

Deloitte.

**VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION –
ONE MEMBER LIMITED COMPANY
(CURRENTLY KNOWN AS PETROVIETNAM OIL
CORPORATION – JOINT STOCK COMPANY)**

(Incorporated in the Socialist Republic of Vietnam)

**REVIEWED INTERIM SEPARATE
FINANCIAL STATEMENTS**

For the 6-month period ended 30 June 2018

VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY
(CURRENTLY KNOWN AS PETROVIETNAM OIL CORPORATION – JOINT STOCK COMPANY)
PetroVietnam Tower, 1-5 Le Duan Street, Ben Nghe Ward, District 1
Ho Chi Minh City, Vietnam

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VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY
(CURRENTLY KNOWN AS PETROVIETNAM OIL CORPORATION – JOINT STOCK COMPANY)
PetroVietnam Tower, 1-5 Le Duan Street, Ben Nghe Ward, District 1
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Oil Corporation - One Member Limited Company (currently known as PetroVietnam Oil Corporation – Joint Stock Company) (the “Corporation” or “PVOIL”) presents this report together with the Corporation’s interim separate financial statements for the 6-month period ended 30 June 2018.

On 10 April 2017, the Ministry of Industry and Trade issued Decision No. 1220/QD-BCT on the valuation of PetroVietnam Oil Corporation for equitization; and on 08 December 2017, the Prime Minister issued Decision No. 1979/QD-TTg approving the equitization plan of the parent company - PetroVietnam Oil Corporation. On 08 March 2018, the Corporation submitted Official Letter No. 1755/DVN-TCKT to the Ministry of Finance regarding guidance on the handling of problems in accounting for PVOIL's equitisation process and on 18 May 2018, after the date of issue of audited separate financial statements for the year ended 31 December 2017, the Corporation received Official Letter No. 5797/BTC-TNDN from the Ministry of Finance replying to these problems. Accordingly, the Board of Management decided to adjust figures of the financial statements for the year ended 31 December 2017 relating to the financial treatment upon the announcement of the value of the parent company - the Corporation.

BOARD OF MEMBERS/BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The members of the Board of Members and Board of Management of the Corporation who held office during the period and to 31 July 2018 are as follows:

Board of Members

| | |
|-----------------------|-------------------------------------|
| Mr. Nguyen Hoang Tuan | Chairman |
| Mr. Cao Hoai Duong | Member |
| Mr. Le Van Nghia | Member |
| Mr. Nguyen Viet Thang | Member (appointed on 02 April 2018) |

Board of Management

| | |
|---------------------|--------------------------------|
| Mr. Cao Hoai Duong | Chief Executive Officer |
| Mr. Pham Thanh Vinh | Deputy Chief Executive Officer |
| Mr. Le Xuan Trinh | Deputy Chief Executive Officer |
| Mr. Vo Khanh Hung | Deputy Chief Executive Officer |
| Mr. Vu Hoai Lam | Deputy Chief Executive Officer |
| Mr. Nguyen Tuan Tu | Deputy Chief Executive Officer |
| Mr. Nguyen Anh Toan | Deputy Chief Executive Officer |

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Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

The members of the Board of Directors and Boards of Management of the Corporation who held office for PetroVietnam Oil Corporation – Joint Stock Company from 01 August 2018 (the date of official transformation into the Joint Stock Company) to the date of these separate financial statements are as follows:

Board of Directors

| | |
|-----------------------|--|
| Mr. Nguyen Hoang Tuan | Chairman (appointed on 01 August 2018) |
| Mr. Cao Hoai Duong | Member (appointed on 01 August 2018) |
| Mr. Nguyen Viet Thang | Member (appointed on 01 August 2018) |
| Mr. Le Van Nghia | Member (appointed on 01 August 2018) |
| Mr. Hang Anh Minh | Member (appointed on 01 August 2018) |
| Mr. Le Ngoc Quang | Member (appointed on 01 August 2018) |
| Mr. Tran Hoai Nam | Member (appointed on 01 August 2018) |

Boards of Management

| | |
|---------------------|--------------------------------|
| Mr. Cao Hoai Duong | Chief Executive Officer |
| Mr. Pham Thanh Vinh | Deputy Chief Executive Officer |
| Mr. Le Xuan Trinh | Deputy Chief Executive Officer |
| Mr. Vo Khanh Hung | Deputy Chief Executive Officer |
| Mr. Vu Hoai Lam | Deputy Chief Executive Officer |
| Mr. Nguyen Tuan Tu | Deputy Chief Executive Officer |
| Mr. Nguyen Anh Toan | Deputy Chief Executive Officer |

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the interim separate financial statements;
- prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the interim separate financial statements so as to minimize errors and frauds.

VIETNAM OIL AND GAS GROUP
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Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (Continued)

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

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

For and on behalf of the Board of Management,



M.S.Q.N: 0305795054 - C
TỔNG CÔNG TY DẦU
VIỆT NAM
CÔNG TY CỔ PHẦN
DƯƠNG 1 TPHCM
Cao Hoài Dương
Chief Executive Officer

03 August 2018

No.: 274 /VN1A-HN-BC

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: **The Board of Directors and the Board of Management
PetroVietnam Oil Corporation – Joint Stock Company**

We have reviewed the accompanying interim separate financial statements of PetroVietnam Oil Corporation - One Member Limited Company (currently known as PetroVietnam Oil Corporation - Joint Stock Company) (the "Corporation" or "PVOIL"), prepared on 03 August 2018 as set out from page 06 to page 44, which comprise the interim balance sheet as at 30 June 2018, the interim statement of income, interim statement of cash flows for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Management's Responsibility for the Interim Separate Financial Statements

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying interim financial statements based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements (VSRE) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

Emphasis of Matters

As presented in Note 4 of the Notes to the interim separate financial statements, on 10 April 2017, the Ministry of Industry and Trade issued Decision No. 1220/QD-BCT on the valuation of PetroVietnam Oil Corporation for equitization; and on 08 December 2017, the Prime Minister issued Decision No. 1979/QĐ-TTg approving the equitization plan of the parent company - PetroVietnam Oil Corporation. On 08 March 2018, the Corporation submitted Official Letter No. 1755/DVN-TCKT to the Ministry of Finance regarding guidance on the handling of problems in accounting for PVOIL's equitisation process and on 18 May 2018, after the date issue of audited separate financial statements for the year ended 31 December 2017, the Corporation received Official Letter No. 5797/BTC-TNDN from the Ministry of Finance replying to these problems. Accordingly, the Board of Management decided to adjust figures of the financial statements for the year ended 31 December 2017 relating to the financial treatment upon the announcement of the value of the parent company - the Corporation.

Our opinion is not modified in respect of this matter.



Khuc Thi Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2018-001-1

DELOITTE VIETNAM COMPANY LIMITED

03 August 2018
Hanoi, Vietnam

VIETNAM OIL AND GAS GROUP**PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY****(CURRENTLY KNOWN AS PETROVIETNAM OIL CORPORATION - JOINT STOCK COMPANY)**

PetroVietnam Tower, 1-5 Le Duan Street
 Ben Nghe Ward, District 1
 Ho Chi Minh City, Vietnam

FORM B 01a-DN
 Issued under Circular No.200/2014/TT-BTC
 dated 22 December 2014 of the Ministry of Finance

INTERIM BALANCE SHEET*As at 30 June 2018*

Unit: VND

| ASSETS | Codes | Notes | Closing balance | Opening balance (Restated) |
|--|------------|-----------|---------------------------|-------------------------------|
| A. CURRENT ASSETS | 100 | | 15,251,980,250,899 | 16,704,870,509,715 |
| I. Cash and cash equivalents | 110 | 5 | 3,103,615,310,543 | 4,707,635,777,791 |
| 1. Cash | 111 | | 1,714,084,145,846 | 2,918,104,613,094 |
| 2. Cash equivalents | 112 | | 1,389,531,164,697 | 1,789,531,164,697 |
| II. Short-term financial investments | 120 | | 3,050,000,000,000 | 2,100,000,000,000 |
| 1. Held-to-maturity investments | 123 | 6 | 3,050,000,000,000 | 2,100,000,000,000 |
| III. Short-term receivables | 130 | | 7,580,290,655,275 | 7,780,669,992,551 |
| 1. Short-term trade receivables | 131 | 7 | 2,573,121,233,041 | 2,241,913,738,801 |
| 2. Short-term advances to suppliers | 132 | | 138,133,906,194 | 41,884,425,087 |
| 3. Other short-term receivables | 136 | 8 | 4,971,597,932,613 | 5,598,736,129,192 |
| 4. Provision for short-term doubtful debts | 137 | 9 | (102,562,416,573) | (101,864,300,529) |
| IV. Inventories | 140 | 10 | 1,437,595,840,917 | 1,979,465,313,269 |
| 1. Inventories | 141 | | 1,437,595,840,917 | 1,979,465,313,269 |
| V. Other short-term assets | 150 | | 80,478,444,164 | 137,099,426,104 |
| 1. Short-term prepayments | 151 | 11 | 22,773,251,846 | 16,466,428,246 |
| 2. Value added tax deductibles | 152 | 12 | 57,682,190,479 | 90,121,646,222 |
| 3. Taxes and other receivables from the State budget | 153 | 13 | 23,001,839 | 30,511,351,636 |

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

VIETNAM OIL AND GAS GROUP

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Ben Nghe Ward, District 1

Ho Chi Minh City, Vietnam

FORM B 01a-DN

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

INTERIM BALANCE SHEET (Continued)

As at 30 June 2018

Unit: VND

| ASSETS | Codes | Notes | Closing balance | Opening balance (Restated) |
|--|------------|-------|---------------------------|-------------------------------|
| B. NON-CURRENT ASSETS | 200 | | 6,231,409,709,233 | 6,266,541,197,716 |
| I. Long-term receivables | 210 | | 43,612,770,880 | 43,918,614,443 |
| 1. Other long-term receivables | 216 | | 43,612,770,880 | 43,918,614,443 |
| II. Fixed assets | 220 | | 1,472,955,198,768 | 1,538,435,555,778 |
| 1. Tangible fixed assets | 221 | 14 | 1,199,640,330,120 | 1,260,130,839,200 |
| - Cost | 222 | | 2,658,952,558,627 | 2,654,085,377,968 |
| - Accumulated depreciation | 223 | | (1,459,312,228,507) | (1,393,954,538,768) |
| 2. Intangible assets | 227 | 15 | 273,314,868,648 | 278,304,716,578 |
| - Cost | 228 | | 328,301,110,198 | 328,301,110,198 |
| - Accumulated amortisation | 229 | | (54,986,241,550) | (49,996,393,620) |
| III. Long-term assets in progress | 240 | | 73,287,320,610 | 11,889,791,591 |
| 1. Construction in progress | 242 | 16 | 73,287,320,610 | 11,889,791,591 |
| IV. Long-term financial investments | 250 | | 4,241,077,766,261 | 4,267,749,545,273 |
| 1. Investments in subsidiaries | 251 | 17 | 3,336,774,072,634 | 3,323,231,293,827 |
| 2. Investments in joint-ventures, associates | 252 | 18 | 1,043,552,565,255 | 1,056,983,744,062 |
| 3. Investments in other entities | 253 | 19 | 44,043,337,390 | 44,043,337,390 |
| 4. Provision for impairment of long-term financial investments | 254 | 6 | (183,292,209,018) | (156,508,830,006) |
| V. Other long-term assets | 260 | | 400,476,652,714 | 404,547,690,631 |
| 1. Long-term prepayments | 261 | 11 | 400,476,652,714 | 404,547,690,631 |
| TOTAL ASSETS (270=100+200) | 270 | | 21,483,389,960,132 | 22,971,411,707,431 |

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FORM B 01a-DN

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

INTERIM BALANCE SHEET (Continued)

As at 30 June 2018

Unit: VND

| RESOURCES | Codes | Notes | Closing balance | Opening balance (Restated) |
|--|------------|-----------|---------------------------|-------------------------------|
| C. LIABILITIES | 300 | | 10,263,100,110,232 | 12,088,275,881,267 |
| I. Current liabilities | 310 | | 10,139,547,060,438 | 11,955,907,588,244 |
| 1. Short-term trade payables | 311 | 20 | 2,970,771,536,589 | 3,821,914,066,655 |
| 2. Short-term advances from customers | 312 | | 32,759,617,968 | 48,709,565,487 |
| 3. Taxes and amounts payable to the State budget | 313 | 13 | 52,801,068,994 | 78,933,743,002 |
| 4. Payables to employees | 314 | | 26,431,368,187 | 43,829,550,982 |
| 5. Short-term accrued expenses | 315 | 21 | 157,560,467,851 | 143,191,619,049 |
| 6. Other current payables | 319 | 22 | 4,583,968,036,910 | 6,032,781,464,882 |
| 7. Short-term loans | 320 | 23 | 2,088,678,588,510 | 1,326,054,394,509 |
| 8. Short-term provisions | 321 | 24 | 32,518,167,437 | 25,997,253,369 |
| 9. Petroleum price stabilization fund | 323 | 25 | 194,058,207,992 | 434,495,930,309 |
| II. Long-term liabilities | 330 | | 123,553,049,794 | 132,368,293,023 |
| 1. Other long-term payables | 337 | | 60,000,000 | 63,200,000 |
| 2. Long-term loans | 338 | 26 | 111,864,597,257 | 117,974,869,644 |
| 3. Deferred tax liabilities | 341 | 27 | 11,628,452,537 | 14,330,223,379 |
| D. EQUITY | 400 | | 11,220,289,849,900 | 10,883,135,826,164 |
| I. Owner's equity | 410 | 28 | 11,220,289,849,900 | 10,883,135,826,164 |
| 1. Owner's contributed capital | 411 | | 10,884,251,000,000 | 10,884,251,000,000 |
| 2. Assets revaluation reserve | 416 | | 1,056,794,544,056 | 1,056,794,544,056 |
| 3. Investment and development fund | 418 | | 123,287,992,719 | 123,287,992,719 |
| 4. Accumulated losses | 421 | | (844,043,686,875) | (1,181,197,710,611) |
| - Losses accumulated to the prior year end | 421a | | (1,181,197,710,611) | (1,466,482,835,382) |
| - Retained earnings of the current period | 421b | | 337,154,023,736 | 285,285,124,771 |
| TOTAL RESOURCES (440=300+400) | 440 | | 21,483,389,960,132 | 22,971,411,707,431 |

Nguyen Thuy Dung
Preparer

Nguyen Dang Trinh
Chief Accountant

Cao Hoai Duong
Chief Executive Officer

03 August 2018

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

VIETNAM OIL AND GAS GROUP**PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY****(CURRENTLY KNOWN AS PETROVIETNAM OIL CORPORATION – JOINT STOCK COMPANY)**

PetroVietnam Tower, 1-5 Le Duan Street

Ben Nghe Ward, District 1

Ho Chi Minh City, Vietnam

FORM B 02a-DNIssued under Circular No.200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**INTERIM INCOME STATEMENT***For the 6-month period ended 30 June 2018*

Unit: VND

| ITEMS | Codes | Notes | Current period | Prior period |
|--|--------------|--------------|-----------------------|---------------------|
| 1. Gross revenue from goods sold and services rendered | 01 | 30 | 18,293,777,089,470 | 15,158,907,938,930 |
| 2. Deductions | 02 | | - | - |
| 3. Net revenue from goods sold and services rendered (10=01-02) | 10 | | 18,293,777,089,470 | 15,158,907,938,930 |
| 4. Cost of sales | 11 | 31 | 17,575,416,156,786 | 14,615,360,909,851 |
| 5. Gross profit from goods sold and services rendered (20=10-11) | 20 | | 718,360,932,684 | 543,547,029,079 |
| 6. Financial income | 21 | 33 | 189,887,413,043 | 217,733,939,969 |
| 7. Financial expenses | 22 | 34 | 106,401,310,167 | 111,265,555,873 |
| - In which: Interest expense | 23 | | 45,256,347,871 | 58,000,434,624 |
| 8. Selling expenses | 25 | 35 | 309,581,482,080 | 328,765,289,265 |
| 9. General and administration expenses | 26 | 35 | 102,802,977,538 | 107,206,131,438 |
| 10. Operating profit | 30 | | 389,462,575,942 | 214,043,992,472 |
| (30=20+(21-22)-(25+26)) | | | | |
| 11. Other income | 31 | 36 | 9,728,907,929 | 2,165,683,609 |
| 12. Other expenses | 32 | 36 | 31,964,306,677 | 10,153,943,121 |
| 13. (Loss) from other activities (40=31-32) | 40 | 36 | (22,235,398,748) | (7,988,259,512) |
| 14. Accounting profit before tax | 50 | | 367,227,177,194 | 206,055,732,960 |
| (50=30+40) | | | | |
| 15. Current corporate income tax expense | 51 | 37 | 32,774,924,300 | - |
| 16. Deferred corporate tax (income) | 52 | 27 | (2,701,770,842) | (2,701,770,841) |
| 17. Net profit after corporate income tax | 60 | | 337,154,023,736 | 208,757,503,801 |
| (60=50-51-52) | | | | |

Nguyen Thuy Dung
PreparerNguyen Dang Trinh
Chief AccountantCao Hoai Duong
Chief Executive Officer

03 August 2018

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

VIETNAM OIL AND GAS GROUP

PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY

(CURRENTLY KNOWN AS PETROVIETNAM OIL CORPORATION – JOINT STOCK COMPANY)

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FORM B 03a-DN

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

INTERIM CASH FLOW STATEMENT

For the 6-month period ended 30 June 2018

Unit: VND

| ITEMS | Codes | Current period | Prior period |
|---|-----------|----------------------------|----------------------------|
| I. CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 01 | 367,227,177,194 | 206,055,732,960 |
| 2. Adjustments for: | | (270,206,109,427) | 206,230,584,256 |
| - Depreciation and amortisation | 02 | 70,347,713,296 | 73,131,061,692 |
| - Provisions | 03 | 34,002,409,124 | 39,102,879,422 |
| - Foreign exchange (gain) arising from translating foreign currency | 04 | 8,409,896,955 | (4,583,998,545) |
| item(s) | | | |
| - (Gain) from investing activities | 05 | (186,734,161,457) | (206,404,924,505) |
| - Interest expense | 06 | 45,256,347,871 | 58,000,434,624 |
| - Other adjustments | 07 | (241,488,315,216) | 246,985,131,568 |
| 3. Operating profit before movements in working capital | 08 | 97,021,067,767 | 412,286,317,216 |
| - Increases, decreases in receivables | 09 | 275,299,198,071 | 600,800,026,663 |
| - Increases, decreases in inventories | 10 | 541,869,472,352 | (99,011,689,598) |
| - Increases, decreases in payables (excluding accrued loan interest and corporate income tax payable) | 11 | (2,386,960,738,410) | (2,320,185,596,024) |
| - Increases, decreases in prepaid expenses | 12 | 465,985,159 | 5,182,678,864 |
| - Interest paid | 14 | (42,802,887,888) | (56,954,021,678) |
| - Other cash inflows | 16 | 1,085,417,272 | 333,933,474 |
| Net cash (used in) operating activities | 20 | (1,514,022,485,677) | (1,457,548,351,083) |
| II. CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| 1. Acquisition and construction of fixed assets and other long-term assets | 21 | (67,824,187,160) | (73,835,534,258) |
| 2. Cash outflow for lending, buying debt instruments of other entities | 23 | (2,950,000,000,000) | (450,000,000,000) |
| 3. Cash recovered from lending, selling debt instruments of other entities | 24 | 2,000,000,000,000 | 400,000,000,000 |
| 4. Cash recovered from investments in other entities | 26 | - | 38,178,410,000 |
| 5. Interest earned, dividends and profits received | 27 | 174,305,645,579 | 149,524,410,461 |
| Net cash (used in)/generated by investing activities | 30 | (843,518,541,581) | 63,867,286,203 |

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

INTERIM CASH FLOW STATEMENT (Continued)

For the 6-month period ended 30 June 2018

Unit: VND

| ITEMS | Codes | Current period | Prior period |
|---|-----------|------------------------|-----------------------|
| III. CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| 1. Proceeds from borrowings | 33 | 3,867,445,067,710 | 6,061,155,306,336 |
| 2. Repayment of borrowings | 34 | (3,114,970,454,890) | (6,030,228,881,147) |
| Net cash generated by financing activities | 40 | 752,474,612,820 | 30,926,425,189 |
| Net (decrease) in cash (50=20+30+40) | 50 | (1,605,066,414,438) | (1,362,754,639,691) |
| Cash and cash equivalents at the beginning of the period | 60 | 4,707,635,777,791 | 5,801,340,490,392 |
| Effects of changes in foreign exchange rates | 61 | 1,045,947,190 | (208,497,231) |
| Cash and cash equivalents at the end of the period (70=50+60+61) | 70 | 3,103,615,310,543 | 4,438,377,353,470 |


Nguyen Thuy Dung
Preparer


Nguyen Dang Trinh
Chief Accountant




Cao Hoai Duong
Chief Executive Officer

03 August 2018

VIETNAM OIL AND GAS GROUP**PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY****(CURRENTLY KNOWN AS PETROVIETNAM OIL CORPORATION – JOINT STOCK COMPANY)**

PetroVietnam Tower, 1-5 Le Duan Street
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Ho Chi Minh City, Vietnam

FORM B 09a-DNIssued under Circular No.200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS***These notes are an integral part of and should be read in conjunction with the accompanying interim separate financial statements***1. GENERAL INFORMATION****Structure of ownership**

PetroVietnam Oil Corporation - One Member Limited Company (currently known as PetroVietnam Oil Corporation – Joint Stock Company) (the "Corporation" or "PVOIL") was incorporated in Vietnam as an independent accounting member of Vietnam Oil and Gas Group. As per Decision No. 1250/QĐ-DKVN dated 06 June 2008 issued by Vietnam Oil and Gas Group, the Corporation was established on the basis of consolidation of Petroleum Trading Company Limited (Petechim) and PetroVietnam Oil Processing and Distribution Company Limited (PDC).

The Corporation was granted Business Registration Certificate No. 4104005189 dated 26 June 2008 and the 16th amendment dated 16 January 2016. The Corporation officially started its operation from 01 July 2008 with the charter capital of VND 7,220,000,000,000. According to the 16th amended Business Registration Certificate dated 16 January 2016, the charter capital of the Corporation is VND 10,884,251,000,000.

As of 01 August 2018, the Corporation was officially transformed into the Joint Stock Company in accordance with the 17th amended Business Registration Certificate dated 01 August 2018. The charter capital of the Corporation after the official transformation into the Joint Stock Company is VND 10,342,295,000,000.

The number of employees as at 30 June 2018 was 724 (as at 31 December 2017: 729).

Principal activities

The principal activities of the Corporation are import/export and trade of crude oil domestically and overseas; import/export and trade of oil products domestically and overseas; import/export of equipment, materials, machinery and commercial services; production of oil products; construction of oil storage tank systems, distribution and trading of oil products; import/export of oil products, products made from oil, chemicals/materials/equipment/facilities supporting processing and trading of oil products; trading of materials/equipment/chemicals for production of oil products; ship brokerage and supply; hotel business and tourism (not at the head quarter); supplying tank truck, oil tankers and storage facilities for rent; trading of fertilizers and petrochemical products.

Characteristics of the business activities in the period which have an effect on the interim separate financial statements

The Corporation's proportion of ownership interest in Ninh Binh Petroleum Joint Stock Company (PVOil Ninh Binh) is 20.26%. However, the Corporation has a majority of the members of the Board of Directors (2 out of 3 members of the Board of Directors are members of the Corporation, corresponding to 66.67% voting power rate) according to Shareholder's Meeting's Resolution No. 193/NQ-DHCD dated 24 April 2018 of PVOil Ninh Binh, thus, PVOil Ninh Binh became a subsidiary of the Corporation then.

The Corporation's structure

The Corporation operates under the parent - subsidiary model. The dependent accounting members of the Corporation as at 30 June 2018 include:

- Mien Dong Oil Storage Enterprise
- Dinh Vu Oil Storage Enterprise
- Nha Be Oil Storage Enterprise
- Management Board of PV Oil Projects
- PV Oil - Ha Tinh Branch
- PV Oil - Ba Ria Vung Tau Branch
- PV Oil - Quang Ngai Branch
- PV Oil - Thua Thien Hue Branch
- PV Oil - Nghi Son - Thanh Hoa Branch
- Myanmar Representative Office

As at 30 June 2018, the Corporation has 29 subsidiaries, 8 associates and 3 joint ventures. Details as presented in Note 17 and Note 18.

Disclosure of information comparability in the interim separate financial statements

Comparative figures on interim balance sheet and the notes thereto are the figures of the Corporation's audited separate financial statements for the year ended 31 December 2017. Some figures in the balance sheet as at 31 December 2017 are adjusted according to audit results of the State Audit and approved by the competent authorities for the purpose of equitisation of the parent company - the Corporation (details in Note 4).

Comparative figures on interim income statement, interim cash flow statement and the notes thereto are the figures of the reviewed interim separate financial statements for the 6-month period ended 30 June 2017.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

The accompanying interim financial statements are the interim separate financial statements of the Corporation only, which do not include the interim financial statements of the Corporation's subsidiaries. To have an overview of the Corporation's financial position as a whole, we recommend that these interim separate financial statements should be read in conjunction with the Corporation's consolidated financial statements, which were prepared and issued separately.

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

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December. These interim separate financial statements are prepared for the 6-month period ended 30 June 2018.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including bank term deposits.

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

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

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

Investments in subsidiaries

A subsidiary is an entity whose majority of shares (51% or above) and correlative control are held by the Corporation. Control is achieved where the Corporation has the power to govern the financial and operating policies of an invest enterprise so as to obtain benefits from its activities. Investments in subsidiaries are measured at cost, less any provision for impairment of the investments.

Investments in associates

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

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e. the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the interim financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Corporation's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities.

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

Investments in subsidiaries, joint ventures and associates are carried in the interim balance sheet at cost less provision for impairment of such investments (if any). Provisions for impairment of investments in subsidiaries, joint ventures and associates are made in accordance with Circular No. 228/2009/TT-BTC dated 7 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations. Provisions for impairment of investments in subsidiaries, joint ventures and associates are made based on data from the consolidated financial statements, including the non-controlling interests.

Equity investments in other entities

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

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

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.

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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. Inventories are accounted for under a perpetual system. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognised at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities

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

| | Years |
|--------------------------|--------------|
| Buildings and structures | 6 - 50 |
| Machinery and equipment | 5 - 10 |
| Motor vehicles | 5 - 6 |
| Office equipment | 3 - 5 |
| Others | 3 - 6 |

Tangible fixed assets are revalued in accordance with the State's decisions or when state-owned enterprises are equitised. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

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

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating lease are charged to the interim income statement on a straight-line basis over the term of the relevant lease.

Intangible assets and amortisation

Intangible assets represent land use rights and computer software that are stated at cost less accumulated amortisation.

Indefinite-term land use rights are not amortised. Finite-term land use rights are amortised over the duration specified in the land use right certificate.

Computer software is amortised using the straight-line method over 5 years.

For intangible assets that are revaluated, their cost, accumulated amortisation and net book value are adjusted to the revaluation values.

Construction in progress

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

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

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise prepaid land rentals, office rentals and other types of prepayments.

Prepaid land rentals and office rentals represent rentals that have been paid in advance and are charged to the interim income statement using the straight-line method over the lease term.

Other types of prepayments comprise costs of small tools, supplies, spare parts issued for consumption, advertising expenditures, and repair expenses which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayment and are charged to the interim income statement using the straight-line method over the useful life in accordance with the current prevailing accounting regulations.

Equity and profit distribution

The operating capital of the Corporation includes cash contribution made by Vietnam Oil and Gas Group and the Corporation's capital self-financed from the annual profit as per the decision of Vietnam Oil and Gas Group.

Funds are appropriated from profit after tax or granted by Vietnam Oil and Gas Group. The Corporation's profit after tax is distributed as per Article 31 Decree No. 91/2015/NĐ-CP dated 13 October 2015 on investment of state capital in enterprises, and management and, using of capital and assets in the enterprises. The Corporation's remaining profit after being offset against the prior year's losses, distributed to the Science and Technology Development Fund by law, and paid for corporate income tax is allocated as follows:

- Offsetting against losses of previous years which are no longer permitted for deduction from pre-tax profits;
- The remaining profit is distributed as follows:
 - 30% allocated to the investment and development fund;
 - Maximum 1.5 months' salary to the management bonus fund based on the enterprise rating;
 - Maximum 3 months' salary to the bonus and welfare funds based on the enterprise rating;
 - The remaining profit is distributed to the investment and reorganization support fund.

Revenue recognition

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

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

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

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

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

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

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 recognised in the interim income statement.

According to Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 of Vietnam Oil and Gas Group, the Corporation applied the buying exchange rate issued by the Joint Stock Commercial Bank for Foreign Trade of Vietnam for converting the foreign currency items as at 30 June 2018. This exchange rate is different from that prescribed in Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the enterprise accounting regime ("Circular 200"). According to the Board of Directors, this difference does not materially affect the Corporation's interim separate financial statements for the 6-month period ended 30 June 2018.

Borrowing costs

Borrowing costs are recognised in the income statement in the period when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing are 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.

Payable provisions

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

Petroleum price stabilisation fund

The petroleum price stabilization fund is appropriated and used as per Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Finance and the Ministry of Industry and Trade (effective from 1 November 2014) on "determination of basic prices, establishment, management and utilization of price stabilization funds and control of petrol and oil prices under the Government's Decree No. 83/2014/ND-CP on petrol and oil business dated 3 September 2014" and Joint Circular No. 90/2016/TTLT-BCT-BTC dated 24 June 2016 of the Ministry of Finance and the Ministry of Industry and Trade (effective from 15 August 2016) on "Amendments to a number of articles of Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Finance and the Ministry of Industry and Trade (effective from 1 November 2014) on determination of basic prices, establishment, management and utilization of price stabilization funds and control of petrol and oil prices under the Government's Decree No. 83/2014/ND-CP on petrol and oil business dated 3 September 2014".

The petroleum price stabilisation fund is appropriated with a specified amount of money, which is fixed in the basic price of each litre of petroleum sold and determined as an expense item in the basic price structure. (The appropriation rate is subject to the regulation of the Ministry of Finance from time to time).

The petroleum price stabilisation fund is used in compliance with the written directions released by the Ministry of Industry and Trade from time to time. The utilization of the petroleum price stabilization fund is based on the actual sales volume multiplied with the price per litre of petroleum as regulated by the Ministry of Industry and Trade.

Taxation

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

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

Corporate income tax (CIT) payable is calculated using the rate of 20% of taxable income that has been enacted by the balance sheet date.

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

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

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

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

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

4. RETROSPECTIVE ADJUSTMENTS

On 10 April 2017, the Ministry of Industry and Trade issued Decision No. 1220/QD-BCT on the valuation of PetroVietnam Oil Corporation for equitization; and on 08 December 2017, the Prime Minister issued Decision No. 1979/QD-TTg approving the equitization plan of the parent company - PetroVietnam Oil Corporation. On 08 March 2018, the Corporation submitted Official Letter No. 1755/DVN-TCKT to the Ministry of Finance regarding guidance on the handling of problems in accounting for PVOIL's equitisation process and on 18 May 2018, after the date of issue of audited separate financial statements for the year ended 31 December 2017, the Corporation received the Official Letter No. 5797/BTC-TNDN from Ministry of Finance replying to these problems. Accordingly, the Board of Management decided to adjust figures of the financial statements for the year ended 31 December 2017 relating to the financial treatment upon the announcement of the value of the parent company - the Corporation, details are as follows:

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| Items | Codes | Opening balance (Before reclassification) | Reclassification | Opening balance (After reclassification) |
|--|-------|---|---------------------|--|
| | | VND | | VND |
| ASSETS | | | | |
| 1. Other short-term receivables | 136 | 5,578,248,996,268 | 20,487,132,924 | 5,598,736,129,192 |
| 2. Provision for short-term doubtful debts | 137 | (87,523,307,482) | (14,340,993,047) | (101,864,300,529) |
| 3. Tangible fixed assets | 221 | 909,582,513,186 | 350,548,326,014 | 1,260,130,839,200 |
| - Cost | 222 | 2,225,375,243,661 | 428,710,134,307 | 2,654,085,377,968 |
| - Accumulated depreciation | 223 | (1,315,792,730,475) | (78,161,808,293) | (1,393,954,538,768) |
| 4. Intangible assets | 227 | 243,649,335,631 | 34,655,380,947 | 278,304,716,578 |
| - Cost | 228 | 317,934,697,876 | 10,366,412,322 | 328,301,110,198 |
| - Accumulated amortisation | 229 | (74,285,362,245) | 24,288,968,625 | (49,996,393,620) |
| 5. Investments in subsidiaries | 251 | 5,017,092,079,506 | (1,693,860,785,679) | 3,323,231,293,827 |
| 6. Investments in joint-ventures, associates | 252 | 1,282,268,280,911 | (225,284,536,849) | 1,056,983,744,062 |
| 7. Investments in other entities | 253 | 161,590,000,000 | (117,546,662,610) | 44,043,337,390 |
| 8. Provision for impairment of long-term financial investments | 254 | (2,314,525,017,116) | 2,158,016,187,110 | (156,508,830,006) |
| 9. Long-term prepayments | 261 | 231,101,270,412 | 173,446,420,219 | 404,547,690,631 |
| RESOURCES | | | | |
| 1. Short-term trade payables | 311 | 3,821,490,197,527 | 423,869,128 | 3,821,914,066,655 |
| 2. Assets revaluation reserve | 416 | - | 1,056,794,544,056 | 1,056,794,544,056 |
| 3. Accumulated losses | 421 | (810,099,766,456) | (371,097,944,155) | (1,181,197,710,611) |

5. CASH AND CASH EQUIVALENTS

| | Closing balance VND | Opening balance VND |
|---|--------------------------------------|--------------------------------------|
| Cash on hand | 559,058,290 | 962,027,446 |
| Bank demand deposits | 1,713,525,087,556 | 2,917,142,585,648 |
| <i>In which:</i> | | |
| <i>Price Stabilization Fund Balance (i)</i> | 250,680,147,800 | 486,568,090,899 |
| Cash equivalents (ii) | 1,389,531,164,697 | 1,789,531,164,697 |
| | 3,103,615,310,543 | 4,707,635,777,791 |

- (i) The balance of the Price Stabilisation Fund account is recorded separately in a bank account as guided by Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 issued by both the Ministry of Finance and the Ministry of Industry and Trade.
- (ii) Cash equivalents represent Vietnam Dong term deposits with original terms of less than 3 months at banks and with interest rates ranging from 4.3% p.a. to 5.5% p.a. (as at 31 December 2017: from 4.3% p.a. to 5.5% p.a.).

Cash and cash equivalents include demand deposits of VND 5,074,702,825, USD 3,774,150 and deposits of VND 239,531,164,697 with maturity of less than 3 months at Ocean Commercial Joint Stock Bank (currently known as Ocean Commercial One Member Limited Liability Bank). Such amounts are restricted for payments under Directive No. 600/2015/CT-TGD dated 13 February 2015 issued by Ocean Commercial Joint Stock Bank on suspension of payment services for the economic organizations of Vietnam Oil and Gas Group to review and evaluate the payment records of customers. Ocean Commercial One Member Limited Liability Bank has been transformed into a wholly State-owned bank; accordingly, the Board of Management has assessed and believes that these deposits will be traded back in the coming time upon the decision of the State Bank of Vietnam.

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6. FINANCIAL INVESTMENTS

| | Closing balance | | Opening balance | |
|---|--------------------------|--------------------------|----------------------------|--------------------------|
| | VND Cost | VND Carrying amount | VND Cost | VND Carrying amount |
| a. Held-to-maturity investments | | | | |
| Time deposits | 3,050,000,000,000 | 3,050,000,000,000 | 2,100,000,000,000 | 2,100,000,000,000 |
| | | | | |
| | Closing balance | | Opening balance (Adjusted) | |
| | Cost VND | Provision VND | Cost VND | Provision VND |
| b. Investments in other entities | | | | |
| Investments in subsidiaries | 3,336,774,072,634 | (45,940,999,406) | 3,323,231,293,827 | (46,201,435,735) |
| Investments in joint-ventures, associates | 1,043,552,565,255 | (123,756,889,542) | 1,056,983,744,062 | (98,821,158,525) |
| Other long-term investments | 44,043,337,390 | (13,594,320,070) | 44,043,337,390 | (11,486,235,746) |
| | 4,424,369,975,279 | (183,292,209,018) | 4,424,258,375,279 | (156,508,830,006) |

Time deposits represent Vietnam Dong term deposits with original terms of 6 months at banks and with interest rates ranging from 5.1% p.a. to 6.5% p.a.

As at 30 June 2018, the Corporation has not determined the fair value of the financial investments since Vietnamese Accounting Standards as well as current prevailing regulations provide no detailed guidance on such determination. In addition, the investees are not listed and traded on a stock exchange; the Corporation therefore has no reliable information resources as a basis for the fair value determination.

7. SHORT-TERM TRADE RECEIVABLES

| | Closing balance | Opening balance |
|--|--------------------------|--------------------------|
| | VND | VND |
| a. Short-term trade receivables | | |
| Petec Trading and Investment Corporation - Joint Stock Company | 604,682,327,555 | 529,236,394,809 |
| Sai Gon Petroleum Joint Stock Company | 197,672,150,732 | 212,686,429,546 |
| Vung Tau Petroleum Joint Stock Company | 152,852,403,792 | 109,450,379,534 |
| Mekong Petroleum Joint Stock Company | 150,563,679,175 | 105,218,265,719 |
| Ninh Binh Petroleum Joint Stock Company | 148,627,288,156 | - |
| Vung Ang Petroleum Joint Stock Company | 125,686,935,111 | 87,554,069,138 |
| Phu Tho Petroleum Joint Stock Company | 123,128,984,591 | 127,512,417,830 |
| Central PetroVietnam Oil Joint Stock Company | 122,223,726,339 | 128,646,546,104 |
| Hai Phong PetroVietnam Oil Joint Stock Company | 117,355,386,392 | 58,935,212,855 |
| Binh Son Refining and Petrochemical Company Limited (i) | 16,973,043,156 | 18,142,755,176 |
| Nghi Son Refining and Petrochemical Company Limited | - | 317,437,211,303 |
| Others | 813,355,308,042 | 547,094,056,787 |
| | 2,573,121,233,041 | 2,241,913,738,801 |

b. Trade receivables from related parties

(Details are presented in Note 39)

2,443,784,459,682

2,172,995,152,556

- (i) Represents the amount receivable to conduct purchasing and importing activities which were entrusted by Binh Son Refining and Petrochemical Company Limited.

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8. OTHER SHORT-TERM RECEIVABLES

| | Closing balance VND | Opening balance (Adjusted) VND |
|---|--------------------------|--------------------------------------|
| a. Other short-term receivables | | |
| Binh Son Refining and Petrochemical Company Limited (i) | 3,976,940,110,655 | 4,577,568,084,069 |
| Singapore International Oil Trade Company Limited | 529,005,777,625 | 358,514,318,608 |
| Special sales tax awaiting deduction, environmental protection tax, special preferential import duties awaiting refund (ii) | 195,603,649,818 | 24,194,221,866 |
| Vietsovpetro Joint Venture (entrusted import activities) | 61,909,995,817 | 52,734,542,096 |
| Oil export from White Tiger Oil field | - | 354,589,790,904 |
| Other receivables | 208,138,398,698 | 231,135,171,649 |
| | 4,971,597,932,613 | 5,598,736,129,192 |
| b. Other receivables from related parties | | |
| (Details are presented in Note 39) | 4,702,428,491,591 | 5,140,131,996,799 |

- (i) Represents the amount receivable related to the implementation of purchasing and importing activities which were entrusted by Binh Son Refining and Petrochemical Company Limited.
- (ii) Represents special sales tax levied on Condensate materials and mixed oil products awaiting deduction, environmental protection tax and special preferential import duties awaiting refund incurred in previous years and current period.

9. BAD DEBTS

| Items | Closing balance | | Opening balance (Adjusted) | |
|---|------------------------|------------------------------|----------------------------|------------------------------|
| | Cost VND | Recoverable amount VND | Cost VND | Recoverable amount VND |
| | | | | |
| Cai Lan Shipbuilding Industry Company Limited | 19,576,761,700 | - | 19,576,761,700 | - |
| Nam Song Hau Petrochemical Trading Joint Stock Company | 8,850,308,852 | - | 9,777,137,252 | - |
| Bac Hai Company | 18,928,419,538 | - | 18,928,419,538 | - |
| Orient Biofuels Company Limited | 9,813,340,562 | - | 9,813,340,562 | - |
| Duong Dong Kien Giang Petroleum Joint Stock Company | 44,434,776,646 | 22,217,388,323 | 45,034,776,646 | 27,412,185,335 |
| Pending tax refund (HCMC Department of Taxation - Nha Be Branch) | 3,470,669,579 | 1,041,200,874 | 7,713,316,104 | 2,313,994,831 |
| Pending tax refund (Ba Ria Vung Tau Department of Taxation - Ba I | 12,773,816,820 | 3,832,145,046 | 12,773,816,820 | 3,832,145,046 |
| Others | 11,805,057,119 | - | 11,805,057,119 | - |
| | 129,653,150,816 | 27,090,734,243 | 135,422,625,741 | 33,558,325,212 |

Vietnamese Accounting Standards as well as current prevailing regulations provide no detailed guidance on the determination of the recoverable amount of receivables. Accordingly, as at 30 June 2018, the Board of Management prudently assessed and determined the recoverable amount of receivables based on their book value less previously established provision for bad debts.

10. INVENTORIES

| | Closing balance | | Opening balance | |
|--------------------|--------------------------|-----|--------------------------|-----|
| | VND | VND | VND | VND |
| | | | | |
| Goods in transit | 88,188,161,232 | - | 704,843,250,262 | - |
| Raw materials | 232,616,295,608 | - | 228,651,902,736 | - |
| Tools and supplies | 8,311,858,325 | - | 4,419,231,052 | - |
| Finished goods | 63,871,905,768 | - | 126,097,737,565 | - |
| Merchandise | 1,044,607,619,984 | - | 915,453,191,654 | - |
| Total | 1,437,595,840,917 | - | 1,979,465,313,269 | - |

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11. PREPAYMENTS

| | Closing balance | Opening balance |
|---|------------------------|------------------------|
| | | (Adjusted) |
| | VND | VND |
| a) Current | | |
| Others | 22,773,251,846 | 16,466,428,246 |
| | 22,773,251,846 | 16,466,428,246 |
| b) Non-current | | |
| Prepayment for office rentals at No. 1 - 5 Le Duan Street, District 1 | 207,547,169,288 | 210,002,640,568 |
| Tools and supplies | 9,962,641,063 | 8,551,433,082 |
| Revaluation of assets due to equitisation (i) | 173,446,420,219 | 173,446,420,219 |
| Others | 9,520,422,144 | 12,547,196,762 |
| | 400,476,652,714 | 404,547,690,631 |

(i) Represents the difference due to revaluation in long-term prepaid expenses according to the revaluation value approved at the time of enterprise valuation for equitisation.

12. VALUE ADDED TAX DEDUCTIBLES

Value-Added Tax Deductibles of the Corporation as at 30 June 2018 represent the portion of the Input Value Added Tax of the Corporation that has not been deducted. The deduction of this tax portion in the subsequent year will be subject to the declaration of the Corporation, the inspection and approval of the local tax authorities.

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

| Items | Opening balance | Movements in the period | | |
|---|-----------------------|--------------------------|--------------------------|-----------------------|
| | | Tax payables | Tax paid | Closing balance |
| | VND | VND | VND | VND |
| Taxes and amounts payable to the State budget | | | | |
| Value added tax on domestic goods | 67,654,640 | 477,638,493 | 267,215,361 | 278,077,772 |
| Value added tax on imported goods | - | 746,089,554,875 | 746,089,554,875 | - |
| Special sales tax | 17,958,908,660 | 235,300,280,539 | 252,038,756,364 | 1,220,432,835 |
| Export and import duties | 22,370,378,446 | 76,734,827,190 | 99,105,205,636 | - |
| Personal income tax | 1,895,974,070 | 5,291,831,231 | 4,741,559,470 | 2,446,245,831 |
| Corporate income tax | 103,798,798 | 2,278,739,390 | - | 2,382,538,188 |
| Environmental protection tax | 31,521,208,800 | 103,977,663,239 | 89,434,518,539 | 46,064,353,500 |
| Other fees and charges | 5,015,819,588 | 2,409,964,332 | 7,016,363,052 | 409,420,868 |
| Excessive tax payments deductible | | | | |
| Corporate income tax | (30,496,184,910) | 30,496,184,910 | - | - |
| Special sales tax | (15,166,726) | 800,000 | - | (14,366,726) |
| Personal income tax | - | - | 8,635,113 | (8,635,113) |
| Total | 48,422,391,366 | 1,203,057,484,199 | 1,198,701,808,410 | 52,778,067,155 |
| <i>Including:</i> | | | | |
| Tax and amounts payable to the State Budget | 78,933,743,002 | 1,172,560,499,289 | 1,198,693,173,297 | 52,801,068,994 |
| Tax and other receivables from the State Budget | (30,511,351,636) | 30,496,984,910 | 8,635,113 | (23,001,839) |

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14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

| COST | Buildings and structures | Machinery and equipment | Motor vehicles | Office equipment | Others | Total |
|--|-------------------------------------|------------------------------------|---------------------------|-----------------------------|----------------------|--------------------------|
| | VND | VND | VND | VND | VND | VND |
| Opening balance (Adjusted) | 1,983,925,291,849 | 537,864,721,264 | 88,502,727,735 | 36,802,926,611 | 6,989,710,509 | 2,654,085,377,968 |
| Additions | 1,744,017,023 | 978,419,091 | 1,562,277,272 | 46,250,000 | - | 4,330,963,386 |
| Transfer from construction in progress | 172,727,273 | 398,490,000 | - | - | - | 571,217,273 |
| Other increases/decreases | - | (35,000,000) | - | - | - | (35,000,000) |
| Closing balance | 1,985,842,036,145 | 539,206,630,355 | 90,065,005,007 | 36,849,176,611 | 6,989,710,509 | 2,658,952,558,627 |
| ACCUMULATED DEPRECIATION | | | | | | |
| Opening balance (Adjusted) | 996,890,056,043 | 317,865,477,327 | 45,444,561,903 | 29,003,993,184 | 4,750,450,311 | 1,393,954,538,768 |
| Charge for the period | 41,308,617,949 | 21,705,602,180 | 928,627,939 | 1,071,510,564 | 343,506,734 | 65,357,865,366 |
| Other increases/decreases | - | (175,627) | - | - | - | (175,627) |
| Closing balance | 1,038,198,673,992 | 339,570,903,880 | 46,373,189,842 | 30,075,503,748 | 5,093,957,045 | 1,459,312,228,507 |
| NET BOOK VALUE | | | | | | |
| Opening balance | 987,035,235,806 | 219,999,243,937 | 43,058,165,832 | 7,798,933,427 | 2,239,260,198 | 1,260,130,839,200 |
| Closing balance | 947,643,362,153 | 199,635,726,475 | 43,691,815,165 | 6,773,672,863 | 1,895,753,464 | 1,199,640,330,120 |

The cost of the Corporation's tangible fixed assets as at 30 June 2018 includes VND 410,937,702,447 (31 December 2017: VND 406,124,749,346) of assets that have been fully depreciated but are still in use.

As stated in Note 26, the Corporation has pledged the works of Cu Lao Tao Port, Phu Tho Petroleum Depot, Chan May Petroleum Port expansion project, all the assets of the project "Construction of Quang Ngai storage tank and extraction station - Stage 1" and all the assets of the project "Construction of Nghi Son petroleum storage" with total net book value of VND 187,420,767,947 as at 30 June 2018 (as at 31 December 2017: VND 359,311,752,366) to secure bank facilities granted to the Corporation.

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15. INCREASES, DECREASES IN INTANGIBLE ASSETS

| | use rights | software | Total |
|---------------------------------|------------------------|-----------------------|------------------------|
| | VND | VND | VND |
| COST | | | |
| Opening balance (Adjusted) | 282,863,263,970 | 45,437,846,228 | 328,301,110,198 |
| Closing balance | 282,863,263,970 | 45,437,846,228 | 328,301,110,198 |
| ACCUMULATED AMORTISATION | | | |
| Opening balance (Adjusted) | 10,890,850,213 | 39,105,543,407 | 49,996,393,620 |
| Charge for the period | 2,619,534,036 | 2,370,313,894 | 4,989,847,930 |
| Closing balance | 13,510,384,249 | 41,475,857,301 | 54,986,241,550 |
| NET BOOK VALUE | | | |
| Opening balance | 271,972,413,757 | 6,332,302,821 | 278,304,716,578 |
| Closing balance | 269,352,879,721 | 3,961,988,927 | 273,314,868,648 |

The cost of the Corporation's intangible assets as at 30 June 2018 includes VND 15,208,504,196 (as at 31 December 2017: VND 12,799,504,196) of assets that have been fully amortised but are still in use.

16. CONSTRUCTION IN PROGRESS

| | Closing balance | Opening balance |
|--|------------------------|------------------------|
| | VND | VND |
| Project of upgrading and expanding Phu My condensate processing factory | 7,258,066,196 | 7,258,066,196 |
| Cai Lan Petroleum Depot - Phase 2 | 1,279,151,228 | 1,279,151,228 |
| Nghi Son Petroleum Depot | 27,208,945,074 | 1,397,905,630 |
| Installation of equipment and data management solutions at PV Oil petroleum depots | 2,555,479,092 | 1,118,022,103 |
| B11 Tank Repair Project (8000 M3) - Eastern Petroleum Storage | 4,662,683,308 | - |
| T1 rigid pipeline rehabilitation - Cu Lao Tao Petroleum Storage | 6,438,947,051 | - |
| Renovation and installation of E5 dispensing system, E100 tanks for petroleum depots | 22,168,962,904 | - |
| Others | 1,715,085,757 | 836,646,434 |
| | 73,287,320,610 | 11,889,791,591 |

17. INVESTMENTS IN SUBSIDIARIES

The Corporation's proportion of ownership interest and capital contribution to its direct subsidiaries as at 30 June 2018 are as follows:

| Name of subsidiaries | Contributed capital Closing balance VND | Proportion of ownership interest (%) | Proportion of voting power held (%) | Contributed capital Opening balance (Adjusted) VND |
|--|---|---|--|---|
| | | | | |
| Me Kông Petroleum Joint Stock Company | 337,059,294,469 | 89.37% | 89.37% | 337,059,294,469 |
| Vung Ang Petroleum Joint Stock Company | 53,675,000,000 | 56.50% | 56.50% | 53,675,000,000 |
| Ninh Bình Petroleum Joint Stock Company (i) | 13,542,778,807 | 20.26% | 66.67% | - |
| PV Oil Lube Joint Stock Company (ii) | 59,947,983,022 | 62.67% | 62.67% | 59,947,983,022 |
| Tra Vinh Petroleum Joint Stock Company | 27,841,516,060 | 96.27% | 96.27% | 27,841,516,060 |
| Bắc Lieu Petroleum Joint Stock Company | 39,800,837,516 | 96.09% | 96.09% | 39,800,837,516 |
| Bình Thuận Petroleum Joint Stock Company | 70,009,916,425 | 79.68% | 79.68% | 70,009,916,425 |
| Thanh Hoá Petroleum Joint Stock Company | 59,904,348,443 | 56.86% | 56.86% | 59,904,348,443 |
| Phú Mỹ Petroleum Production and Processing Joint Stock Company | 373,997,531,512 | 67.64% | 67.64% | 373,997,531,512 |
| Sài Gòn Petroleum Joint Stock Company | 151,334,458,744 | 65.18% | 66.93% | 151,334,458,744 |
| Vũng Tàu Petroleum Joint Stock Company | 114,732,823,809 | 57.18% | 57.18% | 114,732,823,809 |
| Hà Nội Petroleum Joint Stock Company | 188,873,299,116 | 71.35% | 71.35% | 188,873,299,116 |
| Thừa Thiên Huế Petroleum Joint Stock Company | 64,306,503,742 | 74.67% | 74.67% | 64,306,503,742 |
| Lào Oil and Gas Petroleum Company Limited | 213,072,082,398 | 100.00% | 100.00% | 213,072,082,398 |
| Thai Bình Petroleum Joint Stock Company | 74,999,833,116 | 68.00% | 68.00% | 74,999,833,116 |
| Thai Bình Petroleum Services Joint Stock Company | 14,280,000,000 | 51.00% | 51.00% | 14,280,000,000 |
| Nam Định Petroleum Joint Stock Company | 41,228,882,773 | 56.75% | 56.75% | 41,228,882,773 |
| Tay Ninh Petroleum Joint Stock Company | 105,877,995,794 | 78.62% | 78.62% | 105,877,995,794 |
| Cai Lãnh Petroleum Joint Stock Company | 70,826,240,317 | 80.19% | 80.19% | 70,826,240,317 |
| Phú Yên Petroleum Joint Stock Company | 66,151,133,217 | 67.13% | 67.13% | 66,151,133,217 |
| Phú Thọ Petroleum Joint Stock Company | 38,699,084,673 | 71.68% | 71.68% | 38,699,084,673 |
| Singapore International Oil Trade Company Limited | 35,242,504,910 | 51.00% | 51.00% | 35,242,504,910 |
| Central PetroVietnam Oil Joint Stock Company | 108,835,411,114 | 71.43% | 71.43% | 108,835,411,114 |
| Hải Phòng PetroVietnam Oil Joint Stock Company | 63,846,506,524 | 72.00% | 72.00% | 63,846,506,524 |
| Vietnam Petroleum Oil Transport Joint Stock Company | 37,378,804,774 | 71.00% | 71.00% | 37,378,804,774 |
| Ha Giang Petroleum Tourism and Trading Joint Stock Company | 15,658,836,111 | 80.37% | 80.37% | 15,658,836,111 |
| Thu Đức Trading and Import Export Joint Stock Company | 79,599,663,922 | 51.01% | 51.01% | 79,599,663,922 |
| PETEC Trading and Investment Corporation (PETEC) (iii) | 810,364,301,326 | 94.78% | 95.19% | 810,364,301,326 |
| Cambodia Petroleum Joint Stock Company | 5,686,500,000 | 51.00% | 51.00% | 5,686,500,000 |
| | 3,336,774,072,634 | | | 3,323,231,293,827 |

- (i) The Corporation's proportion of ownership interest in Ninh Bình Petroleum Joint Stock Company (PVOil Ninh Bình) is 20.26%. However, the Corporation has a majority of the members of the Board of Directors (2 out of 3 members of the Board of Directors are members of the Corporation, corresponding to 66.67% voting power rate) according to Shareholder's Meeting's Resolution No. 193/NQ-DHCD dated 24 April 2018 of PVOil Ninh Bình.
- (ii) The Corporation's Board of Members issued a Resolution approving the plan for capital divestment from PV Oil Lube Joint Stock Company. By the reporting date, the Corporation has been making a plan to follow the Resolution.
- (iii) As at 30 June 2018, the Corporation's capital portion in PETEC that was recognized by the Corporation exceeded that recorded and accounted for by PETEC by VND 111,225,298,544 (in comparison with the investment value of VND 2,464,251,000,000 before adjustment to the revaluation value for equitisation). The Corporation's Board of Management believes that such difference amount will be settled when PETEC has completed the finalization of equitization.

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18. INVESTMENTS IN JOINT VENTURES, ASSOCIATES

The Corporation's proportion of ownership interest and capital contribution to its direct joint ventures, associates as at 30 June 2018 are as follows:

| | Contributed capital Closing balance VND | Proportion of ownership interest (%) | Proportion of voting power held (%) | Contributed capital Opening balance (Adjusted) VND |
|---|---|---|--|---|
| Name of associates | | | | |
| PetroVietnam Biofuels Joint Stock Company | 285,506,255,661 | 39.76% | 39.76% | 285,506,255,661 |
| Petroleum Trading Joint Stock Company (Petechim) | 82,003,319,843 | 29.00% | 29.00% | 82,003,319,843 |
| Thach Han Trading Joint Stock Company (i) | 1,529,002,171 | 45.00% | 45.00% | 1,417,402,171 |
| Central Petrochemical and Biofuel Joint Stock Company | 254,057,440,160 | 34.28% | 34.28% | 254,057,440,160 |
| Dieu Phu Yen Joint Stock Company (ii) | - | 47.79% | 47.79% | - |
| Ca Mau Commercial Joint Stock Company | 46,976,384,000 | 24.26% | 24.79% | 46,976,384,000 |
| Ninh Binh Petroleum Joint Stock Company | - | 0.00% | 0.00% | 13,542,778,807 |
| Material - Petroleum Joint Stock Company (Comeco) | 333,195,848,000 | 44.79% | 44.94% | 333,195,848,000 |
| Duong Dong Kien Giang Petroleum Joint Stock Company | 6,264,457,591 | 33.96% | 33.96% | 6,264,457,591 |
| Name of joint-ventures | | | | |
| PetroVietnam Oil Stockpile Company Limited | 13,585,359,052 | 21.94% | | 13,585,359,052 |
| LG-VINA Chemical Company | 20,434,498,777 | 15.00% | | 20,434,498,777 |
| Orient Biofuels Company Limited (ii) | - | 31.12% | | - |
| | <u>1,043,552,565,255</u> | | | <u>1,056,983,744,062</u> |

- (i) The Corporation's Board of Members issued a Resolution approving the plan for capital divestment from Thach Han Trading Joint Stock Company (previously known as Quang Tri Trading and Services Joint Stock Company). By the reporting date, the Corporation has been making a plan to follow the Resolution.
- (ii) The investment in these units is nil as a result of the recognition at revaluation value approved at the time of enterprise valuation for equitisation. The investment values in Dieu Phu Yen Joint Stock Company and Orient Biofuels Company Limited before adjustment to the revaluation value for equitisation are VND 51,707,577,602 and VND 198,044,907,747 respectively.

19. EQUITY INVESTMENTS IN OTHER ENTITIES

| | Closing balance VND | Opening balance (Adjusted) VND |
|--|------------------------------|--------------------------------------|
| PetroVietnam Infrastructure and Urban Investment Joint Stock Company | 15,126,357,240 | 15,126,357,240 |
| Lam Kinh Hotel Joint Stock Company | 10,549,395,047 | 10,549,395,047 |
| Green Indochina Development Joint Stock Company | 7,263,016,037 | 7,263,016,037 |
| Indochina Petroleum Transportation Joint Stock Company | 9,753,141,763 | 9,753,141,763 |
| Mekong Petroleum Transport Joint Stock Company | 1,351,427,303 | 1,351,427,303 |
| | <u>44,043,337,390</u> | <u>44,043,337,390</u> |

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20. SHORT-TERM TRADE PAYABLES

| | Closing balance | | Opening balance (Adjusted) | |
|---|--------------------------|--------------------------------------|----------------------------|--------------------------------------|
| | VND Amount | VND Amount able to be paid off | VND Amount | VND Amount able to be paid off |
| a. Short-term trade payables | | | | |
| Binh Son Refinery and Petrochemical Company Limited | 1,582,397,854,248 | 1,582,397,854,248 | 1,506,856,844,387 | 1,506,856,844,387 |
| Kairos Oil Trading Pte Ltd | 524,370,450,119 | 524,370,450,119 | 402,548,665,497 | 402,548,665,497 |
| Phu My Petroleum Production and Processing JSC | 341,349,565,818 | 341,349,565,818 | 311,343,367,143 | 311,343,367,143 |
| ELICO OIL PTE LTD | 194,246,260,601 | 194,246,260,601 | - | - |
| Horizon Petroleum Limited | 163,672,747,504 | 163,672,747,504 | 281,946,819,518 | 281,946,819,518 |
| Petro Vietnam Gas Corporation | 42,943,372,968 | 42,943,372,968 | 238,780,480,979 | 238,780,480,979 |
| Socar Trading Singapore Pte Ltd | - | - | 759,717,322,484 | 759,717,322,484 |
| Others | 121,791,285,331 | 121,791,285,331 | 320,720,566,647 | 320,720,566,647 |
| | 2,970,771,536,589 | 2,970,771,536,589 | 3,821,914,066,655 | 3,821,914,066,655 |
| b. Trade payables for related parties | | | | |
| (Details are presented in Note 39) | 2,019,159,894,554 | 2,019,159,894,554 | 2,302,104,945,668 | 2,302,104,945,668 |

21. SHORT-TERM ACCRUED EXPENSES

| | Closing balance | | Opening balance | |
|--|------------------------|-----|------------------------|-----|
| | VND | VND | VND | VND |
| a. Accrued expenses | | | | |
| Accruals for transportation | 18,487,167,492 | | 7,882,490,133 | |
| Accruals for oil products | 5,555,956,390 | | 4,507,713,493 | |
| Accruals for purchasing goods | 66,949,996,011 | | 114,999,641,692 | |
| Accruals for construction investments | 8,948,728,584 | | 8,948,728,584 | |
| Accruals for interest expense | 8,236,184,887 | | 5,782,724,904 | |
| Accrual for tax penalties | 31,958,109,311 | | - | |
| Other accruals | 17,424,325,176 | | 1,070,320,243 | |
| | 157,560,467,851 | | 143,191,619,049 | |
| b. Accrued expenses for related parties | | | | |
| (Details are presented in Note 39) | 63,525,483,909 | | 76,136,539,145 | |

22. OTHER CURRENT PAYABLES

| | Closing balance | | Opening balance | |
|---|--------------------------|-----|--------------------------|-----|
| | VND | VND | VND | VND |
| a. Other current payables | | | | |
| Crude oil money received on behalf of other companies | 4,269,207,417,974 | | 5,275,385,234,404 | |
| Crude oil export duties received on behalf of the State | 236,597,846,701 | | 496,042,213,232 | |
| Short-term deposits received | 124,802,727 | | 124,802,727 | |
| Others | 78,037,969,508 | | 261,229,214,519 | |
| | 4,583,968,036,910 | | 6,032,781,464,882 | |
| b. Other payables for related parties | | | | |
| (Details are presented in Note 39) | 2,187,010,739,438 | | 2,628,277,809,077 | |

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23. SHORT-TERM LOANS

| | Opening balance | | During the period | | Closing balance | |
|--|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| | VND | VND | VND | VND | VND | VND |
| | Amount | Amount able to be paid off | Increase | Decrease | Amount | Amount able to be paid off |
| Short-term loans | 1,267,227,362,772 | 1,267,227,362,772 | 3,850,336,764,082 | 3,079,805,674,496 | 2,037,758,452,358 | 2,037,758,452,358 |
| Current portion of long-term loans (see Note No.26) | 58,827,031,737 | 58,827,031,737 | 27,257,884,809 | 35,164,780,394 | 50,920,136,152 | 50,920,136,152 |
| | 1,326,054,394,509 | 1,326,054,394,509 | 3,877,594,648,891 | 3,114,970,454,890 | 2,088,678,588,510 | 2,088,678,588,510 |

Short-term loans represent facilities obtained from banks in the form of letters of credit that might be withdrawn in Vietnam Dong or United States Dollar based on each credit limit as contracted with banks. The balance of short-term loans as at 30 June 2018 includes VND 2,037,758,452,358 (as at 31 December 2017: VND 1,267,227,362,772). Such loans are unsecured and bear fixed interest rates that are stated in each loan acknowledgement and range from 2.3% p.a. to 4.65% p.a. (prior period: 1.9% p.a. to 5.5% p.a.) as for Vietnam Dong. The loans are used to supplement the Corporation's working capital.

Details of short-term loans by currency are as follows:

| | Closing balance VND | Opening balance VND |
|--------------|--------------------------|--------------------------|
| Loans in VND | 1,393,052,111,799 | 928,286,659,649 |
| Loans in USD | 644,706,340,559 | 338,940,703,124 |
| | 2,037,758,452,358 | 1,267,227,362,772 |

Details of short-term loans by type of guarantee are as follows:

| | Closing balance VND | Opening balance VND |
|-----------------|--------------------------|--------------------------|
| Unsecured loans | 2,037,758,452,358 | 1,267,227,362,772 |
| | 2,037,758,452,358 | 1,267,227,362,772 |

The Corporation's short-term loans are contracted with fixed interest rates. Details of short-term loans by type of interest rate are as follows:

| | Closing balance VND | Opening balance VND |
|---------------------------|--------------------------|--------------------------|
| Fixed interest rate loans | 2,037,758,452,358 | 1,267,227,362,772 |
| | 2,037,758,452,358 | 1,267,227,362,772 |

24. SHORT-TERM PROVISIONS

| | Closing balance VND | Opening balance VND |
|---|------------------------|------------------------|
| Provision for environmental risks and damage compensation (i) | 32,518,167,437 | 25,997,253,369 |
| | 32,518,167,437 | 25,997,253,369 |

- (i) As of 20 June 2016, the Ministry of Finance issued Circular No. 86/2016/TT-BTC ("Circular 86") guiding some contents of the provision fund for environmental risks and damage compensation as prescribed in the Government's Decree No. 19/2015/NĐ-CP dated 14 February 2015 detailing the implementation of the environmental protection law. The Corporation has applied this Circular and set up the provision fund for environmental risks and damage compensation accumulated to 30 June 2017 with the amount of VND 32,518,167,437.

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25. PETROLEUM PRICE STABILISATION FUND

| | Current period VND | Prior year VND |
|--------------------------------|------------------------------|--------------------------|
| Opening balance | 434,495,930,309 | 58,327,504,405 |
| Appropriation to the fund | 337,936,914,000 | 777,688,590,000 |
| Interest incurred | 1,085,417,272 | 1,585,366,535 |
| Utilization in the period/year | (579,460,053,589) | (403,105,530,631) |
| Closing balance | 194,058,207,992 | 434,495,930,309 |

In which:

| | | |
|----------------------------------|------------------|------------------|
| Transferred to the bank deposits | 250,680,147,800 | 486,568,090,899 |
| Not yet transferred | (56,621,939,808) | (52,072,160,590) |

Appropriation and utilization of the petroleum price stabilization fund comply with the regulations of the Ministry of Finance at different times (as presented in Note 3 - Summary of Significant Accounting Policies, "Petroleum Price Stabilization Fund" item). In the period, the Corporation appropriated to and utilized the fund in accordance with prevailing current regulations. Any difference between the appropriation and utilization of the fund will comply with the guidance of the Ministry of Finance in the coming time.

As at 30 June 2018, a portion of the balance of the Price Stabilisation Fund was transferred to the bank deposits as per guidance of the aforementioned joint circular (see Note 5).

26. LONG-TERM LOANS

| | Opening balance | | During the period | | Closing balance | |
|---|------------------------|----------------------------|--------------------------|-----------------------|------------------------|----------------------------|
| | VND | VND | VND | VND | VND | VND |
| | Amount | Amount able to be paid off | Increase | Decrease | Amount | Amount able to be paid off |
| Current portion of long-term loans (see Note 23) | 58,827,031,737 | 58,827,031,737 | 27,257,884,809 | 35,164,780,394 | 50,920,136,152 | 50,920,136,152 |
| Long-term loans | 117,974,869,644 | 117,974,869,644 | 21,147,612,422 | 27,257,884,809 | 111,864,597,257 | 111,864,597,257 |
| | 176,801,901,381 | 176,801,901,381 | 48,405,497,231 | 62,422,665,203 | 162,784,733,409 | 162,784,733,409 |

Long-term loans represent the credit facilities obtained from the commercial banks with the total credit limit of VND 604,064,098,225 (as at 31 December 2017: VND 938,287,884,958). These loans are secured by Cu Lao Tao Port, Phu Tho petroleum depot, Chan May petroleum port expansion project, all the assets of the project "Construction of Quang Ngai storage tank and extraction station – Stage 1" and all the assets of the project "Construction of Nghi Son petroleum storage" (See Note 14) and bear annual interest rates at the average 12-month savings rate plus margin interest rates ranging from 1.5% p.a. to 4% p.a. These loans are to finance projects including Cu Lao Tao Port Construction and Expansion Project, Dinh Vu Warehouse Construction and Expansion Project, Quang Ngai, Chan May, Information technology, Phu Tho storage construction project and Nghi Son petroleum storage project.

Details of long-term loans by currency are as follows:

| | Closing balance VND | Opening balance VND |
|--------------|-------------------------------|-------------------------------|
| Loans in VND | 162,784,733,409 | 176,801,901,381 |
| | 162,784,733,409 | 176,801,901,381 |

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Details of long-term loans by type of guarantee are as follows:

| | Closing balance VND | Opening balance VND |
|-----------------|-------------------------------|-------------------------------|
| Unsecured loans | 54,816,729,455 | 68,888,050,763 |
| Secured loans | 107,968,003,954 | 107,913,850,618 |
| | 162,784,733,409 | 176,801,901,381 |

The Corporation's long-term loans are contracted with floating interest rates. Details of short-term loans by type of interest rate are as follows:

| | Closing balance VND | Opening balance VND |
|------------------------------|-------------------------------|-------------------------------|
| Floating interest rate loans | 162,784,733,409 | 176,801,901,381 |
| | 162,784,733,409 | 176,801,901,381 |

Long-term loans are repayable as follows:

| | Closing balance VND | Opening balance VND |
|--|-------------------------------|-------------------------------|
| On demand or within one year | 50,920,136,152 | 58,827,031,737 |
| In the second year | 48,264,213,843 | 49,516,056,316 |
| In the third to fifth year inclusive | 38,571,479,233 | 46,785,042,731 |
| After five years | 25,028,904,181 | 21,673,770,597 |
| | 162,784,733,409 | 176,801,901,381 |
| Amount due for settlement within 12 months (shown under short-term loans - Note 23) | 50,920,136,152 | 58,827,031,737 |
| Amount due for settlement after 12 months | 111,864,597,257 | 117,974,869,644 |

27. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised by the Corporation, and their movements during the period.

For the 6-month period ended 30 June 2018:

| | Revaluation of assets VND |
|--|---|
| For the 6-month period ended 30 June 2018 | |
| Opening balance | 14,330,223,379 |
| Transfer to profit for the period | (2,701,770,842) |
| Closing balance | 11,628,452,537 |

For the 6-month period ended 30 June 2017:

| | |
|-----------------------------------|-----------------------|
| Opening balance | 19,733,765,062 |
| Transfer to profit for the period | (2,701,770,841) |
| Closing balance | 17,031,994,221 |

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28. OWNER'S EQUITY

Movement in owner's equity:

| | Owner's contributed capital VND | Assets revaluation reserve (Adjusted) (i) VND | (Accumulated losses) (Adjusted) VND | Investment and development fund VND | Total VND |
|--|------------------------------------|---|---|--|--------------|
|--|------------------------------------|---|---|--|--------------|

For the 6-month period ended 30 June 2017:

| | | | | | |
|------------------------|--------------------|-------------------|---------------------|-----------------|--------------------|
| Opening balance | 10,884,251,000,000 | 1,056,794,544,056 | (1,244,748,303,174) | 123,287,992,719 | 10,819,585,233,601 |
| Profit in the period | - | - | 208,757,503,801 | - | 208,757,503,801 |
| Closing balance | 10,884,251,000,000 | 1,056,794,544,056 | (1,035,990,799,373) | 123,287,992,719 | 11,028,342,737,402 |

For the 6-month period ended 30 June 2018:

| | | | | | |
|------------------------|--------------------|-------------------|---------------------|-----------------|--------------------|
| Opening balance | 10,884,251,000,000 | 1,056,794,544,056 | (1,181,197,710,611) | 123,287,992,719 | 10,883,135,826,164 |
| Profit in the period | - | - | 337,154,023,736 | - | 337,154,023,736 |
| Closing balance | 10,884,251,000,000 | 1,056,794,544,056 | (844,043,686,875) | 123,287,992,719 | 11,220,289,849,900 |

- (i) According to Decision No. 1220/QD-BCT dated 10 April 2017 of the Ministry of Industry and Trade and Decision No. 1797/QĐ-TTg dated 08 December 2017 of the Prime Minister approving the equitization plan of the parent company - PetroVietnam Oil Corporation (under Viet Nam Oil and Gas Group), the actual value of the state capital portion at the parent company - the Corporation as at 31 December 2015 (time of enterprise valuation for equitisation) is VND 10,342,295,000,000 and the difference due to asset revaluation is VND 1,056,794,544,056.

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29. OFF BALANCE SHEET ITEMS

| | | Closing balance | Opening balance |
|---|--------|------------------------|------------------------|
| 1. Petroleum (M95, M92, DO, Condensate Shariah, E5) | Lit 15 | 129,875,019 | 113,516,181 |
| 2. Petroleum (FO) | Kg | 37,834 | 37,840 |
| 3. Foreign currencies (USD) | USD | 7,230,188 | 37,130,187 |

30. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

| | Current period | Prior period |
|--|---------------------------|---------------------------|
| | VND | VND |
| Gross revenue | 18,293,777,089,470 | 15,158,907,938,930 |
| - Sales of finished goods/merchandise | 18,135,150,239,827 | 14,988,707,189,739 |
| - Sales of services | 158,626,849,643 | 170,200,749,191 |
| | 18,293,777,089,470 | 15,158,907,938,930 |
| Sales to related parties (Details are presented in Note 39) | 17,870,184,603,602 | 14,981,046,664,650 |

31. COST OF SALES

| | Current period | Prior period |
|---------------------------|---------------------------|---------------------------|
| | VND | VND |
| Cost of petroleum sold | 17,550,069,666,042 | 14,590,395,376,966 |
| Cost of services rendered | 25,346,490,744 | 24,965,532,885 |
| | 17,575,416,156,786 | 14,615,360,909,851 |

32. PRODUCTION COST BY NATURE

| | Current period | Prior period |
|-------------------------------|--------------------------|--------------------------|
| | VND | VND |
| Raw materials and consumables | 3,447,940,608,387 | 2,655,043,795,972 |
| Labour | 94,288,089,794 | 92,824,402,836 |
| Depreciation and amortisation | 70,347,713,296 | 73,131,061,692 |
| Out-sourced services | 154,524,146,761 | 184,636,969,100 |
| Other monetary expenses | 91,376,777,897 | 84,321,900,270 |
| | 3,858,477,336,135 | 3,089,958,129,870 |

33. FINANCIAL INCOME

| | Current period | Prior period |
|-------------------------------------|------------------------|------------------------|
| | VND | VND |
| Bank and loan interest | 121,837,065,420 | 102,882,803,689 |
| Foreign exchange gain | 3,142,173,618 | 11,329,015,464 |
| Dividends received | 58,302,057,590 | 95,258,513,644 |
| Income from transferred investments | 238,000,000 | 4,879,919,300 |
| Other financial income | 6,368,116,415 | 3,383,687,872 |
| | 189,887,413,043 | 217,733,939,969 |

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34. FINANCIAL EXPENSES

| | Current period VND | Prior period VND |
|---|------------------------------|----------------------------|
| Interest expense | 45,256,347,871 | 58,000,434,624 |
| Foreign exchange loss | 17,110,199,422 | 3,939,209,323 |
| Provision for impairment of financial investments | 26,783,379,012 | 34,595,888,136 |
| Other financial expenses | 17,251,383,862 | 14,730,023,790 |
| | 106,401,310,167 | 111,265,555,873 |

35. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

| | Current period VND | Prior period VND |
|--|------------------------------|----------------------------|
| Selling expenses | | |
| Salesmen | 66,547,796,106 | 65,409,902,541 |
| Office appliances, furniture and materials | 10,042,119,823 | 10,090,519,560 |
| Transportation | 59,209,430,257 | 88,720,061,174 |
| Out-sourced services | 58,544,375,607 | 63,929,974,110 |
| Provision | 6,520,914,068 | 6,701,753,068 |
| Depreciation and amortisation | 59,495,777,829 | 61,598,980,099 |
| Others | 49,221,068,390 | 32,314,098,713 |
| | 309,581,482,080 | 328,765,289,265 |
| General and administration expenses | | |
| Management staff | 27,740,293,688 | 27,414,500,295 |
| Office appliances, furniture and materials | 6,179,625,196 | 5,917,526,176 |
| Depreciation and amortisation | 5,480,637,225 | 6,840,118,078 |
| Provision | 698,116,044 | -952,702,748 |
| Out-sourced services | 20,548,595,878 | 15,978,888,080 |
| Others | 42,155,709,507 | 52,007,801,557 |
| | 102,802,977,538 | 107,206,131,438 |

36. LOSS FROM OTHER ACTIVITIES

| | Current period VND | Prior period VND |
|-----------------------------------|------------------------------|----------------------------|
| Compensation claim | 7,543,343,487 | - |
| Proceeds from breach of contracts | 2,093,827,539 | 1,217,559,416 |
| Others | 91,736,903 | 948,124,193 |
| | 9,728,907,929 | 2,165,683,609 |
| Other income | | |
| Penalties | 31,963,851,075 | 10,152,793,497 |
| Others | 455,602 | 1,149,624 |
| | 31,964,306,677 | 10,153,943,121 |
| Other expenses | | |
| (Loss) from other activities | (22,235,398,748) | (7,988,259,512) |

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37. CORPORATE INCOME TAX EXPENSE

| | Current period VND | Prior period VND |
|---|------------------------------|----------------------------|
| Current corporate income tax expense | | |
| - Corporate income tax based on taxable profit in the current period | 32,774,924,300 | - |
| - Adjustments for corporate income tax expenses in previous years to the current period | - | - |
| Total current corporate income tax expense | 32,774,924,300 | - |

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

| | Current period VND | Prior period VND |
|---|------------------------------|----------------------------|
| Profit before tax | 367,227,177,194 | 206,055,732,960 |
| Adjustments for taxable profit | | |
| Less: Non-assessable profit | (44,542,566,050) | (95,258,513,644) |
| <i>Income from subsidiaries, associates</i> | (44,542,566,050) | (95,258,513,644) |
| Add back: Non-deductible expenses | 31,520,949,572 | 25,219,123,140 |
| <i>Capital contribution by assets in 2010, 2011</i> | 13,508,854,205 | 13,508,854,205 |
| <i>Other non-deductible expenses</i> | 18,012,095,367 | 11,710,268,935 |
| Losses carried forward | (192,817,594,313) | (136,016,342,456) |
| Taxable profit | 161,387,966,403 | - |
| <i>Taxable profit at normal tax rate of 20%</i> | 161,387,966,403 | - |
| Corporate income tax expense based on taxable profit in the current period | 32,277,593,281 | - |
| <i>Corporate income tax paid in addition to income from overseas investment</i> | 497,331,019 | - |
| Current corporate income tax expenses | 32,774,924,300 | - |

Corporate income tax for the 6-month period ended 30 June 2018 is temporary. The final amount of corporate income tax to be paid will depend on the outcome of the tax settlement by the tax authorities.

38. CAPITAL COMMITMENTS

According to the Corporation's 2018 business plan approved on 27 December 2017, Vietnam Oil and Gas Group approved an amount of VND 342 billion for the Corporation's construction and assets acquisition in 2018 and an amount of VND 46 billion for equity investments in other entities. In first 6 months of 2018, the Corporation made construction and fixed assets purchase with a total value of VND 68 billion.

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39. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

Related parties

| | |
|--|--------------------------|
| Vietnam Oil and Gas Group (PVN) | Relationship |
| Entities in PVN | Owner |
| Subsidiaries of the Corporation | Having same owner |
| Associates of the Corporation | Subsidiary |
| Joint Ventures of the Corporation | Associate |
| Other long-term investees of the Corporation | Joint Venture |
| | Other long-term investee |

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

| Major sales | Current period | Prior period |
|--|---------------------------|---------------------------|
| | VND | VND |
| Petc Trading and Investment Corporation | 1,933,314,668,288 | 1,685,878,237,890 |
| Hanoi Petroleum Joint Stock Company | 1,842,076,992,285 | 1,473,643,166,345 |
| Saigon Petroleum Joint Stock Company | 1,508,663,283,720 | 1,212,706,455,922 |
| Ninh Binh Petroleum Joint Stock Company | 1,350,204,948,065 | 658,739,832,080 |
| Central PetroVietnam Oil Joint Stock Company | 1,327,345,317,810 | 861,888,070,967 |
| Vung Tau Petroleum Joint Stock Company | 1,269,189,427,906 | 1,124,390,613,668 |
| Mekong Petroleum Joint Stock Company | 1,258,596,060,693 | 974,926,382,777 |
| Phu Yen Petroleum Joint Stock Company | 1,011,246,187,020 | 716,241,888,857 |
| Vung Ang Petroleum Joint Stock Company | 871,945,188,770 | 687,681,779,349 |
| Thanh Hoa Petroleum Joint Stock Company | 854,057,489,579 | 617,481,231,966 |
| Hai Phong PetroVietnam Oil Joint Stock Company | 849,845,690,043 | 486,588,777,820 |
| Nam Dinh Petroleum Joint Stock Company | 620,376,210,949 | 479,393,716,844 |
| Binh Thuan Petroleum Joint Stock Company | 559,178,868,795 | 459,258,333,918 |
| Tay Ninh Petroleum Joint Stock Company | 480,595,151,849 | 433,232,007,153 |
| Phu Tho Petroleum Joint Stock Company | 474,630,809,147 | 351,713,429,311 |
| Thua Thien Hue Petroleum Joint Stock Company | 396,303,381,791 | 320,606,452,397 |
| Thai Binh Petroleum Joint Stock Company | 359,190,628,641 | 221,516,831,964 |
| Cai Lan Petroleum Joint Stock Company | 303,749,504,714 | 172,720,826,000 |
| Bac Lieu Petroleum Joint Stock Company | 174,185,938,648 | 142,475,489,007 |
| Tra Vinh Petroleum Joint Stock Company | 124,705,679,102 | 75,310,391,070 |
| Ha Giang Petroleum Tourism and Trading Joint Stock Company | 72,058,040,076 | 50,751,240,002 |
| PetroVietNam Ca Mau Power Company | 61,239,065,160 | - |
| VietsovPetro Joint Venture | 51,945,142,218 | 47,617,350,086 |
| Binh Son Refining and Petrochemical Company Limited | 44,905,961,051 | 33,815,446,654 |
| PV Oil Lube Joint Stock Company | 39,900,158,278 | 40,172,224,584 |
| PetroVietnam Exploration Production Corporation | 19,266,183,257 | 9,266,132,698 |
| Singapore International Oil Trade Company Limited | 4,639,330,125 | 6,963,267,354 |
| Bien Dong Petroleum Operating Company | 2,572,624,320 | - |
| Phu My Petroleum Processing and Production Joint Stock Company | 1,151,938,954 | - |
| Petroleum Trading Joint Stock Company | 1,128,772,727 | - |
| Cuu Long Joint Operating Company | 1,944,442,592 | - |
| Orient Oil & Gas Joint Stock Company | 31,517,029 | - |
| Vietnam Petroleum Oil Transport Joint Stock Company | - | - |
| Nghi Son Refining and Petrochemical Company Limited | - | 1,060,613,535,576 |
| Thai Nguyen Petroleum Joint Stock Company | - | 334,726,299,064 |
| Quang Ninh Petroleum Joint Stock Company | - | 230,954,764,418 |
| Kien Giang Petroleum Joint Stock Company | - | 9,772,488,909 |
| | 17,870,184,603,602 | 14,981,046,664,650 |

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| Major purchases | Current period | Prior period |
|---|---------------------------|--------------------------|
| | VND | VND |
| Binh Son Refining and Petrochemical Company Limited | 9,469,468,638,411 | 7,976,416,356,093 |
| VietsovPetro Joint Venture | 505,673,550,151 | - |
| Singapore International Oil Trading Company Limited | 250,401,765,035 | 750,628,137,718 |
| PetroVietnam Gas Corporation | 242,765,574,548 | 237,890,443,899 |
| Vietnam Oil and Gas Group | 184,240,755,339 | 937,186,740 |
| PetroVietnam Transportation Corporation | 138,736,251,897 | 114,100,774,341 |
| Phu My Production and Processing Joint Stock Company | 115,992,961,893 | 184,937,555,627 |
| Vietnam Petroleum Oil Transport Joint Stock Company | 75,817,505,658 | 69,129,941,346 |
| Cuu Long JOC | 68,498,368,818 | - |
| PetroVietnam Exploration Production Corporation | 25,036,665,712 | - |
| Vung Ang Petroleum Joint Stock Company | 9,068,278,701 | 7,065,641,688 |
| Phu Tho Petroleum Joint Stock Company | 6,901,645,377 | - |
| Mekong Petroleum Joint Stock Company | 6,841,623,602 | 5,651,546,749 |
| Vietnam Energy Inspection Corporation | 6,796,221,068 | 7,448,946,799 |
| Cai Lan Petroleum Joint Stock Company | 4,121,222,034 | 4,115,999,999 |
| Vung Tau Petroleum Joint Stock Company | 3,682,122,509 | 357,123,025 |
| Petec Trading and Investment Corporation | 3,111,917,325 | - |
| Thai Binh Petroleum Joint Stock Company | 2,672,219,479 | 675,458,505 |
| Central Petroleum Joint Stock Company | 2,533,048,830 | 2,011,084,309 |
| Saigon Petroleum Joint Stock Company | 2,394,600,158 | 447,476,364 |
| Phu Yen Petroleum Joint Stock Corporation | 1,872,721,204 | - |
| Thua Thien Hue Petroleum Joint Stock Company | 1,279,866,004 | 1,200,000,000 |
| Ha Noi Petroleum Joint Stock Company | 759,929,184 | 534,126,151 |
| PetroVietnam Drilling and Well Services Corporation | 680,000,000 | 1,020,000,000 |
| PV Oil Lube Joint Stock Company | 259,613,855 | 388,783,128 |
| Tay Ninh Petroleum Joint Stock Company | 235,879,818 | - |
| Nam Dinh Petroleum Joint Stock Company | 229,257,028 | - |
| Thanh Hoa Petroleum Joint Stock Company | 193,823,973 | 20,502,527,747 |
| Petroleum Material Joint Stock Company (Comeco) | 167,037,591 | - |
| PetroVietnam Securities Incorporated | 155,543,551 | 296,855,959 |
| Hai Phong PetroVietnam Oil Joint Stock Company | 70,885,817 | 7,994,776,228 |
| Thu Duc Trading and Import Export Joint Stock Company | 66,737,091 | - |
| PetroVietnam Central Biofuels Joint Stock Company | 25,516,190 | - |
| Petroleum Trading Joint Stock Company (Petechim) | 18,747,350 | - |
| Binh Thuan Petroleum Joint Stock Company | 7,090,909 | - |
| Tra Vinh Petroleum Joint Stock Company | 3,058,909 | - |
| Bac Lieu Petroleum Joint Stock Company | 906,364 | - |
| Phuong Dong Viet Oil Shipping Joint Stock Company | - | 19,086,001,618 |
| | 11,130,781,551,383 | 9,412,836,744,033 |

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| Dividends received | Current period | Prior period |
|--|-----------------------|-----------------------|
| | VND | VND |
| Singapore International Oil Trade Pte. Ltd. | 13,759,491,540 | 2,871,766,755 |
| Comeco Petroleum Material Joint Stock Company | 12,650,032,000 | - |
| Thanh Hoa Petroleum Joint Stock Company | 6,079,496,500 | - |
| Phu Yen Petroleum Joint Stock Company | 4,978,224,000 | 8,850,176,000 |
| Central PetroVietnam Oil Joint Stock Company | 4,500,000,000 | - |
| Thu Duc Trading and Import - Export Joint Stock Company | 4,428,011,000 | 3,162,865,000 |
| Binh Thuan Petroleum Joint Stock Company | 3,860,457,750 | 5,450,058,000 |
| Vung Ang Petroleum Joint Stock Company | 2,825,000,000 | - |
| Vung Tau Petroleum Joint Stock Company | 2,401,665,000 | 6,175,710,000 |
| Nam Dinh Petroleum Joint Stock Company | 1,134,999,900 | 1,324,166,550 |
| Ninh Binh Petroleum Joint Stock Company | 851,090,400 | 567,393,600 |
| Bac Lieu Trade Joint Stock Company | 310,630,500 | - |
| Thai Binh Petroleum Joint Stock Company | 281,316,000 | - |
| Thuan An Universal Trade Joint Stock Company | 241,643,000 | 483,286,000 |
| Laos Oil and Gas Petroleum Company Limited | - | 63,560,270,339 |
| Thua Thien Hue Petroleum Joint Stock Company | - | 1,792,050,000 |
| Tra Vinh Trading Joint Stock Company | - | 748,560,400 |
| Ha Giang Petroleum Tourism and Trading Joint Stock Company | - | 272,211,000 |
| | 58,302,057,590 | 95,258,513,644 |

Remuneration of the Board of Members and Board of Management

Remuneration paid to the Corporation's Board of Members during the period was as follows:

| | Current period | Prior period |
|--------------------------------------|-----------------------|---------------------|
| | VND | VND |
| Salaries, bonus and benefits in kind | 1,104,000,877 | 1,152,422,400 |

Remuneration paid to the Corporation's Board of Management during the period was as follows:

| | Current period | Prior period |
|--------------------------------------|-----------------------|---------------------|
| | VND | VND |
| Salaries, bonus and benefits in kind | 4,707,392,795 | 4,502,183,727 |

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

| | Closing balance VND | Opening balance VND |
|--|--------------------------------------|--------------------------------------|
| Trade receivables | | |
| Pete Trading and Investment Corporation | 604,682,327,555 | 529,236,394,809 |
| Saigon Petroleum Joint Stock Company | 197,672,150,732 | 212,686,429,546 |
| Vung Tau Petroleum Joint Stock Company | 152,852,403,792 | 109,450,379,534 |
| Mekong Petroleum Joint Stock Company | 150,563,679,175 | 105,218,265,719 |
| Ninh Binh Petroleum Joint Stock Company | 148,627,288,156 | - |
| Vung Ang Petroleum Joint Stock Company | 125,686,935,111 | 87,554,069,138 |
| Phu Tho Petroleum Joint Stock Company | 123,128,984,591 | 127,512,417,830 |
| Central PetroVietnam Oil Joint Stock Company | 122,223,726,339 | 128,646,546,104 |
| Hai Phong PetroVietnam Oil Joint Stock Company | 117,355,386,392 | 58,935,212,855 |
| Phu Yen General Materials Joint Stock Company | 110,026,473,939 | 74,618,527,445 |
| Hanoi Petroleum Joint Stock Company | 105,048,495,085 | 52,553,447,564 |
| Thanh Hoa Petroleum Joint Stock Company | 92,392,687,522 | 52,142,715,433 |
| Nam Dinh Petroleum Joint Stock Company | 69,109,149,307 | 59,631,966,256 |
| VietsovPetro Joint Venture | 48,965,091,006 | 48,810,318,689 |
| Binh Thuan Petroleum Joint Stock Company | 45,909,115,930 | 36,081,378,893 |
| Duong Dong Kien Giang Joint Stock Company | 44,434,776,646 | 45,034,776,646 |
| Thai Binh Petroleum Joint Stock Company | 35,418,009,397 | 16,054,213,561 |
| Cai Lan Petroleum Joint Stock Company | 30,272,744,218 | 9,353,566,562 |
| Bac Lieu Petroleum Joint Stock Company | 24,615,025,026 | 23,207,707,979 |
| Tra Vinh Petroleum Joint Stock Company | 17,972,089,888 | 9,362,113,839 |
| Binh Son Refining and Petrochemical Company Limited | 16,973,043,156 | 18,142,755,176 |
| Tay Ninh Petroleum Joint Stock Company | 16,127,992,952 | - |
| PV Oil Lube Joint Stock Company | 14,745,743,615 | 25,059,192,124 |
| Ha Giang Petroleum Tourism and Trading Joint Stock Company | 8,733,910,001 | 3,857,626,916 |
| PetroVietnam Exploration Production Corporation | 8,440,685,991 | 11,424,078,783 |
| Singapore International Oil Trading Pte. Ltd. | 5,051,150,650 | 3,798,654,000 |
| Orient Biofuels Company Limited | 2,160,324,960 | 2,160,324,960 |
| Cuu Long Joint Operating Company | 1,555,753,290 | 330,155,419 |
| Bien Dong POC | 1,381,863,197 | 1,412,275,845 |
| Dung Quat Oil Refinery Project Management Board | 1,362,230,984 | 1,362,230,984 |
| Phu My Petroleum Processing and Production Joint Stock Company | 286,082,100 | 269,588,600 |
| Indochina Petroleum Transportation Joint Stock Company | 4,872,735 | - |
| Vung Tau Petroleum Transportation Joint Stock Company | 4,266,244 | - |
| Nghi Son Refinery Company Limited | - | 317,437,211,303 |
| Dong Phuong Petroleum Joint Stock Company | - | 1,650,610,044 |
| | 2,443,784,459,682 | 2,172,995,152,556 |

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| | Closing balance | Opening balance |
|--|--------------------------|--------------------------|
| | VND | VND |
| Other receivables | | |
| Binh Son Refining and Petrochemical Company Limited | 3,976,940,110,655 | 4,577,568,084,069 |
| Singapore International Oil Trading Company Limited | 529,005,777,625 | 358,514,318,608 |
| VietsovPetro Joint Venture | 61,909,995,817 | 52,734,542,096 |
| Vietnam Oil and Gas Group | 47,016,184,142 | 47,016,184,142 |
| Petroleum Trading Joint Stock Company | 43,044,457,769 | 41,996,903,237 |
| Phu Tho Petroleum Joint Stock Corporation | 9,897,478,906 | 10,369,687,187 |
| Vietnam Petroleum Oil Transportation Joint Stock Company | 8,430,938,650 | 8,736,780,413 |
| Central PetroVietnam Oil Joint Stock Company | 7,800,000,000 | 11,600,000,000 |
| Thanh Hoa Trading and Service Joint Stock Company | 6,272,496,500 | - |
| Phu Yen Trading and Service Joint Stock Company | 4,978,224,000 | - |
| Saigon Petroleum Joint Stock Company | 1,799,474,821 | 1,805,854,821 |
| Petrochemical and Biofuel Joint Stock Company | 1,747,671,157 | - |
| Nam Dinh Petroleum Joint Stock Company | 1,134,999,900 | 25,399,000 |
| Cai Lan Petroleum Joint Stock Corporation | 1,092,744,152 | - |
| PetroVietnam Oil Stockpile Company Limited | 512,515,240 | - |
| Bac Lieu Petroleum Joint Stock Company | 310,630,500 | - |
| Thai Binh Petroleum Joint Stock Company | 281,316,000 | - |
| Quang Tri Trading and Service Joint Stock Company | 134,896,500 | - |
| PV Oil Lube Joint Stock Company | 117,974,666 | 51,603,383 |
| PetroVietnam Exploration Production Corporation | 604,591 | 4,629,575,625 |
| Cuu Long Joint Operating Company | - | 25,083,064,218 |
| | 4,702,428,491,591 | 5,140,131,996,799 |
| Trade payables | | |
| | Closing balance | Opening balance |
| | VND | VND |
| Binh Son Refining and Petrochemical Company Limited | 1,582,397,854,248 | 1,506,856,844,387 |
| Phu My Petroleum Production and Processing Joint Stock Company | 341,349,565,818 | 311,343,367,143 |
| Petro Vietnam Gas Corporation | 42,943,372,968 | 238,780,480,979 |
| Vietnam Petroleum Oil Transport Joint Stock Company | 19,040,491,556 | 27,407,690,448 |
| PetroVietnam Transportation Corporation | 18,419,261,780 | 42,518,197,486 |
| PetroVietnam Infrastructure and Urban Investment Joint Stock Company | 5,838,764,784 | 5,838,764,784 |
| Dung Quat Oil Refinery Project Management Board | 1,954,237,323 | 1,954,237,323 |
| Saigon Petroleum Joint Stock Company | 1,351,002,590 | 798,000,000 |
| PVI Vung Tau | 833,278,528 | 897,549,394 |
| Petec Trading and Investment Corporation | 650,954,383 | - |
| Vietnam Energy Inspection Corporation | 610,085,118 | 1,760,402,983 |
| Vung Tau Petroleum Joint Stock Company | 440,354,599 | - |
| Công ty CP Vận tải Dầu khí Phương Đông Việt (PVTrans_Oil) | 436,914,110 | 436,914,110 |
| Mekong Petroleum Joint Stock Company | 422,605,000 | - |
| Vung Ang Petroleum Joint Stock Company | 356,000,000 | - |
| Central Petroleum Joint Stock Company | 288,935,000 | - |
| Tay Ninh Petroleum Joint Stock Company | 258,072,000 | - |
| Nam Dinh Petroleum Joint Stock Company | 251,688,000 | - |
| PetroVietnam Securities Incorporated | 249,500,000 | 249,500,000 |
| Phu Yen Petroleum Joint Stock Company | 232,144,000 | - |
| Hanoi Petroleum Joint Stock Company | 223,728,600 | 74,954,748 |
| Phu Tho Petroleum Joint Stock Company | 215,012,149 | 1,337,012,149 |
| Thanh Hoa Petroleum Joint Stock Company | 209,072,000 | - |
| PetroVietnam Drilling and Well Services Corporation | 187,000,000 | - |
| Singapore International Oil Trading Company Limited | - | 159,831,029,734 |
| Tra Vinh Petroleum Joint Stock Company | - | 2,020,000,000 |
| | 2,019,159,894,554 | 2,302,104,945,668 |

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| | Closing balance VND | Opening balance VND |
|---|-------------------------------|-------------------------------|
| Other payables | | |
| VietsovPetro Joint Venture | 1,850,492,293,104 | 2,532,419,416,212 |
| PetroVietnam Exploration Production Corporation | 223,661,349,149 | - |
| Vietnam Oil and Gas Group | 112,787,337,134 | 95,858,392,865 |
| Binh Son Refining and Petrochemical Company Limited | 69,760,051 | - |
| | 2,187,010,739,438 | 2,628,277,809,077 |
| Short-term accrued expenses | | |
| Vietnam Oil and Gas Group (PVN) | 29,001,698,787 | 47,921,230,383 |
| PetroVietnam Transportation Corporation | 9,444,795,850 | 4,209,515,760 |
| Vietnam Petroleum Oil Transport Joint Stock Company | 9,042,371,642 | 3,672,974,373 |
| Oil and Gas Trade Joint Stock Company (Petechim) | 8,948,728,584 | 8,948,728,584 |
| PetroVietnam Exploration Production Corporation | 2,774,149,875 | 6,706,376,552 |
| Vietnam Energy Inspection Corporation | 2,239,716,766 | 1,170,406,671 |
| PetroVietnam Safety Joint Stock Company | 909,090,909 | 818,181,818 |
| PVI Vung Tau | 525,834,150 | 2,519,125,004 |
| VietsovPetro Joint Venture | 393,635,455 | - |
| PVD offshore Services Limited Company | 170,000,000 | 170,000,000 |
| PV Oil Lube Joint Stock Company | 54,761,891 | - |
| Petrovietnam Gas Joint Stock Corporation | 20,700,000 | - |
| | 63,525,483,909 | 76,136,539,145 |

40. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Cash outflows for purchases of fixed assets and other long-term assets during the period exclude an amount of VND 0 (Prior period: VND 4,487,176,125), representing an addition in fixed assets during the period that has not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Proceeds from investments during the period exclude an amount of VND 80,815,615,275 (Prior period: VND 55,809,905,525), representing interest on investment during the period that has not yet been received. Consequently, changes in receivables have been adjusted by the same amount.

41. INFORMATION ABOUT EQUITIZATION PROCESS

On 27 May 2015, the Board of Members of Vietnam Oil and Gas Group ("PVN") issued Decision No. 1197/QD-DKVN on the equitization of PetroVietnam Oil Corporation - One Member Limited Company. Accordingly, the enterprise valuation date is 31 December 2015.

On 03 March 2017, the State Auditors issued an audit report on the result of evaluation, consultancy, and handling of financial matters before officially announcing the enterprise value for equitization of the parent company - PetroVietnam Oil Corporation.

On 10 April 2017, the Minister of Industry and Trade issued Decision No. 1220/QD-BCT regarding the valuation of the parent company - PetroVietnam Oil Corporation (under Viet Nam Oil and Gas Group) for equitization.

On 08 December 2017, the Prime Minister issued Decision No.1979/QD-Ttg approving the equitization plan of the parent company - PetroVietnam Oil Corporation (under Viet Nam Oil and Gas Group). Accordingly, the charter capital of the Corporation is VND 10,342,295,000,000.

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On 25 January 2018, the Corporation held the initial public offering ("IPO") with the total number of 200,445,036 shares offered. The first trading date of the abovementioned shares on the UPCoM market is 07 March 2018.

On 08 March 2018, the Corporation sent Official Letter No. 1755/DVN-TCKT to the Ministry of Finance requesting for guidance on the handling of problems in accounting for PVOIL's equitisation process as follows:

- a) Specific guidance on the time of adjustment of accounting records according to the announced enterprise value. Specifically, in the case of PVOIL, if the decision on announcement of the enterprise value is made in 2017, PVOIL will adjust its books for the financial year 2017 or will make adjustments in 2018 before PVOIL is officially transformed into a joint stock company.
- b) Specific guidance on accounting for reversals of provisions for bad debts recovered, inventories sold, investments recovered in the years between the valuation time and the time of announcement of the enterprise value (in the specific case of PV OIL, it is 2016).
- c) Specific guidance on provision for investments that were already evaluated to be increased at the valuation time (2015). After this time, the values of these investments have decreased compared to the revaluated amounts; therefore, whether or not PV Oil should make provision for impairment of the increased investment due to revaluation.

On 18 May 2018, the Ministry of Finance issued Official Letter No. 5797/BTC-TCDN regarding guidance on the handling of problems in accounting for PVOIL's equitisation process. Accordingly, the Board of Management decided to adjust figures of the financial statements for the year ended 31 December 2017 relating to the financial treatment upon the announcement of the value of the parent company – the Corporation.

On 30 July 2018, the first Meeting of Shareholders of Petrovietnam Oil Corporation – Joint Stock Company was held and approved some contents in Resolution No. 01/NQ-DHDCD dated 30 July 2018.

On 01 August 2018, the Corporation was granted a joint stock company registration certificate and officially transformed into the Joint Stock Company then.

At the date of issue of these interim separate financial statements, the Corporation is in the process of carrying out procedures for handing over and finalizing state capital upon transformation from a state-owned company to a joint stock company.

42. SUBSEQUENT EVENTS

On 30 July 2018, the first Meeting of Shareholders of Petrovietnam Oil Corporation – Joint Stock Company was held and approved some contents in Resolution No. 01/NQ-DHDCD dated 30 July 2018.

On 01 August 2018, the Corporation was granted a joint stock company registration certificate and officially transformed into the Joint Stock Company then.

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43. COMPARATIVE FIGURES

Comparative figures in the interim balance sheet as at 31 December 2017 and the notes thereto are the amounts adjusted according to audit results of the State Audit and approved by the competent authorities for the purpose of enterprise valuation for equitisation (details in Note 4).


Nguyen Thuy Dung
Preparer


Nguyen Dang Trinh
Chief Accountant



Cao Hoai Duong
Chief Executive Officer

03 August 2018

