,739	261,073,550,000
Ship management services	447,895,792,709	445,462,004,925
	1,601,949,601,908	**1,488,513,975,534**
In which:		
Revenue from related parties (Note 32)	*940,001,983,958*	*1,175,121,618,961*

23. COST OF SERVICES RENDERED

	Current year VND	Prior year VND
Crude oil transportation services	879,442,331,831	692,654,081,413
FSO floating bunker rental	125,347,358,736	142,947,358,736
Ship management services	444,828,715,086	444,460,629,486
	1,449,618,405,653	**1,280,062,069,635**

24. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	36,695,798,677	125,731,524,667
Labour	30,578,643,888	22,446,128,357
Depreciation and amortisation	308,475,606,930	270,869,637,532
Out-sourced services	478,815,121,876	490,318,164,154
Others	614,549,494,002	389,305,453,466
	1,469,114,665,373	**1,298,670,908,176**

25. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank deposit interest	39,069,636,903	42,124,031,997
Foreign exchange gain	48,939,964,496	40,178,324,732
	88,009,601,399	**82,302,356,729**

26. FINANCIAL EXPENSE

	Current year VND	Prior year VND
Interest expense	24,077,845,096	21,116,789,351
Foreign exchange loss	8,885,935,383	19,178,995,225
Others	442,611,935	-
	33,406,392,414	**40,295,784,576**

27. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Labour cost	7,450,091,648	7,038,521,226
Out-sourced services	2,323,680,700	1,572,674,206
Others	9,722,487,372	9,997,643,109
	19,496,259,720	**18,608,838,541**

28. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
- Corporate income tax expense based on taxable income in the current year	54,431,401,721	58,315,196,909
- Adjustments for corporate income tax expense in previous years to the current year	(153,933,054)	8,261,310,660
Total current corporate income tax expense	**54,277,468,667**	**66,576,507,569**

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

	Current year VND	Prior year VND
Profit before tax	188,666,978,424	231,576,845,136
Adjustments for taxable income		
Less: Non-taxable profit	-	(32,529,569,936)
Add: Non-deductible expenses	83,490,030,180	92,528,709,346
Assessable income	**272,157,008,604**	**291,575,984,546**
Normal tax rate	20%	20%
Current corporate income tax expense	**54,431,401,721**	**58,315,196,909**

The Company is obliged to pay corporate income tax at the rate of 20% on taxable income.

The Board of Directors understands that the tax amounts reported in the financial statements are not finalised and will be reviewed by the tax authorities. Because the application of tax laws and tax regulations is interpreted in a variety of ways, the amount of tax reported in the financial statements may be changed according to the final decision of the competent tax authority.

29. BASIC EARNINGS PER SHARE

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

	Current year VND	Prior year (Restated) VND
Profit attributable to ordinary shareholders	150,773,082,473	181,388,437,540
Appropriation of bonus and welfare funds, management bonus funds (*)	(5,023,192,474)	(9,568,157,451)
Earnings for the purposes of calculating basic earnings per share	**145,749,889,999**	**171,820,280,089**
Ordinary shares in circulation for the year (shares)	94,275,028	94,275,028
Basic earnings per share	**1,546**	**1,823**

(*) Basic earnings per share for the year ended 31 December 2019 are calculated on the basis of the net profit after tax as above and the estimated bonus and welfare funds equal to 3% of net profit after tax and management bonus fund, respectively, in proportion to the Company's 2018 deduction rate. The calculation of basic earnings per share is for the purpose of comparing information between two periods as the Company has not planned for the appropriation of bonus and welfare funds for the year ended 31 December 2019.

30. OPERATING LEASE COMMITMENTS

The Company as lessee:

	Current year VND	Prior year VND
Minimum lease expenses under operating lease recognized in income statement for the year	2,336,160,000	1,976,160,000

At the balance sheet date, the Company has the irrevocable operating lease commitment with the payment schedule as below:

	Closing balance VND	Opening balance VND
Within one year	1,616,160,000	1,616,160,000
From the second to fifth year	-	1,616,160,000
	1,616,160,000	**3,232,320,000**

Operating lease payments represent the sum of the rent payable by the Company for the rent of the Company's office. The office lease contract is for a period of 43.5 months from 15 May 2014.

The Company as lessor:

	Current year VND	Prior year VND
Minimum lease income under operating lease recognized in income statement for the year	498,060,806,330	261,073,550,000

At the balance sheet date, the Company has the irrevocable operating leased commitment with the payment schedule as below:

	Closing balance VND	Opening balance VND
Within one year	290,434,753,000	261,073,550,000
From the second to fifth year	-	98,707,260,000
	290,434,753,000	**359,780,810,000**

The commitment for operating lease represents the amount that the Company will receive from PetroVietnam Transportation Corporation for the lease of Dai Hung Queen FSO with a lease term of five (5) years from 17 May 2015; from Dawning Shipping Pte Ltd for the lease of Athena vessel with a lease term of thirteen (13) months from 28 December 2018 to 27 January 2020; from R Shipping Product Tankers LP for the lease of Athena vessel with a lease term of six (6) months from 28 January 2020 to 27 July 2020 and from Navig8 INC for the lease of Apollo vessel for period of six (6) months, plus six (6) months from 5 July 2019.

31. 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 16 and Note 17, offset by cash and cash equivalents) and owners' 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 VND	Opening balance VND
Borrowings	1,136,246,140,345	1,187,573,284,100
Less: Cash and cash equivalents	192,056,429,807	634,347,157,463
Net debt	944,189,710,538	553,226,126,637
Equity	1,320,296,247,098	1,269,739,845,751
Net debt to equity ratio	0.72	0.44

Significant accounting policies

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

Categories of financial instruments

	Carrying amounts	
	Closing balance VND	Opening balance VND
Financial assets		
Cash and cash equivalents	192,056,429,807	634,347,157,463
Short-term financial investments	408,190,000,000	141,500,000,000
Trade and other receivables	165,310,454,530	365,505,857,582
	765,556,884,337	**1,141,353,015,045**
Financial liabilities		
Borrowings	1,136,246,140,345	1,187,573,284,100
Trade and other payables	81,328,375,755	266,974,489,362
Accrued expenses	19,638,019,248	81,520,931,597
	1,237,212,535,348	**1,536,068,705,059**

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 end of the year are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
USD	11,935,285,884	182,810,107	784,480,104,809	863,658,566,560
EUR	7,655,892	18,517,238	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to USD and EUR.

The following table details the Company's sensitivity to a 3% increase and decrease in Vietnam Dong against the relevant foreign currencies. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 3% change in foreign currency rates. For a 3% increase/decrease in the following foreign currencies against Vietnam Dong, the profit before tax in the year would (decrease)/ increase by the following amount:

	Current year	Prior year
	VND	VND
USD	(23,176,344,568)	(25,904,272,694)
EUR	229,677	555,517
	(23,176,114,891)	**(25,903,717,177)**

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Company by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level in the rates. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 100 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2019 would have decreased/increased by VND 11,362,461,403 (the prior year: profit before tax decreased/increased by VND 11,875,732,841).

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 appropriate credit policy and the exposure to credit risk is monitored on an on-going basis. At the balance sheet date, the Board of Directors has assessed that the Company does not have any significant credit risk exposure to any counterparty or customer because receivables consist of a large number of reputable customers in the market.

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

Closing balance	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Financial assets				
Cash and cash equivalents	192,056,429,807	-	-	192,056,429,807
Short-term financial investments	408,190,000,000	-	-	408,190,000,000
Trade and other receivables	164,915,454,530	395,000,000	-	165,310,454,530
	765,161,884,337	**395,000,000**	**-**	**765,556,884,337**
Financial liabilities				
Borrowings	552,260,025,438	490,372,615,815	93,613,499,092	1,136,246,140,345
Trade and other payables	81,328,375,755	-	-	81,328,375,755
Accrued expenses	19,638,019,248	-	-	19,638,019,248
	653,226,420,441	**490,372,615,815**	**93,613,499,092**	**1,237,212,535,348**
Net liquidity gap	**111,935,463,896**	**(489,977,615,815)**	**(93,613,499,092)**	**(471,655,651,011)**

Opening balance	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND	Total VND
Financial assets				
Cash and cash equivalents	634,347,157,463	-	-	634,347,157,463
Short-term financial investments	141,500,000,000	-	-	141,500,000,000
Trade and other receivables	365,110,857,582	395,000,000	-	365,505,857,582
	1,140,958,015,045	**395,000,000**	**-**	**1,141,353,015,045**
Financial liabilities				
Borrowings	310,181,802,227	760,831,975,861	116,559,506,012	1,187,573,284,100
Trade and other payables	266,974,489,362	-	-	266,974,489,362
Accrued expenses	81,520,931,597	-	-	81,520,931,597
	658,677,223,186	**760,831,975,861**	**116,559,506,012**	**1,536,068,705,059**
Net liquidity gap	**482,230,791,859**	**(760,436,975,861)**	**(116,559,506,012)**	**(394,715,690,014)**

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

32. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Related party	Relationship
PetroVietnam Transportation Corporation	The parent company
The Branch of PetroVietnam Transportation Corporation - Ship Management Company (PSM)	The same parent company
The Branch of PetroVietnam Transportation Corporation - PVTrans Oilfield Services	The same parent company
PetroVietnam Transportation Vung Tau Joint Stock Company	The same parent company
Quang Ngai Petro Transportation Joint Stock Company	The same parent company
Phuong Dong Viet Transportation Oil Joint Stock Company	The same parent company
Southern Petroleum Transportation Joint Stock Company	The same parent company
Indochina Petroleum Transportation Joint Stock Company	The same parent company
The Branch of Indochina Petroleum Transportation Joint Stock Company at Ho Chi Minh City	The same parent company
Ben Thanh PetroVietnam Insurance Company	The subsidiary of Vietnam Oil and Gas Group
Saigon Oil and Gas Petroleum Joint Stock Company	The subsidiary of Vietnam Oil and Gas Group
PetroVietnam Oil Vung Tau Joint Stock Company	The subsidiary of Vietnam Oil and Gas Group
Petrovietnam Transportation Ha Noi Joint Stock Company	The subsidiary of Vietnam Oil and Gas Group
Materials Petroleum Joint Stock Company (COMECO)	The subsidiary of Vietnam Oil and Gas Group
Southern PetroVietnam Insurance Company	The subsidiary of Vietnam Oil and Gas Group
Dung Quat Shipbuilding Industry Company Limited	The subsidiary of Vietnam Oil and Gas Group
Vietnam Public Joint Stock Commercial Bank	The subsidiary of Vietnam Oil and Gas Group

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

	Current year VND	Prior year VND
Revenue from services rendered		
PetroVietnam Transportation Corporation	934,978,137,685	1,145,616,900,836
Dung Quat Shipbuilding Industry Company Limited	1,443,092,739	-
Southern Petroleum Transportation Joint Stock Company	3,580,753,534	29,504,718,125
	940,001,983,958	**1,175,121,618,961**
Purchase goods and services		
Saigon Oil and Gas Petroleum Joint Stock Company	107,521,095,437	156,811,347,528
PetroVietnam Transportation Vung Tau Joint Stock Company	137,465,777,577	166,789,503,000
Quang Ngai Petro Transportation Joint Stock Company	81,358,484,010	91,443,552,103
PetroVietnam Oil Vung Tau Joint Stock Company	107,876,882,763	125,929,235,682
Southern Petroleum Transportation Joint Stock Company	18,827,957,672	42,450,439,220
The Branch of PetroVietnam Transportation Corporation – Ship Management Company	61,165,395,726	47,068,149,505
Southern PetroVietnam Insurance Company	2,554,996,915	4,792,035,431
The Branch of PetroVietnam Transportation Corporation - PVTrans Oilfield Services	-	-
Phuong Dong Viet Transportation Oil Joint Stock Company	1,222,177,762	-

	Current year VND	Prior year VND
Purchase goods and services (Continued)		
PetroVietnam Transportation Corporation	784,511,935	191,585,425
Indochina Petroleum Transportation Joint Stock Company	101,144,000	164,885,950
The Branch of Indochina Petroleum Transportation Joint Stock Company at Ho Chi Minh City	360,000,000	368,330,000
Materials Petroleum Joint Stock Company (COMECO)	120,109,836	117,178,671
Ben Thanh PetroVietnam Insurance Company	3,855,431,779	53,893,041
Petrovietnam Transportation Ha Noi Joint Stock Company	57,268,854,999	6,000,000
Interest expenses		
Vietnam Public Joint Stock Commercial Bank	2,161,975,519	2,488,722,325
PetroVietnam Transportation Corporation	16,067,325,920	19,852,013,549
Dividends paid		
PetroVietnam Transportation Corporation	61,200,000,000	-
Repayment of borrowings		
a. Vietnam Public Joint Stock Commercial Bank	**14,374,719,208**	**14,690,116,856**
b. Loans through PetroVietnam Transportation Corporation		
Repayment of borrowings from Citibank Vietnam	190,911,215,237	185,786,803,453
Repayment of borrowings from Vietnam Oil and Gas Group	67,912,508,336	66,175,370,935
	258,823,723,573	**251,962,174,388**

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

	Closing balance VND	Opening balance VND
Trade receivables		
PetroVietnam Transportation Corporation	147,679,788,755	248,357,132,899
Dung Quat Shipbuilding Industry Company Limited	-	412,597,987
Southern Petroleum Transportation Joint Stock Company	-	32,455,189,937
	147,679,788,755	**281,224,920,823**
Other receivables		
PetroVietnam Transportation Corporation	460,670,118	461,567,139
Vietnam Public Joint Stock Commercial Bank (*)	1,148,564,382	4,426,487,671
	1,609,234,500	**4,888,054,810**

(*) Receivables from Vietnam Public Joint Stock Commercial Bank represent accrued interest of bank deposits.

Trade payables		
Dung Quat Shipbuilding Industry Company Limited	-	107,888,346,400
PetroVietnam Transportation Corporation	-	210,743,968
The Branch of PetroVietnam Transportation Corporation – Ship Management Company (PSM)	10,412,139,989	17,166,621,230
Saigon Oil and Gas Petroleum Joint Stock Company	-	34,195,447,230
Southern Petroleum Transportation Joint Stock Company	-	4,226,114,328
PetroVietnam Transportation Vung Tau Joint Stock Company	17,869,871,328	26,620,464,077
PetroVietnam Oil Vung Tau Joint Stock Company	-	16,542,440,150
Quang Ngai Petro Transportation Joint Stock Company	7,481,629,189	6,946,388,630

	Closing balance VND	Opening balance VND
Trade payables (Continued)		
Indochina Petroleum Transportation Joint Stock Company	10,070,500	22,627,550
The Branch of Indochina Petroleum Transportation Joint Stock Company at Ho Chi Minh City	33,000,000	66,000,000
Petrovietnam Transportation Ha Noi Joint Stock Company	342,000,000	-
	36,148,711,006	**213,885,193,563**
Other payables		
PetroVietnam Transportation Corporation	2,352,778,492	2,780,720,325
Southern Petroleum Transportation Joint Stock Company	-	2,853,676,900
	2,352,778,492	**5,634,397,225**
Loans		
a. Vietnam Public Joint Stock Commercial Bank	**74,068,011,720**	**88,996,229,523**
b. Loans through PetroVietnam Transportation Corporation		
Loans from Citibank Vietnam	429,667,211,453	657,288,829,069
Loan from Vietnam Oil and Gas Group	373,375,717,172	441,288,225,508
	803,042,928,625	**1,098,577,054,577**

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

	Current year VND	Prior year VND
Salaries	1,385,193,026	1,344,000,000
Bonus	150,000,000	150,000,000
	1,535,193,026	**1,494,000,000**

33. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash inflows from lending and bank deposit interests during the year excluded an amount of VND 4,025,061,752 (2018: VND 7,888,356,164), representing the amount of interest arising in the year but not yet received. Consequently, changes in receivables have been adjusted by the same amount.

Interest paid during the year excluded an amount of VND 5,091,022,232 (2018: VND 6,556,236,398), is the amount of interest arising in the year but not yet paid. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows for purchases of fixed assets during the year excluded an amount of VND 78,200,000 (2018: nil), representing an addition in fixed assets during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Cash outflows for corporate income tax payment during the year exclude an amount of VND 20,090,107,787 (2018: nil), representing the amount of tax arising during the year that has been paid by netting-off the tax and other receivables from the State budget. Consequently, changes in accounts payable have been adjusted by the same amount.

Dividend payment to owners excludes an amount of VND 1,491,676,400 (2018: VND 264,158,900), is the amount of unpaid dividends. Consequently, changes in payables have been adjusted by the same amount.

Nguyen Thi Phuong Lan	**Phan Phong Phuc**	**Le Manh Tuan**
Preparer	**Chef Accountant**	**Director**
		27 March 2020