



**Vietnam National Petroleum Group**

Consolidated Interim Financial  
Statements for the six-month period  
ended 30 June 2017

MSN

## Vietnam National Petroleum Group Corporate Information

**Establishment Documents** Decision No. 224/QD-TTg dated 14 April 1995 of the Prime Minister on establishment of Vietnam National Petroleum Corporation.

Decision No. 828/QD-TTg dated 31 May 2011 of the Prime Minister on the approval of the equitization and restructuring plan of Vietnam National Petroleum Corporation.

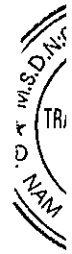
Business Registration Certificate No. 0100107370 initially issued by the Hanoi Department of Planning and Investment on 5 May 1995. The Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate dated 19 September 2016.

<b>Board of Management</b>	Mr. Bui Ngoc Bao	Chairman
	Mr. Nguyen Thanh Son	Member
	Mr. Nguyen Duc Thang	Member
	Mr. Tran Ngoc Nam	Member
	Mr. Le Van Huong	Member
	Mr. Nguyen Anh Dung	Member
	Mr. Vu Ba Phu	Member
	Mr. Hitoshi Kato	Member
	Mr. Pham Van Thanh	Member ( <i>from 25/4/2017</i> )

<b>Board of General Directors</b>	Mr. Tran Van Thinh	General Director
	Mr. Nguyen Quang Kien	Deputy General Director
	Mr. Vuong Thai Dung	Deputy General Director
	Mr. Tran Ngoc Nam	Deputy General Director
	Mr. Pham Duc Thang	Deputy General Director
	Mr. Vu Ba Phu	Deputy General Director
	Mr. Nguyen Quang Dung	Deputy General Director ( <i>from 1/4/2017</i> )
	Mr. Nguyen Van Su	Deputy General Director ( <i>from 1/4/2017</i> )

**Registered Office** No. 1, Kham Thien Street, Dong Da District  
Hanoi, Vietnam

**Auditor** KPMG Limited  
Vietnam



## Vietnam National Petroleum Group Statement of the Board of General Directors

The Board of General Directors of Vietnam National Petroleum Group (“the Group”) presents this statement and the accompanying consolidated interim financial statements of the Group for the six-month period ended 30 June 2017.

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

- (a) the consolidated interim financial statements set out on pages 5 to 59 give a true and fair view of the consolidated financial position of the Group as at 30 June 2017, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

On the date of this statement, the Group’s Board of General Directors has authorised the accompanying consolidated interim financial statements for issue.



On behalf of the Board of General Directors

Trần Văn Thịnh  
*General Director*

Hanoi, 29 August 2017

11/01/2017  
CÔNG  
NHIỆM  
KPM  
LIÊM



KPMG Limited  
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## CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW REPORT

To: **The Shareholders  
The Board of Management and the Board of General Directors  
Vietnam National Petroleum Group**

We have reviewed the accompanying consolidated interim financial statements of Vietnam National Petroleum Group ("the Group"), which comprise the consolidated balance sheet as at 30 June 2017, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Group's Board of General Directors on 29 August 2017, as set out on pages 5 to 59.

### Board of General Directors' Responsibility

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

### Auditor's Responsibility

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

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





### Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vietnam National Petroleum Group as at 30 June 2017 and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

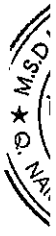
**KPMG Limited**  
Vietnam

Review Report No.: 17-02-103-SX-HN



Đàm Xuân Lam  
Practicing Auditor Registration  
Certificate No.: 0861-2013-007-1  
*Deputy General Director*

Hanoi, 29 August 2017



**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2017**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>37,770,248,349,608</b>	<b>33,376,137,739,565</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>9</b>	<b>11,890,061,460,545</b>	<b>11,353,600,192,147</b>
Cash	111		4,775,263,498,773	4,342,083,888,717
Cash equivalents	112		7,114,797,961,772	7,011,516,303,430
<b>Short-term financial investments</b>	<b>120</b>	<b>10</b>	<b>3,747,465,782,345</b>	<b>2,653,613,962,495</b>
Trading securities	121		68,970,162,900	79,115,638,400
Allowance for diminution in the value of trading securities	122		(14,277,562,043)	(20,195,072,393)
Held-to-maturity investments	123		3,692,773,181,488	2,594,693,396,488
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>7,522,975,822,074</b>	<b>6,918,359,545,312</b>
Accounts receivable from customers	131	11	6,869,758,614,322	6,184,468,795,660
Prepayments to suppliers	132		460,970,379,452	454,056,722,166
Other receivables	136	12	623,701,667,254	703,404,307,083
Allowance for doubtful debts	137		(432,770,234,141)	(424,450,707,637)
Shortage of assets awaiting resolution	139		1,315,395,187	880,428,040
<b>Inventories</b>	<b>140</b>	<b>13</b>	<b>11,683,643,115,590</b>	<b>8,627,059,190,050</b>
Inventories	141		11,730,387,979,867	8,643,776,356,784
Allowance for inventories	149		(46,744,864,277)	(16,717,166,734)
<b>Other current assets</b>	<b>150</b>		<b>2,926,102,169,054</b>	<b>3,823,504,849,561</b>
Short-term prepaid expenses	151		310,719,960,501	270,755,270,527
Deductible value added tax	152		482,518,672,118	277,155,321,710
Taxes and other receivables from State Treasury	153	21	1,108,076,543,233	2,156,306,559,062
Other current assets	155	14	1,024,786,993,202	1,119,287,698,262

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

**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2017 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>20,994,689,670,374</b>	<b>20,868,296,752,133</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>65,909,223,550</b>	<b>47,611,240,582</b>
Accounts receivable from customers – long-term	211		56,141,883,871	36,068,203,527
Other long-term receivables	216		51,054,196,010	50,457,255,082
Allowance for doubtful long-term debts	219		(41,286,856,331)	(38,914,218,027)
<b>Fixed assets</b>	<b>220</b>		<b>15,512,478,764,427</b>	<b>15,646,073,853,005</b>
Tangible fixed assets	221	15	13,548,404,808,218	13,751,375,772,196
Cost	222		28,950,230,239,887	28,224,171,557,650
Accumulated depreciation	223		(15,401,825,431,669)	(14,472,795,785,454)
Intangible fixed assets	227	16	1,964,073,956,209	1,894,698,080,809
Cost	228		2,495,846,251,799	2,372,949,231,584
Accumulated amortisation	229		(531,772,295,590)	(478,251,150,775)
<b>Investment property</b>	<b>230</b>	<b>17</b>	<b>254,427,024,976</b>	<b>256,182,851,727</b>
Cost	231		317,602,466,903	314,367,780,418
Accumulated depreciation	232		(63,175,441,927)	(58,184,928,691)
<b>Long-term work in progress</b>	<b>240</b>		<b>893,595,686,668</b>	<b>604,702,429,151</b>
Long-term work in progress	241		2,393,855,199	-
Construction in progress	242	18	891,201,831,469	604,702,429,151
<b>Long-term financial investments</b>	<b>250</b>	<b>10</b>	<b>2,361,211,221,235</b>	<b>2,380,992,710,474</b>
Investments in associates, joint-ventures	252		1,959,754,085,159	2,028,073,452,777
Equity investments in other entities	253		404,034,771,216	355,674,275,616
Allowance for diminution in the value of long-term financial investments	254		(114,577,635,140)	(115,155,017,919)
Held-to-maturity investments	255		112,000,000,000	112,400,000,000
<b>Other long-term assets</b>	<b>260</b>		<b>1,907,067,749,518</b>	<b>1,932,733,667,194</b>
Long-term prepaid expenses	261	19	1,888,656,046,133	1,913,707,367,823
Deferred tax assets	262		10,412,132,051	11,057,162,186
Long-term tools, supplies and spare parts	263		22,118,300	22,118,300
Other long-term assets	268		7,977,453,034	7,947,018,885
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>58,764,938,019,982</b>	<b>54,244,434,491,698</b>

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

**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2017 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>33,195,706,903,380</b>	<b>31,043,829,442,660</b>
<b>Current liabilities</b>	<b>310</b>		<b>30,147,327,095,934</b>	<b>27,941,980,070,519</b>
Accounts payable to suppliers	311	20	11,052,199,651,875	11,522,669,163,818
Advances from customers	312		479,439,321,981	526,600,619,415
Taxes and others payable to State Treasury	313	21	2,099,141,827,132	2,096,667,226,664
Payables to employees	314		823,458,474,886	1,053,483,580,467
Accrued expenses	315		336,393,793,434	185,383,858,808
Unearned revenue – short-term	318		74,248,303,150	75,041,994,171
Other payables – short-term	319	22	377,053,699,743	373,542,415,375
Short-term borrowings	320	23(a)	8,857,968,226,954	7,038,009,632,280
Provisions – short-term	321	24	2,938,048,870,460	2,968,182,984,991
Bonus and welfare funds	322		557,139,583,498	271,420,528,510
Petroleum price stabilization fund	323	25	2,552,235,342,821	1,830,978,066,020
<b>Long-term liabilities</b>	<b>330</b>		<b>3,048,379,807,446</b>	<b>3,101,849,372,141</b>
Long-term advances from customers	332		11,185,558,230	11,210,863,970
Long-term accrued expenses	333		571,025,598	290,467,540
Long-term unearned revenue	336		16,873,729,878	9,144,815,444
Other payables – long-term	337		191,737,361,461	201,887,838,383
Long-term borrowings	338	23(b)	2,783,976,350,851	2,852,388,509,980
Deferred tax liabilities	341		4,883,503,757	4,878,702,501
Provisions – long-term	342		24,768,221,371	10,543,121,369
Science and technology development fund	343		14,384,056,300	11,505,052,954

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



**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2017 (continued)**

**Form B 01a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	30/6/2017 VND	1/1/2017 VND
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>25,569,231,116,602</b>	<b>23,200,605,049,038</b>
<b>Owners' equity</b>	<b>410</b>	<b>26</b>	<b>25,569,231,116,602</b>	<b>23,200,605,049,038</b>
Share capital	411	27	12,938,780,810,000	12,938,780,810,000
- Ordinary shares with voting rights	411a		12,938,780,810,000	12,938,780,810,000
Capital surplus	412		3,813,177,686,420	3,003,630,250,509
Other capital	414		994,304,773,566	990,113,907,720
Treasury shares	415		(1,350,648,460,000)	(1,550,648,460,000)
Differences upon asset revaluation	416	26	(1,317,118,937,352)	(1,317,118,937,352)
Foreign exchange differences	417		(76,149,792,101)	(73,836,949,005)
Investment and development fund	418		909,508,678,470	743,691,793,605
Other equity funds	420		83,508,282,043	80,994,720,997
Retained profits	421		6,357,421,326,742	5,162,212,103,107
- Retained profits brought forward	421a		4,584,970,831,488	5,162,212,103,107
- Retained profit for the current period/year	421b		1,772,450,495,254	-
Non-controlling interest	429		3,216,446,748,814	3,222,785,809,457
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>58,764,938,019,982</b>	<b>54,244,434,491,698</b>

29 August 2017

Prepared by:

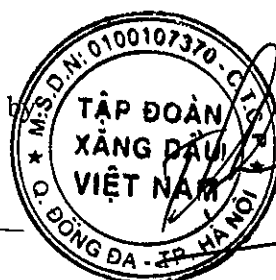


Dang Hong Lien  
Accountant

Approved by:



Luu Van Tuyen  
Chief Accountant



Tran Van Thinh  
General Director

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

**Vietnam National Petroleum Group**  
**Consolidated statement of income for the six-month period ended 30 June 2017**

**Form B 02a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2017 VND	30/6/2016 VND
Revenue from sales of goods and provision of services	01	8	74,155,039,915,805	58,775,054,137,488
Revenue deductions	02	8	20,536,196,258	19,009,804,378
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>8</b>	<b>74,134,503,719,547</b>	<b>58,756,044,333,110</b>
Cost of sales	11	8	67,878,336,875,569	52,394,132,273,321
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>	<b>8</b>	<b>6,256,166,843,978</b>	<b>6,361,912,059,789</b>
Financial income	21	30	471,764,841,322	512,232,836,962
Financial expenses	22	31	440,473,196,242	377,488,656,961
<i>In which: Interest expense</i>	23		286,288,679,324	301,923,979,719
Share of profit/(loss) in associates and jointly controlled entities	24	32	284,892,345,727	288,275,079,946
Selling expenses	25		3,778,752,018,098	3,527,298,567,884
General and administration expenses	26		508,175,863,819	503,228,384,305
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>2,285,422,952,868</b>	<b>2,754,404,367,547</b>
Other income	31		211,119,776,739	119,154,874,084
Other expenses	32		56,715,460,199	77,002,067,656
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>		<b>154,404,316,540</b>	<b>42,152,806,428</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>2,439,827,269,408</b>	<b>2,796,557,173,975</b>
Income tax expense – current	51	34	427,834,848,239	518,665,074,144
Income tax expense – deferred	52	34	603,503,757	7,170,961,601
<b>Net profit after tax (60 = 50 - 51 - 52)</b> <b>(to be repeated in next page)</b>	<b>60</b>		<b>2,011,388,917,412</b>	<b>2,270,721,138,230</b>

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

**Vietnam National Petroleum Group**  
**Consolidated statement of income for the six-month period ended 30 June 2017**  
**(continued)**

Form B 02a – DN/HN  
 (Issued under Circular No. 202/2014/TT-BTC  
 dated 22 December 2014 of the Ministry of Finance)

	Code	Note	Six-month period ended	
			30/6/2017 VND	30/6/2016 VND
<b>Net profit after tax</b> (60 = 50 - 51 - 52) (repeated from previous page)	60		2,011,388,917,412	2,270,721,138,230
<b>Attributable to:</b>				
Equity holders of the Parent Company	61		1,772,450,495,254	2,014,025,502,890
Non-controlling interest	62		238,938,422,158	256,695,635,340
<b>Earnings per share</b>				
Basic earnings per share	70	35	1,551	1,908

29 August 2017

Prepared by:



Dang Hong Lien  
Accountant

Approved



Luu Van Tuyen  
Chief Accountant



Tran Van Thinh  
General Director

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

**Vietnam National Petroleum Group**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2017**  
**(Indirect method)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Accounting profit before tax	01	2,439,827,269,408	2,796,557,173,975
Adjustments for			
Depreciation and amortisation	02	1,076,292,302,474	964,721,785,037
Allowances and provisions	03	18,315,954,693	164,001,775,157
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(4,574,564,692)	(36,014,919,921)
Profits from investing activities	05	(593,871,194,768)	(582,977,426,633)
Interest expense	06	286,288,679,324	301,923,979,719
Other adjustments	07	718,909,185,283	(958,392,153,339)
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>3,941,187,631,722</b>	<b>2,649,820,213,995</b>
Change in receivables	09	(516,042,831,073)	(2,279,739,577,636)
Change in inventories	10	(3,086,611,623,083)	(2,032,099,937,774)
Change in payables and other liabilities	11	782,715,152,895	2,624,423,742,228
Change in prepaid expenses	12	57,044,994,621	7,272,178,369
Change in trading securities	13	10,145,475,500	5,623,375,000
		<b>1,188,438,800,582</b>	<b>975,299,994,182</b>
Interest paid	14	(291,069,235,249)	(306,538,075,060)
Income tax paid	15	(714,052,344,992)	(348,517,677,361)
Other receipts from operating activities	16	254,099,562,565	212,354,494,197
Other payments for operating activities	17	(562,960,848,817)	(332,676,108,108)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(125,544,065,911)</b>	<b>199,922,627,850</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(1,332,429,956,620)	(1,380,887,625,489)
Proceeds from disposals of fixed assets and other long-term assets	22	8,256,855,366	13,246,935,216
Payments for granting loans, purchase of debt instruments of other entities	23	(1,902,373,000,000)	(1,342,837,042,056)
Receipts from collecting loans, sales of debt instruments of other entities	24	814,281,215,000	1,280,945,481,178
Payments for investments in other entities	25	(69,390,322,760)	-
Collections on investments in other entities	26	950,000,000	196,736,202,000
Receipts of interests, dividends and share of profit	27	677,301,942,174	599,787,858,792
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(1,803,403,266,840)</b>	<b>(633,008,190,359)</b>

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

**Vietnam National Petroleum Group**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2017**  
**(Indirect method - continued)**

**Form B 03a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity issued or capital contributed by owners	31	-	4,039,370,548,092
Proceeds from transfer of treasury shares	31	1,009,547,435,911	-
Proceeds from borrowings	33	32,265,671,711,017	40,445,128,451,851
Payments to settle loan principals	34	(30,564,316,654,244)	(44,032,484,681,344)
Payments of dividends to non-controlling interest of subsidiaries	36	(242,068,441,820)	(55,157,315,766)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>2,468,834,050,864</b>	<b>396,857,002,833</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>539,886,718,113</b>	<b>(36,228,559,676)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>11,353,600,192,147</b>	<b>11,288,673,192,851</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(3,425,449,715)</b>	<b>(1,478,209,264)</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 9)</b>	<b>70</b>	<b>11,890,061,460,545</b>	<b>11,250,966,423,911</b>

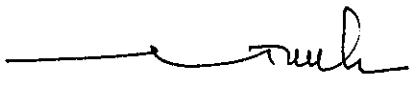
29 August 2017

Prepared by:



Dang Hong Lien  
Accountant

Approved by:



Luu Van Tuyen  
Chief Accountant



Tran Van Thinh  
General Director

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

**Vietnam National Petroleum Group**  
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These notes form an integral part of and should be read in conjunction with the accompanying consolidated interim financial statements.

**1. Reporting entity**

**(a) Ownership structure**

Vietnam National Petroleum Group (the “Group”), previously known as Vietnam National Petroleum Corporation, a state-owned company operating in the petroleum business, was established under Decision No. 224/QD-TTg dated 14 April 1995 by the Prime Minister. The Group was granted a special rank by the Prime Minister under Decision No. 186/TTg dated 28 March 1996, aiming at enhancement of concentration, specialization and cooperation in production and business to execute the functions assigned by the State, improving the competence and efficiency of member companies and the Group and meeting the requirements for development of the economy.

In accordance with Decision No. 828/QD-TTg dated 31 May 2011 by the Prime Minister on the approval of the equitization and restructuring plan of Vietnam National Petroleum Corporation and Business Registration Certificate No. 0100107370 dated 1 December 2011, Vietnam National Petroleum Corporation officially changed to a joint stock company on 1 December 2011 and become Vietnam National Petroleum Group. The Group inherited all rights and obligations from Vietnam National Petroleum Corporation in accordance with legal regulations.

**(b) Principal activities**

The Group undertakes the function of investment and development of petroleum trading activities according to the State's scheme on commercial industry development. The Group's principal activities include operating petroleum warehouses, petroleum ports; surveying, designing and constructing petroleum and civil works; importing/exporting and trading petroleum, petrochemical products and materials and equipment for petroleum industry and other industries, hospitality services and travel services. In addition, the Group has the rights to operate in multi-industry business according to the State's regulations, as well as to perform other functions assigned by the State.

**(c) Normal operating cycle**

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

**(d) Group structure**

The Group structure comprises of the Parent Company - Vietnam National Petroleum Group (“the Parent Company”) and member companies.

As at 30 June 2017, the Group had 70 subsidiaries including 43 petroleum companies fully owned by the Group within its Petroleum Division and 27 other subsidiaries (1/1/2017: 70 subsidiaries) as listed in Note 10(c), 1 joint venture and 12 associates (1/1/2017: 1 joint venture and 11 associates) as listed in Note 10(d).

As at 30 June 2017, the Group had 27,426 employees (1/1/2017: 27,480 employees).

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**2. Basis of preparation**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

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

**(c) Annual accounting period**

The annual accounting period of the Group is from 1 January to 31 December.

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Group. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

**(ii) Non-controlling interests**

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received is recorded directly in retained profits under equity.

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**(iii) *Loss of control***

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognized in the consolidated income statement. Any interest retained in the former subsidiary when control is lost is stated at the carrying amount of the retained investment in the separate financial statements adjusted for appropriate shares of changes in equity of the investee since the acquisition date, if significant influence in the investee is maintained, or otherwise stated at cost.

**(iv) *Associates and jointly controlled entities (equity accounted investees)***

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Jointly controlled entities (“joint ventures”) are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. Associates and jointly controlled entities are accounted for using the equity method (equity accounted investees). The consolidated financial statements include the Group’s share of the income and expenses of the equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group’s share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

One of the Group’s associates is Petrolimex Group Commercial Joint Stock Bank which operates in the banking sector. The Board of General Directors assessed the effect of prevailing regulations on capital contribution in banking activities under Decree No. 91/2015/ND-CP dated 13 October 2015 of the Government on investment of state capital in enterprises and management and use of capital and assets in enterprises. Accordingly, the Group had a plan for divestment from this subsidiary.

**(v) *Transactions eliminated on consolidation***

Intra-group balances, transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains and losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee.



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**(vi) Business combination**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

**(b) Foreign currency**

**(i) Foreign currency transactions**

Transactions in currencies other than VND during the period have been translated into VND at rates approximating actual rates of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at the exchange rates at the end of the accounting period. The actual rates of exchange applied to retranslate monetary items denominated in foreign currency at the end of the accounting period are determined as follows:

- For monetary assets (cash on hand, cash in banks and receivables): the foreign currency buying rate at the end of the accounting period quoted by Joint Stock Commercial Bank for Foreign Trade of Vietnam.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at the end of the accounting period quoted by Joint Stock Commercial Bank for Foreign Trade of Vietnam.

All foreign exchange differences are recorded in the consolidated statement of income.

**(ii) Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to VND at exchange rates at the end of the accounting period. The income and expenses of foreign operations are translated to VND at the exchange rates which approximate those ruling on the dates of transactions.

Foreign currency differences arising from the translation of foreign operations are recognized in the consolidated balance sheet under the caption "Foreign exchange differences" in equity.

**(c) Cash and cash equivalents**

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

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**(d) Investments**

**(i) Trading securities**

Trading securities are those held by the Group for trading purpose i.e. purchased for resale with the aim of making profits over a short period of time. Trading securities are initially recognized at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at cost less allowance for diminution in value. An allowance is made for diminution in value of trading securities if market price of the securities item falls below its carrying amount. The allowance is reversed if the market price subsequently increases after the allowance was recognised. An allowance is reversed only to the extent that the securities' carrying amount does not exceed the carrying amount that has been determined if no allowance had been recognised.

**(ii) Held-to-maturity investments**

Held-to-maturity investments are those that the Board of General Directors of the Group has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at bank, bonds, redeemable preference shares which the issuers are required to repurchase at a certain date and loans receivable held to maturity. These investments are stated at costs less allowance for doubtful debts.

**(iii) Investments in equity instruments of other entities**

Investments in equity instruments of other entities are initially recognized at cost which include purchase price plus any directly attributable transaction costs. Subsequent to initial recognition, these investment are stated at cost less allowance for diminution in value.

An allowance is made for diminution in investment values if the investee has suffered a loss, except where such a loss was anticipated by the Group before making the investment. The allowance is reversed if the investee subsequently made a profit that offsets the previous loss for which the allowance had been made. An allowance is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined if no allowance had been recognized. Allowance for diminution in the value of long-term financial investments is made in accordance with guidance in Circular No. 89/2013/TT-BTC dated 28 June 2013 on amendments and supplements to Circular No. 228/2009/TT-BTC dated 7 December 2009 of the Ministry of Finance guiding the appropriation and use of allowance for devaluation of inventories, impairment of financial instruments, doubtful debts and warranty for products, goods and construction works at enterprises.

**(e) Accounts receivable**

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

Allowance 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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**(f) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first-in-first-out basis and includes all costs incurred in bringing the inventories to their present location and condition. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. Net realizable value is the estimated selling price of inventory items, less the estimated costs of completion and direct selling expenses.

The Group applies the perpetual method of accounting for inventories.

The Group provides allowance for inventories for obsolete, damaged and sub-standard inventories and for those which have costs higher than net realizable values at the end of the accounting period.

**(g) Tangible fixed assets**

**(i) Cost**

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use.

Expenditure incurred after tangible fixed assets have been put into operation, such as repair, maintenance and overhaul cost, is charged to the consolidated statement of income in the period in which the cost is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalized as an additional cost of tangible fixed assets.

**(ii) Depreciation**

Depreciation of tangible fixed assets is computed on a straight-line basis over the estimated useful lives in accordance with Decision 491/PLX-QD-HDQT dated 7 December 2011 of the Vietnam National Petroleum Group providing guidance on management, use and depreciation of fixed assets, applied to member companies and Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets (“Circular 45”). The estimated useful lives are as follows:

▪ Buildings, structures	10 – 35 years
▪ Machinery and equipment	5 – 15 years
▪ Motor vehicles	8 – 20 years
▪ Office equipment	4 – 6 years
▪ Others	10 years

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**(h) Intangible fixed assets**

Intangible fixed assets comprise land use rights, software, software licence and other intangible fixed assets.

**(i) Land use rights**

Land use rights are any costs actually incurred in conjunction with securing the land use rights including costs for land clearance and levelling.

Land use rights comprise:

- Those granted by the State for which land use payments are collected;
- Those acquired in a legitimate transfer; and
- Rights to use leased land obtained before the effective date of the 2003 Land Law for which payments have been made in advance for more than 5 years and supported by land use right certificates issued by competent authority.

Land use rights are stated at cost less accumulated amortization. Definite land use rights are amortized on a straight-line basis over the term of the land use. No amortization is computed for indefinite land use rights by the Group.

**(ii) Software and software licence**

Software and software licence include any costs incurred until the date that software and software licence are put into use. Software and software licence are amortized on a straight line basis over the estimated useful lives for 10 years.

**(i) Investment property held to earn rental**

**(i) Cost**

Investment property held to earn rental is stated at cost less accumulated depreciation. The initial cost of an investment property held to earn rental comprises its purchase price, cost of land use rights and any directly attributable expenditures of bringing the property to the condition necessary for it to be capable of operating in the manner intended. Expenditure incurred after the investment property held to earn rental has been put into operation, such as repairs and maintenance, is charged to the consolidated statement of income in the period in which the expenditure is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in future economic benefits in excess of the originally assessed standard of performance of the existing investment property held to earn rental, the expenditure is capitalised as an additional cost of the investment property.

**(ii) Depreciation**

Depreciation is computed on a straight-line basis over the estimated useful lives of investment property for 35 to 50 years.

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**(j) Construction in progress**

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

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

**(i) Cylinders**

The Group adopted the guidance in Official Letter No. 7640/CV-BTC dated 21 June 2005 and Official Letter No. 7776/BTC-TCT dated 2 June 2009 of the Ministry of Finance and Circular No. 118/2010/TT-BTC dated 10 August 2010 of the Ministry of Finance guiding financial and tax regimes applicable to traders of bottled liquefied petroleum gas in recognition and amortization of cylinder values and deposits for cylinders. Accordingly, cylinder values are presented in long-term prepayments and amortized in the consolidated statement of income over a period ranging from 5 to 10 years.

**(ii) Business advantages related to equitization**

Business advantages related to equitization of Vietnam National Petroleum Corporation are determined and recognised in accordance with Decree No. 59/2011/ND-CP dated 18 July 2011 of the Government on conversion of 100% state-owned enterprises into joint stock companies (“Decree 59”) and Circular No. 202/2011/TT-BTC dated 30 December 2011 of the Ministry of Finance guiding the implementation of Decree 59. Accordingly, the value of business advantages to be included in the valuation of an equitized enterprise comprises the value of its trade name and potential for development. The value of trade name is determined based on actual costs incurred for formulation and protection of brand names and trade names during the normal course of business prior to the date of valuation of the enterprise. The potential for development is determined based on the book value of the state-owned capital at the date of valuation multiplied by the difference between the average ratio of net profit after tax to owners’ equity of three years prior to the date of valuation and the interest rate of 5-year term government bonds announced by the Ministry of Finance at the date closest to the date of valuation.

The business advantages determined during evaluation for equitization of Vietnam National Petroleum Corporation amounted to VND542,140,339,196 and have been amortizing to the consolidated statement of income over 10 years since 1 January 2012.

**(iii) Tools and instruments**

Tools and instruments include assets held for use by the Group in the normal course of business whose costs of individual items are less than VND30 million and therefore not qualified for recognition as fixed assets under Circular 45. Cost of tools and instruments are amortized on a straight-line basis over a period ranging over 3 years.

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**(l) Goodwill**

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill is measured at cost less accumulated amortization. Cost of goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative (gain from bargain purchase), it is recognized immediately in the consolidated statement of income.

Goodwill arising on acquisition of a subsidiary is amortised on a straight-line basis over 5 years. Carrying value of goodwill arising on acquisition of a subsidiary is written down to recoverable amount as the Board of General Directors determines that it is not fully recoverable.

In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment and is not amortised.

**(m) Trade and other payables**

Trade and other payables are stated at their cost.

**(n) Technical reserves and reinsurance assets**

Technical reserves and reinsurance assets of the Group represent figures consolidated from Petrolimex Joint Stock Insurance Company ("PJICO"). Technical reserves are established in accordance with regulations and instructions of Circular No. 125/2012/TT-BTC issued by the Ministry of Finance on 30 July 2012 guiding accounting regime applicable to insurers, reinsurers, insurance brokers and foreign non-life insurance business branches ("Circular 125"). Reserve methods and assumptions used in calculation of technical reserves for each type of insurance products were approved by Ministry of Finance upon introduction of the products.

Technical reserves of the PJICO include:

**(i) *Unearned premium reserve***

Unearned premium reserves are made for the portion of unearned revenue at the reporting date and accounted as a liability in the consolidated balance sheet.

Unearned premium reserves are made on the basis of pro-rata method over the total written premium. This reserve is provided for cargo insurance at 25% of the premium retained for the period and at 50% for other types.



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**(ii) Claims reserve**

Claims reserve includes reserve for outstanding claims and for claims incurred but not reported.

Outstanding claims reserve are the amounts provided to cover the estimated ultimate cost of claims that have occurred and reported prior to the reporting date, less amounts already paid in respect of those claims. Outstanding claims reserve is made separately for each claim dossier.

"Incurred But Not Reported" claims ("IBNR") are claims which have occurred during the current accounting periods or previous accounting periods, but not yet been notified to the insurer or reinsurer as of the end of accounting period. This IBNR reserve is calculated based on 3% of the retained premium during the period under PJICO's responsibility in accordance with Official Letter No. 17755/BTC-QLBH dated 24 December 2012 of the Ministry of Finance ("Official Letter 17755").

**(iii) Catastrophe reserve**

PJICO has provided catastrophe reserve in accordance with Decree No. 46/2007/ND-CP dated 27 March 2007 of the Government ("Decree 46"), Circular 125 and Official Letter 17755. Catastrophe reserve was established at the rate of 2% of the retained premium. The management of PJICO established these ratios based on regional statistics in professional fields and believes that they are reasonable ratios for PJICO.

**(iv) Reinsurance assets**

PJICO does not offset the reserve for direct insurance and assumed reinsurance against the reserve for ceded reinsurance. These reserves are presented under the item of "Other current assets" in the consolidated balance sheet, in which, reserve for direct and assumed reinsurance premiums, reserve for direct and assumed reinsurance claims, and catastrophe reserve is recorded as Provisions – short-term; reserve for ceded reinsurance premiums and reserve for ceded reinsurance claims are recorded as reinsurance assets in Other current assets in the consolidated balance sheet.

**(o) Provisions**

A provision, except for those specified in Note 3(n), is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by estimates made by the Board of General Directors on necessary expenses to pay for this payable obligation at the end of the accounting period.

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**(p) Petroleum price stabilization fund**

The appropriation and utilization of petroleum price stabilization fund are made in accordance with Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Industry and Trade and the Ministry of Finance on “Method of determination of basic prices and the mechanism for creation, management and use of the price stabilization fund and regulation of petrol and oil prices as prescribed in Decree No. 83/2014/ND-CP dated 3 September 2014 of the Government on petrol and oil trading” (“Circular 39”). Whereby:

- Petroleum price stabilization fund is appropriated with a specific amount, which is fixed within the basic price of the actually sold petroleum volume and is determined as an expense item in the basic price structure (the rate of appropriation is stipulated by the Ministry of Finance from time to time) and is recognized in Cost of sales in the period corresponding to a long-term liability;
- The utilization of petroleum price stabilization fund is made in accordance with written guidelines issued by the Ministry of Finance from time to time. The utilization depends on the actually sold petroleum volume multiplied by the utilization level per liter as regulated by the Ministry of Finance. Upon utilization for the price stabilization purpose, the utilized amount is recognized as a decrease in Cost of sales during the period;
- Interest gain or loss arising (upon obtaining additional borrowings for the utilized amount exceeding the petroleum price stabilization fund) on the petroleum price stabilization fund account are recognized as an increase or decrease, respectively in the petroleum price stabilization fund account.

**(q) Share capital**

**(i) Ordinary shares**

Ordinary shares are stated at par value. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognized as a deduction from share premium.

**(ii) Repurchase ordinary shares and reissue of treasury shares**

The issued ordinary shares repurchased by the Parent Company are classified as treasury shares under owners' equity. The cost of treasury shares, which is recognized as a reduction from owners' equity, includes purchase prices and any directly attributable costs.

When treasury shares are sold (reissue of treasury shares), the cost of the reissued shares is determined on a weighted average basis. The difference between the treasury selling price and cost is recognised in share premium.



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**(r) Differences upon assets revaluation**

For the purpose of enterprises valuation upon equitization, the Group has revaluated the value of investments in subsidiaries and associates as per the Valuation Minutes of Vietnam Valuation and Finance Consultancy Joint Stock Company and based on the Equitization Finalization Documents approved by the competent authorities, the Group has recognized an increase in the cost of these investments in the consolidated balance sheet with an amount of VND1,317,118,937,352 (including an adjustment for revaluation of investments in subsidiaries of VND1,302,361,011,837 and an adjustment for revaluation of investments in associates of VND14,757,925,515), meanwhile the equity capital of those investees were not revaluated.

For the purpose of consolidated financial statements preparation, the difference between value of the revaluated investments in subsidiaries and associates and value of equity in the investees was recognized as a decrease in “Differences upon asset revaluation” in the consolidated financial statements of the Group.

**(s) Income tax**

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

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

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Group determines income tax obligations based on current tax regulations. However, these regulations may change from time to time and the ultimate determination of income tax obligations is subject to review by competent tax authorities.

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**(t) Revenue and other incomes**

**(i) Goods sold**

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

**(ii) Services rendered**

Revenue from services rendered is recognized in the consolidated statement of income in proportion to the stage of completion of the transaction. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

**(iii) Rental income**

Rental income from leased property is recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

**(iv) Interest income**

Interest income is recognized on a time proportion basis with reference to the principal outstanding and the applicable interest rate.

**(v) Dividend income**

Dividend income is recognized when the right to receive dividend is established.

**(u) Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalized as part of the cost of the assets concerned.

**(v) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. As at 30 June 2017 and for the six-month period then ended, the Parent Company did not have any dilutive potential ordinary shares. Therefore, requirement for disclosure of diluted earnings per share is not applicable.

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**(w) Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Group's primary format for segment reporting is based on business segments.

**(x) Related parties**

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

**4. Seasonality of operations**

The Group does not have any operations, the seasonality of which may affect the Group's consolidated operating results for the six-month period ended 30 June 2017.

**5. Changes in accounting estimates**

In preparing the consolidated annual and consolidated interim financial statements, the Board of General Directors has made several accounting estimates. Actual results may differ from these estimates. During the six-month period ended 30 June 2017, the Group has not had any significant changes in accounting estimates as compared to those made in the most recent annual financial statements.

**6. Unusual items**

The Group does not have any unusual items which may affect the Group's consolidated financial statements for the six-month period ended 30 June 2017.

**7. Changes in the composition of the Group**

During the six-month period ended 30 June 2017, the Group made an equity investment in an associate, which is Kien Giang Trade and Tourism Company Limited (Note 10(d)).

Vietnam National Petroleum Group  
Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)

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8. Segment reporting

Consolidated balance sheet as at 30 June 2017

	Petroleum segment										Total						
	Petroleum member companies		Non-petroleum member companies		Petrochemical products		Gas products		Insurance services			Transportation services		Other goods and services		Internal elimination and consolidation adjustment	
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND		VND	VND	VND	VND	VND	VND
<b>Assets</b>																	
Cash and cash equivalents	8,651,836,084,254	1,873,667,512,620		562,679,533,479	63,976,353,007	133,798,476,482	332,832,644,034	258,177,732,820	13,093,123,849								11,890,061,460,545
Short-term financial investments	1,000,927,368,000				804,610,000,000	1,904,536,441,450	66,739,921,500	70,740,063,802	(100,088,012,407)								3,747,465,782,345
Accounts receivable – short-term	3,193,872,092,295	9,820,161,590,937		1,186,482,787,259	280,865,637,799	478,194,030,028	409,922,315,183	860,254,536,631	(8,706,777,168,038)								7,522,975,822,074
Inventories	8,986,860,494,965	400,946,104,894		1,128,729,738,387	103,707,872,775	9,713,279,182	304,601,632,398	816,802,878,904	(67,718,885,915)								11,683,643,115,590
Other current assets	1,464,428,510,125	37,109,953,908		60,974,983,143	34,452,878,998	1,098,226,420,081	122,343,964,783	103,028,837,509	5,536,620,507								2,926,102,169,054
Accounts receivable – long-term	211,583,954,022	32,899,632,680		3,825,000,000	732,487,298	11,702,885,439	5,256,852,981	1,533,315,550	(201,624,904,420)								65,909,223,550
Fixed assets	6,959,817,517,577	616,433,904,467		502,033,258,168	426,819,491,188	338,697,651,625	4,626,011,730,024	2,303,798,098,841	(261,132,887,463)								15,512,478,764,427
Investment property	9,309,483,998			3,234,686,485	7,465,181,207	85,201,645,773	145,530,631,289	3,685,396,224									254,427,024,976
Long-term work in progress	250,212,838,840	68,410,150,243		75,583,370,490	10,718,291,163	21,003,573,479	347,961,473,280	108,530,284,073	11,175,705,100								893,595,686,668
Long-term financial investments	6,130,868,283,897	10,000,000,000		66,041,169,261		167,059,525,000	93,156,944,108	55,675,428,004	(4,161,590,129,035)								2,361,211,221,235
Other long-term assets	1,202,183,764,839	104,901,075,951		158,466,307,484	335,749,452,076	13,529,097,671	28,792,962,546	63,445,088,951									1,907,067,749,518
<b>Total assets</b>	<b>38,061,900,392,812</b>	<b>12,964,529,925,700</b>		<b>3,748,050,834,156</b>	<b>2,069,097,645,511</b>	<b>4,261,663,026,210</b>	<b>6,483,151,072,126</b>	<b>4,645,671,661,309</b>	<b>(13,469,126,537,842)</b>								<b>58,764,938,019,982</b>
<b>Liabilities</b>																	
Current liabilities	16,918,521,671,883	11,776,744,718,656		2,421,142,565,262	1,204,462,365,001	3,350,214,614,935	1,098,833,173,667	2,059,887,815,473	(8,682,479,828,943)								30,147,327,095,934
Long-term liabilities	181,657,465,082	8,302,146,930		47,576,814,156	153,170,838,615	15,105,684,417	1,626,299,073,867	1,218,945,923,115	(202,678,138,736)								3,048,379,807,446
<b>Total liabilities</b>	<b>17,100,179,136,965</b>	<b>11,785,046,865,586</b>		<b>2,468,719,379,418</b>	<b>1,357,633,203,616</b>	<b>3,365,320,299,352</b>	<b>2,725,132,247,534</b>	<b>3,278,833,738,588</b>	<b>(8,885,157,967,679)</b>								<b>33,195,706,903,380</b>
Capital expenditure	580,167,399,133	91,326,809,854		54,844,752,558	22,423,869,066	18,715,891,503	477,353,615,850	46,254,047,733	(10,231,846,232)								1,280,854,539,465
Depreciation of tangible fixed assets	405,104,638,672	38,684,217,537		49,243,471,642	32,362,391,862	13,603,714,082	365,218,224,644	100,038,634,117	(27,010,071,519)								977,245,221,037
Amortisation of intangible fixed assets	46,008,188,028	1,018,045,881		353,530,311	272,911,495	4,850,728,654	1,152,315,330	544,575,363									54,200,295,062
Depreciation of investment property	455,484,950				91,296,666	1,051,882,218	3,203,143,378	188,706,024									4,990,513,236

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Consolidated statement of income for the six-month period ended 30 June 2017

	Petroleum segment						Total
	Petroleum member companies		Non-petroleum member companies		Petrochemical products		
	VND	VND	VND	VND	VND	VND	
Total net revenue	55,017,331,861,941	19,373,874,551,091	2,386,018,568,094	1,403,134,536,980	1,389,243,367,109	3,691,942,651,915	74,134,503,719,547
In which: Internal revenue	3,484,376,014,069	5,302,688,761,639	622,744,494,370	372,717,737,657	206,484,799,539	1,612,597,115,831	(11,852,362,111,774)
Net revenue from external sales	51,532,955,847,872	14,071,185,789,452	1,763,274,073,724	1,030,416,799,323	1,182,758,567,570	2,079,345,536,084	(11,852,362,111,774)
Operating expenses	(53,985,798,534,969)	(19,114,966,066,555)	(2,239,868,052,987)	(1,317,216,596,815)	(1,389,167,416,859)	(3,518,999,660,084)	74,134,503,719,547
Cost of goods sold and services rendered	(50,491,141,039,444)	(18,770,898,198,699)	(1,976,358,587,329)	(1,104,942,553,143)	(994,234,633,206)	(3,311,349,080,766)	(72,165,264,757,486)
Selling expenses	(3,494,657,495,525)	(312,559,378,237)	(208,972,626,282)	(157,850,445,565)	(236,876,667,984)	(81,587,328,446)	(67,878,336,875,569)
General and administration expenses	-	(31,508,489,619)	(54,536,839,376)	(54,423,598,107)	(158,056,115,669)	(126,063,250,872)	(3,778,752,018,098)
<b>Operating profit</b>	<b>1,031,533,326,972</b>	<b>258,908,484,536</b>	<b>146,150,515,107</b>	<b>85,917,940,165</b>	<b>75,950,250</b>	<b>172,942,991,831</b>	<b>1,969,238,962,061</b>
Share of profit/(loss) in associates and jointly controlled entities							284,892,345,727
Financial income							471,764,841,322
Financial expenses							(440,473,196,242)
Results of other activities							154,404,316,540
<b>Accounting profit before tax</b>							<b>2,439,827,269,408</b>
Income tax expense – current							(427,834,848,239)
Income tax expense – deferred							(603,503,757)
<b>Net profit after tax</b>							<b>2,011,388,917,412</b>

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Consolidated balance sheet as at 31 December 2016

	Petroleum segment						Internal elimination and consolidation adjustment	Total	
	Petroleum member companies	Non-petroleum member companies	Petrochemical products	Gas products	Insurance services	Transportation services			Other goods and services
	VND	VND	VND	VND	VND	VND			VND
<b>Assets</b>									
Cash and cash equivalents	8,527,554,983,684	1,451,592,182,795	605,917,594,464	60,349,158,480	142,517,888,593	302,376,337,043	263,292,047,088	11,353,600,192,147	
Short-term financial investments	927,894,400	-	-	702,610,000,000	1,924,004,410,300	63,754,093,700	59,405,256,502	2,653,613,962,495	
Accounts receivable – short-term	2,793,433,586,129	4,620,939,601,270	1,191,169,714,476	278,566,755,784	384,948,370,665	433,064,472,867	899,493,409,591	6,918,359,545,312	
Inventories	6,334,116,525,991	351,299,291,325	733,380,600,929	124,195,026,915	9,807,911,023	380,641,169,356	787,633,130,226	8,627,059,190,050	
Other current assets	2,359,893,187,409	49,059,521,834	25,800,707,401	23,342,632,128	1,192,671,081,256	64,215,334,517	85,691,994,249	3,823,504,849,561	
Accounts receivable – long-term	204,722,389,906	15,107,941,760	3,825,000,000	799,631,178	11,533,394,107	5,044,845,955	1,532,595,730	47,611,240,582	
Fixed assets	6,959,403,899,026	597,708,720,777	499,883,548,672	433,718,562,532	347,493,320,932	4,701,978,963,421	2,372,622,245,295	15,646,073,853,005	
Investment property	9,764,968,948	-	-	7,556,477,873	86,253,527,991	148,733,774,667	3,874,102,248	256,182,851,727	
Long-term work in progress	163,154,290,108	36,491,463,148	80,639,517,992	5,742,178,561	12,650,598,705	195,412,191,679	110,612,188,958	604,702,429,151	
Long-term financial investments	6,004,105,747,964	10,000,000,000	67,080,380,386	-	170,059,525,000	94,151,146,479	60,784,639,441	2,380,992,710,474	
Other long-term assets	1,223,262,186,545	107,524,769,439	163,279,789,449	341,278,117,577	11,132,021,721	24,995,631,155	61,261,151,308	1,932,733,667,194	
<b>Total consolidated assets</b>	<b>34,580,339,660,110</b>	<b>7,239,723,492,348</b>	<b>3,370,976,853,769</b>	<b>1,978,158,541,028</b>	<b>4,293,072,050,293</b>	<b>6,414,367,960,839</b>	<b>4,706,202,760,636</b>	<b>54,244,434,491,698</b>	
<b>Liabilities</b>									
Current liabilities	15,932,385,976,010	6,057,235,370,553	1,978,198,065,264	1,084,472,461,506	3,362,747,090,061	1,126,637,103,774	2,071,797,080,733	27,941,980,070,519	
Long-term liabilities	174,403,073,371	51,263,701,111	41,424,088,867	161,261,086,724	16,063,182,294	1,533,260,706,716	1,320,077,657,256	3,101,849,372,141	
<b>Total consolidated liabilities</b>	<b>16,106,789,049,381</b>	<b>6,108,499,071,664</b>	<b>2,019,622,154,131</b>	<b>1,245,733,548,230</b>	<b>3,378,810,272,355</b>	<b>2,659,897,810,490</b>	<b>3,391,874,737,989</b>	<b>31,043,829,442,660</b>	
Capital expenditure	1,188,723,799,897	231,757,576,340	110,758,393,042	76,310,510,496	26,052,410,458	1,203,803,243,740	195,892,125,803	2,978,889,646,452	
Depreciation of tangible fixed assets	799,703,780,669	63,289,523,037	99,696,462,068	55,427,850,353	25,621,552,184	654,260,681,855	202,111,881,979	1,848,232,344,240	
Amortization of intangible fixed assets	96,581,849,525	1,523,309,619	609,874,417	986,838,371	10,235,657,617	2,132,486,332	1,019,760,090	113,089,775,971	
Depreciation of investment property	744,638,123	-	-	182,593,332	5,091,296,033	6,406,286,756	377,412,048	12,802,226,292	

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Consolidated statement of income for the six-month period ended 30 June 2016

	Petroleum segment		Gas products	Insurance services	Transportation services	Other goods and services	Internal elimination and consolidation adjustment	Total
	Petroleum member companies	Non-petroleum member companies						
	VND	VND						
<b>Total net revenue</b>	42,735,730,239,327	13,685,359,071,437	1,149,386,398,311	1,337,767,073,143	3,113,019,460,904	3,131,127,358,738	(8,704,215,021,802)	58,756,044,333,110
In which: Internal revenue	2,659,586,112,295	3,289,320,916,467	293,195,354,767	154,493,804,846	1,378,392,316,994	271,683,759,915	(8,704,215,021,802)	-
Net revenue from external sales	40,076,144,127,032	10,396,038,154,970	856,191,043,544	1,183,273,268,297	1,734,627,143,910	2,859,443,598,823	-	58,756,044,333,110
Operating expenses	(41,232,019,801,927)	(13,469,968,209,989)	(1,079,642,791,598)	(1,317,673,236,603)	(2,860,900,488,543)	(2,964,489,990,487)	8,667,572,995,238	(56,424,659,225,510)
Cost of goods sold and services rendered	(38,102,316,669,760)	(13,207,127,832,394)	(864,293,866,575)	(930,072,176,482)	(2,658,968,678,071)	(2,779,374,792,819)	8,026,493,040,633	(52,394,132,273,321)
Selling expenses	(3,129,703,132,167)	(256,889,618,275)	(152,007,379,773)	(230,189,493,815)	(75,525,146,237)	(100,653,278,876)	642,492,685,293	(3,527,298,567,884)
General and administration expenses	-	(5,950,759,320)	(63,341,545,250)	(157,411,566,306)	(126,406,664,235)	(84,461,918,792)	(1,412,730,688)	(503,228,384,305)
<b>Operating profit</b>	<b>1,503,710,437,400</b>	<b>215,390,861,448</b>	<b>69,743,606,713</b>	<b>20,093,836,540</b>	<b>252,118,972,361</b>	<b>166,637,368,251</b>	<b>(36,642,026,564)</b>	<b>2,331,385,107,600</b>
Share of profit/(loss) in associates and jointly controlled entities								288,275,079,946
Financial income								512,232,836,962
Financial expenses								(377,488,656,961)
Results of other activities								42,152,806,428
<b>Accounting profit before tax</b>								<b>2,796,557,173,975</b>
Income tax expense – current								(518,665,074,144)
Income tax expense – deferred								(7,170,961,601)
<b>Net profit after tax</b>								<b>2,270,721,138,230</b>

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**ended 30 June 2017 (continued)**

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**9. Cash and cash equivalents**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	70,907,946,580	87,467,696,019
Cash in banks	4,503,273,297,192	4,045,222,197,718
In which:		
- <i>Account balance of Price stabilization fund (i)</i>	2,355,626,003,685	1,529,199,064,366
Cash in transit (ii)	201,082,255,001	209,393,994,980
Cash equivalents (iii)	7,114,797,961,772	7,011,516,303,430
	<hr/>	<hr/>
	11,890,061,460,545	11,353,600,192,147
	<hr/>	<hr/>

- (i) According to Circular 39, the account balance of Price stabilization fund is monitored separately in a bank account.

The account balance of Price stabilization fund should be used solely for the price stabilization purpose and should not be used for any other purpose.

- (ii) Cash in transit includes the cash balances at petroleum stations of the petroleum member companies. These amounts will be transferred to the petroleum member companies' bank accounts on the next working day.
- (iii) Cash equivalents as at 30 June 2017 represent term deposits at banks with a tenor of less than three months.

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**Vietnam National Petroleum Group**

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**10. Financial investments**

**(a) Trading securities**

	30/6/2017		1/1/2017		Fair value VND			
	Quantity	Cost VND	Allowance for diminution in value VND	Fair value VND		Allowance for diminution in value VND	Cost VND	Quantity
Military Commercial Joint Stock Bank (i)	715,908	15,000,000,000	-	15,964,748,400	715,908	15,000,000,000	(4,977,288,000)	10,022,712,000
Saigon Beer-Alcohol-Beverage Joint Stock Corporation (i)	-	-	-	-	200,000	14,000,000,000	-	39,540,000,000
Hai Phong Port One Member Limited Company (i)	538,000	7,263,000,000	-	8,285,200,000	538,000	7,263,000,000	-	9,146,000,000
Petro Vietnam Fertilizer and Chemicals Corporation (i)	300,000	10,809,632,500	(3,759,632,500)	7,050,000,000	300,000	10,809,632,500	(4,104,632,500)	6,705,000,000
Refrigeration Electrical Engineering Corporation (i)	320,108	9,603,574,500	-	11,811,985,200	-	5,737,050,000	(1,564,100,800)	4,172,949,200
Others		26,293,955,900	(10,517,929,543)	(*)		26,305,955,900	(9,549,051,093)	(*)
		68,970,162,900	(14,277,562,043)	(*)		79,115,638,400	(20,195,072,393)	(*)

(i) These are investments in trading securities of PJICO.

(\*) The Group has not determined fair values of these investments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. There fair values of these financial investments may differ from their carrying amounts.



**Vietnam National Petroleum Group**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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**(b) Held-to-maturity investments**

	30/6/2017		1/1/2017	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Held-to-maturity investments – short - term				
▪ Term deposits	3,692,773,181,488	3,780,574,656,489	2,594,693,396,488	2,686,530,235,122
Held-to-maturity investments – long - term				
▪ Term deposits	7,000,000,000	7,000,000,000	7,000,000,000	7,000,000,000
▪ Corporate bonds	75,000,000,000	(*)	85,000,000,000	(*)
▪ Others	30,000,000,000	(*)	20,400,000,000	(*)
	112,000,000,000	(*)	112,400,000,000	(*)

(\*) The Group has not determined fair values of these investments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under the Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. There fair values of these financial investments may differ from their carrying amounts.

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2017 (continued)**

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**(c) Investments in subsidiaries**

No.	Name	Address	Principal activities	30/6/2017		1/1/2017	
				% of voting rights owned	% of equity owned	% of voting rights owned	% of equity owned
1	Petrolimex Tanker Corporation	Hanoi	Transportation services	100.00%	100.00%	100.00%	100.00%
2	Vanphong Bonded Petroleum Terminal Joint Venture Company Limited	Khanh Hoa	Storing and trading petroleum products at border gate	90.00%	87.56%	90.00%	87.56%
3	Petrolimex Petrochemical Corporation - JSC	Hanoi	Processing petroleum products	79.07%	79.07%	79.07%	79.07%
4	Petrolimex Joint Stock Insurance Company ("PJICO") (i)	Hanoi	Insurance services	51.19%	51.19%	51.19%	51.19%
5	Petrolimex Gas Corporation – JSC	Hanoi	Trading gas products	52.37%	52.37%	52.37%	52.37%
6	Petrolimex Singapore Pte. Ltd.	Singapore	Trading petroleum	100.00%	100.00%	100.00%	100.00%
7	Petroleum Logistic Service and Investment JSC	Hanoi	Real-estate trading	58.75%	54.31%	58.75%	54.31%
8	Petrolimex Aviation Fuel JSC	Hanoi	Providing fuel for airlines	59.00%	59.00%	59.00%	59.00%
9	Petrolimex International Trading Joint Stock Company	Ho Chi Minh City	Import-export services	52.67%	52.67%	52.67%	52.67%
10	Petrolimex (Lao) Ltd.	Laos	Trading petroleum	100.00%	100.00%	100.00%	100.00%
11	Petrolimex Saigon Transportation and Service JSC	Ho Chi Minh City	Trading and transporting goods	52.73%	52.73%	52.73%	52.73%
12	Petroleum Mechanical Joint Stock (ii)	Ho Chi Minh City	Providing equipment for petroleum sector	46.00%	46.00%	46.00%	46.00%
13	PTN Chemicals Company Limited	Hai Phong	Producing petroleum-based surface materials	60.00%	60.00%	60.00%	60.00%
14	Petrolimex Hanoi Transportation and Trading JSC	Hanoi	Trading and transporting goods	51.00%	51.00%	51.00%	51.00%
15	Petrolimex Construction Joint Stock Company I (ii)	Hanoi	Construction	40.00%	35.12%	40.00%	35.12%
16	Petrolimex Construction Joint Stock Company III (ii)	Ho Chi Minh City	Construction	30.00%	30.00%	30.00%	30.00%
17	Petrolimex Nghe Tinh Transportation and Service JSC	Nghe An	Trading and transporting goods	51.00%	51.00%	51.00%	51.00%
18	Petrolimex Equipment Joint Stock Company	Hanoi	Providing equipment for petroleum sector	50.48%	50.48%	50.48%	50.48%
19	Petrolimex Information Technology and Telecommunication JSC	Hanoi	Developing software products	50.33%	50.33%	50.33%	50.33%
20	Petrolimex Ha Tay Transportation and Service JSC	Hanoi	Trading and transporting goods	51.00%	51.00%	51.00%	51.00%
21	Petrolimex Da Nang Transportation and Service JSC	Da Nang	Trading and transporting goods	51.00%	51.00%	51.00%	51.00%
22	Petrolimex Thua Thien Hue Transportation and Service JSC	Hue	Trading and transporting goods	51.00%	51.00%	51.00%	51.00%
23	Petrolimex Engineering JSC	Hanoi	Construction consultancy	51.00%	51.00%	51.00%	51.00%
24	Petrolimex Kien Giang Co., Ltd.	Kien Giang	Trading petroleum	51.00%	51.00%	51.00%	51.00%
25	VP Petrochemical Transport J.S.C	Hai Phong	Transportation services	88.88%	57.62%	88.88%	57.62%
26	Hai Chau Trading and Services Company Limited	Ho Chi Minh City	Producing, trading ice, frozen seafood	92.04%	92.04%	92.04%	92.04%
27	Cai Be Trading and Services JSC	Tien Giang	Producing, trading ice, frozen seafood	63.04%	63.04%	63.04%	63.04%

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No.	Name	Address	Principal activities	% of voting rights	% of equity owned	% of voting rights	% of equity owned
<b>Petroleum member companies</b>							
28	Petrolimex Quang Ninh One Member Limited Company	Quang Ninh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
29	Petrolimex Sai Gon One Member Limited Company	Ho Chi Minh City	Trading petroleum	100.00%	100.00%	100.00%	100.00%
30	Petrolimex Hanoi One Member Limited Company	Hanoi	Trading petroleum	100.00%	100.00%	100.00%	100.00%
31	Petrolimex Da Nang One Member Limited Company	Da Nang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
32	Petrolimex Tay Nam Bo Limited Company	Can Tho	Trading petroleum	100.00%	100.00%	100.00%	100.00%
33	Petrolimex Ba Ria Vung Tau Limited Company	Ba Ria Vung Tau	Trading petroleum	100.00%	100.00%	100.00%	100.00%
34	Petrolimex Nghe An Limited Company	Nghe An	Trading petroleum	100.00%	100.00%	100.00%	100.00%
35	Petrolimex Nam Dinh Limited Company	Nam Dinh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
36	Petrolimex Phu Khanh Limited Company	Khanh Hoa	Trading petroleum	100.00%	100.00%	100.00%	100.00%
37	Petrolimex Ha Son Binh Limited Company	Hanoi	Trading petroleum	100.00%	100.00%	100.00%	100.00%
38	Petrolimex Hai Phong One Member Limited Company	Hai Phong	Trading petroleum	100.00%	100.00%	100.00%	100.00%
39	Petrolimex Vinh Long One Member Limited Company	Vinh Long	Trading petroleum	100.00%	100.00%	100.00%	100.00%
40	Petrolimex Gia Lai Limited Company	Gia Lai	Trading petroleum	100.00%	100.00%	100.00%	100.00%
41	Petrolimex Binh Dinh Limited Company	Binh Dinh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
42	Petrolimex Thanh Hoa One Member Limited Company	Thanh Hoa	Trading petroleum	100.00%	100.00%	100.00%	100.00%
43	Petrolimex Daklak One Member Limited Company	Daklak	Trading petroleum	100.00%	100.00%	100.00%	100.00%
44	Petrolimex Long An Limited Company	Long An	Trading petroleum	100.00%	100.00%	100.00%	100.00%
45	Petrolimex Ca Mau One Member Limited Company	Ca Mau	Trading petroleum	100.00%	100.00%	100.00%	100.00%
46	Petrolimex Tien Giang One Member Limited Company	Tien Giang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
47	Petrolimex Dong Nai Limited Company	Dong Nai	Trading petroleum	100.00%	100.00%	100.00%	100.00%
48	Petrolimex Bac Thai Limited Company	Thai Nguyen	Trading petroleum	100.00%	100.00%	100.00%	100.00%
49	Petrolimex Hue Limited Company	Hue	Trading petroleum	100.00%	100.00%	100.00%	100.00%
50	Petrolimex Tay Ninh Limited Company	Tay Ninh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
51	Petrolimex Lao Cai Limited Company	Lao Cai	Trading petroleum	100.00%	100.00%	100.00%	100.00%
52	Petrolimex Phu Tho Limited Company	Phu Tho	Trading petroleum	100.00%	100.00%	100.00%	100.00%
53	Petrolimex Song Be One Member Limited Company	Binh Duong	Trading petroleum	100.00%	100.00%	100.00%	100.00%
54	Petrolimex Lam Dong Limited Company	Lam Dong	Trading petroleum	100.00%	100.00%	100.00%	100.00%
55	Petrolimex Ha Tinh Limited Company	Ha Tinh	Trading petroleum	100.00%	100.00%	100.00%	100.00%

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No.	Name	Address	Principal activities	% of voting rights	% of equity owned	% of voting rights	% of equity owned
56	Petrolimex Ben Tre Limited Company	Ben Tre	Trading petroleum	100.00%	100.00%	100.00%	100.00%
57	Petrolimex Ha Bac Limited Company	Bac Giang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
58	Petrolimex An Giang One Member Limited Company	An Giang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
59	Petrolimex Quang Tri Limited Company	Quang Tri	Trading petroleum	100.00%	100.00%	100.00%	100.00%
60	Petrolimex Quang Binh Limited Company	Quang Binh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
61	Petrolimex Dong Thap Limited Company	Dong Thap	Trading petroleum	100.00%	100.00%	100.00%	100.00%
62	Petrolimex Dien Bien Limited Company	Dien Bien	Trading petroleum	100.00%	100.00%	100.00%	100.00%
63	Petrolimex Tra Vinh One Member Limited Company	Tra Vinh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
64	Petrolimex Ha Giang Limited Company	Ha Giang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
65	Petrolimex Yen Bai Limited Company	Yen Bai	Trading petroleum	100.00%	100.00%	100.00%	100.00%
66	Petrolimex Cao Bang Limited Company	Cao Bang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
67	Petrolimex Tuyen Quang Limited Company	Tuyen Quang	Trading petroleum	100.00%	100.00%	100.00%	100.00%
68	Petrolimex Quang Ngai One Member Limited Company	Quang Ngai	Trading petroleum	100.00%	100.00%	100.00%	100.00%
69	Petrolimex Thai Binh Limited Company	Thai Binh	Trading petroleum	100.00%	100.00%	100.00%	100.00%
70	Petrolimex Lai Chau Limited Company	Lai Chau	Trading petroleum	100.00%	100.00%	100.00%	100.00%

(i) On 28 July 2017, PJICO completed the private placement of shares to foreign investors, which consequently decreased the ownership ratio of the Group to 41 %. The Group's management would continue to decrease the state capital ratio in PJICO in accordance with current regulations.

(ii) These are the companies that the Group holds less than 50% of charter capital but holds the controlling power as it has the majority of members in their Board of Management, and thus are considered as subsidiaries of the Group.

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(d) Equity investments in associates, joint-ventures

No.	Name	Address	Principal activities	30/6/2017		1/1/2017		Fair value VND			
				% of voting rights owned	Equity accounted investment value VND	Allowance for diminution in value VND	% of equity owned		Equity accounted investment value VND	Allowance for diminution in value VND	
<b>Joint ventures</b>											
1	Castrol BP Petco Co. Ltd.	Ho Chi Minh City	Processing lubricant products	35.00%	316,887,350,763	-	35.00%	413,355,234,965	(*)	-	(*)
<b>Associates</b>											
1	Petrolimex Group Commercial Joint Stock Bank (i)	Hanoi	Banking	41.85%	1,475,150,303,521	-	40.57%	1,457,775,675,488	(*)	-	(*)
2	Cho Gao Trade and Services Joint Stock Company (ii)	Tien Giang	Trading petroleum	29.20%	4,220,400,000	-	29.20%	4,220,400,000	(*)	-	(*)
3	Thiang Long Machinery Construction Trading Company Limited (ii)	Ho Chi Minh City	Construction and equipment provision	44.44%	400,000,000	(400,000,000)	13.33%	400,000,000	(*)	(400,000,000)	(*)
4	Vietnam Automobiles Repairing Trading and Services JSC (ii)	Hanoi	Automobile repairing services	35.55%	3,150,000,000	(261,917,003)	35.55%	3,150,000,000	(*)	(261,917,003)	(*)
5	Tuyen Quang Trading Joint Stock Company	Tuyen Quang	Commercial trading	27.73%	2,014,519,808	-	27.73%	1,832,887,337	(*)	-	(*)
6	Mekong Riverside Resort (ii)	Tien Giang	Trading goods	40.00%	12,180,000,000	(825,186,172)	21.60%	12,900,000,000	(*)	(825,186,172)	(*)
7	Nghê An Real Estate Joint Stock Company	Nghê An	Real Estate Trading	47.50%	4,200,355,620	-	25.65%	4,199,635,261	(*)	-	(*)
8	Tribeca Avenue Real Estate Company Limited (ii)	Khanh Hoa	Real Estate Trading	26.00%	5,200,000,000	-	26.00%	5,200,000,000	(*)	-	(*)
9	Nha Petrolimex - Tradoco Development Joint Stock Company (ii)	Vung Tau	Real Estate Trading	37.00%	92,436,154,529	-	37.00%	92,436,154,529	(*)	-	(*)
10	Vietnam Expressway Services JSC	Hanoi	Investment, construction, operation, management and maintenance of national expressway network.	22.38%	22,022,438,170	-	22.38%	21,554,814,768	(*)	-	(*)
11	Dong Nai Petroleum Material and Fuel Joint Stock Company	Dong Nai	Trading petroleum	21.32%	12,591,735,588	-	21.32%	11,048,650,429	(*)	-	(*)
12	Kien Giang Trade and Tourism Company Limited (ii)	Kien Giang	Trading agricultural products, petroleum	25.00%	9,300,827,160	-	-	-	(*)	-	(*)
					1,959,754,085,159	(1,487,103,175)		2,028,073,452,777	(*)	(1,487,103,175)	(*)

(i) As described in Note 3(a)(iv) the Group had a plan for divestment from Petrolimex Group Commercial Joint Stock Bank.

(ii) Investments in associates were stated at cost in the consolidated financial statements of the Group. According to assessment of the Board of General Directors, failure to apply the equity method in consolidating these associates has not caused material effect on the consolidated financial statements of the Group as the investment value was insignificant.

(\*) The Group has not determined fair values of these investments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial investments may differ from their carrying amounts.

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**(e) Equity investments in other entities**

No.	Name	Address	Principal activities	30/6/2017		1/1/2017		Fair value VND	
				Cost VND	Allowance for diminution in value VND	Cost VND	Allowance for diminution in value VND		
1	Military Petrochemical Joint Stock Company - MIPEC	Hanoi	Trading petroleum	50,000,000,000	-	(*)	50,000,000,000	-	(*)
2	Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	Ho Chi Minh City	Banking	49,913,937,200	-	31,876,490,923	49,913,937,200	-	22,239,412,272
3	An Phu Corporation	Hanoi	Trading petroleum	110,724,000,000	(105,560,000,000)	(*)	110,724,000,000	(105,560,000,000)	(*)
4	Others			193,396,834,016	(7,530,531,965)	(*)	145,036,338,416	(8,107,914,744)	(*)
				<b>404,034,771,216</b>	<b>(113,090,531,965)</b>	<b>(*)</b>	<b>355,674,275,616</b>	<b>(113,667,914,744)</b>	<b>(*)</b>

(\*) The Group has not determined fair values of these investments for disclosure in the consolidated financial statements because information about their market prices is not available and there is currently no guidance on determination of fair value using valuation techniques under Vietnamese Accounting Standards or the Vietnamese Accounting System for enterprises. The fair values of these financial investments may differ from their carrying amounts.

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**11. Accounts receivable from customers**

**Accounts receivable from customers detailed by significant customers**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Hai Ha Waterway Transport Company Limited	210,278,333,727	460,250,351,891
Savinex Economic Cooperation and Import-Export Joint Stock Company	168,789,343,289	319,301,053,021
Vietjet Aviation Joint Stock Company	335,914,518,430	268,517,807,916
Nam Song Hau Trading Investing Petroleum Joint Stock Company	161,554,187,629	-
Military Petroleum Corporation	304,363,106,873	138,058,718,737
Xuyen Viet Oil Travel and Transport Trading Company Limited	330,594,279,395	121,186,750,958
Other customers	5,358,264,844,979	4,877,154,113,137
	<hr/>	<hr/>
	6,869,758,614,322	6,184,468,795,660
	<hr/>	<hr/>

**12. Other receivables – short-term**

Other short-term receivables comprised:

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Import-related tax overpaid (i)	118,469,895,159	132,354,983,230
Others	505,231,772,095	571,049,323,853
	<hr/>	<hr/>
	623,701,667,254	703,404,307,083
	<hr/>	<hr/>

- (i) The amount due from local customs department relates to overpayments of value added tax on imported goods arising from the difference between the normal import tax incentive and the special import tax incentive under regional trade agreements for some imported petroleum products. The Group paid value added tax for imported goods at the normal incentive rate. After customs clearance, these imported goods were determined to be entitled to the special incentive tax rate; accordingly, the Group will be refunded the value added tax it has overpaid.



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**13. Inventories**

	30/6/2017		1/1/2017	
	Cost VND	Allowance VND	Cost VND	Allowance VND
Goods in transit	1,259,990,999,150	-	1,311,740,602,184	-
Raw materials	917,250,478,768	(14,918,651,291)	957,327,762,219	(13,128,954,741)
Tools and supplies	36,066,455,688	-	36,398,388,697	-
Work in progress	261,294,235,584	-	331,265,088,339	-
Finished goods	382,995,902,703	(1,290,482,699)	316,909,885,149	(1,420,997,131)
Merchandise inventories	8,871,568,581,376	(30,535,730,287)	5,683,223,300,081	(2,167,214,862)
Goods on consignment	1,221,326,598	-	6,911,330,115	-
	<b>11,730,387,979,867</b>	<b>(46,744,864,277)</b>	<b>8,643,776,356,784</b>	<b>(16,717,166,734)</b>

Included in inventories at 30 June 2017 was VND989,852 million of goods (1/1/2017: Nil) stated at net realisable value.

**14. Other current assets**

	30/6/2017 VND	1/1/2017 VND
Reinsurance assets at PJICO	999,175,704,796	1,092,937,523,536
Others	25,611,288,406	26,350,174,726
	<b>1,024,786,993,202</b>	<b>1,119,287,698,262</b>

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**15. Tangible fixed assets**

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Cost</b>						
Opening balance	11,566,590,478,733	3,662,625,865,404	12,488,402,774,566	480,057,997,243	26,494,441,704	28,224,171,557,650
Purchases	109,392,097,451	86,069,551,723	291,171,502,553	14,100,186,093	532,503,925	501,265,841,745
Transfer from construction in progress	193,912,465,686	42,723,670,860	37,775,477,437	9,071,281,223	1,106,222,073	284,589,117,279
Reclassified	-	3,554,286	79,982,410,660	(79,985,964,946)	-	-
Disposals	(25,008,717,709)	(7,437,076,413)	(20,387,957,423)	(1,348,150,867)	-	(54,181,902,412)
Other movements	(6,876,012,427)	1,412,185,514	348,917,980	338,759,608	(838,225,050)	(5,614,374,375)
Closing balance	11,838,010,311,734	3,785,397,751,374	12,877,293,125,773	422,234,108,354	27,294,942,652	28,950,230,239,887
<b>Accumulated depreciation</b>						
Opening balance	5,317,164,904,373	2,290,607,557,851	6,531,693,801,009	318,357,603,146	14,971,919,075	14,472,795,785,454
Charge for the period	313,432,124,897	162,237,095,147	462,559,814,500	37,397,207,231	1,618,979,262	977,245,221,037
Disposals	(19,977,591,810)	(7,085,011,827)	(18,918,041,037)	(1,316,284,607)	-	(47,296,929,281)
Other movements	(514,196,999)	(318,514,786)	4,296,775,012	(4,253,219,781)	(129,488,987)	(918,645,541)
Closing balance	5,610,105,240,461	2,445,441,126,385	6,979,632,349,484	350,185,305,989	16,461,409,350	15,401,825,431,669
<b>Net book value</b>						
Opening balance	6,249,425,574,360	1,372,018,307,553	5,956,708,973,557	161,700,394,097	11,522,522,629	13,751,375,772,196
Closing balance	6,227,905,071,273	1,339,956,624,989	5,897,660,776,289	72,048,802,365	10,833,533,302	13,548,404,808,218

Included in tangible fixed assets were assets costing VND3,644,478 million which were fully depreciated as of 30 June 2017 but which are still in active use (1/1/2017: VND3,404,505 million).

At 30 June 2017, tangible fixed assets of the Group's subsidiaries with a net book value of VND4,990,653 million (1/1/2017: VND5,446,600 million) were pledged with banks as security for loans granted.

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16. Intangible fixed assets

	Land use rights VND	Software license VND	Softwars VND	Others VND	Total VND
<b>Cost</b>					
Opening balance	1,872,522,770,432	13,659,067,200	459,417,963,172	27,349,430,780	2,372,949,231,584
Purchases	69,560,111,766	2,579,344,000	25,812,023,751	1,124,650,000	99,076,129,517
Transfer from construction in progress	18,204,280,564	-	1,740,814,000	-	19,945,094,564
Transfer from long - term prepaid expense	14,380,461,098	-	-	-	14,380,461,098
Disposals	(10,499,350,163)	-	(1,199,191,201)	(168,000,000)	(11,866,541,364)
Other movements	-	-	4,812,674,300	(3,450,797,900)	1,361,876,400
Closing balance	1,964,168,273,697	16,238,411,200	490,584,284,022	24,855,282,880	2,495,846,251,799
<b>Accumulated amortization</b>					
Opening balance	142,005,043,901	7,117,172,635	311,516,081,913	17,612,852,326	478,251,150,775
Charge for the period	10,056,664,329	1,205,058,963	42,135,846,706	802,725,064	54,200,295,062
Transfer from long - term prepaid expense	681,481,020	-	-	-	681,481,020
Disposals	(24,792,224)	-	(1,181,851,400)	(168,000,000)	(1,374,643,624)
Other movements	-	-	100,487,357	(86,475,000)	14,012,357
Closing balance	152,718,397,026	8,322,231,598	352,570,564,576	18,161,102,390	531,772,295,590
<b>Net book value</b>					
Opening balance	1,730,517,726,531	6,541,894,565	147,901,881,259	9,736,578,454	1,894,698,080,809
Closing balance	1,811,449,876,671	7,916,179,602	138,013,719,446	6,694,180,490	1,964,073,956,209

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Included in intangible fixed assets were assets costing VND104,544 million which were fully amortized as of 30 June 2017 (1/1/2017: VND60,894 million).

At 30 June 2017, intangible fixed assets of the Group's subsidiaries with a net book value of VND27,315 million (1/1/2017: VND9,705 million) were pledged with banks as security for loans granted.

**17. Investment property**

**Investment property held to earn rental**

	<b>Land use rights VND</b>	<b>Buildings VND</b>	<b>Total VND</b>
<b>Cost</b>			
Opening balance	218,309,907,157	96,057,873,261	314,367,780,418
Transfer from construction in progress	3,234,686,485	-	3,234,686,485
<hr/>			
Closing balance	221,544,593,642	96,057,873,261	317,602,466,903
<hr/>			
<b>Accumulated depreciation</b>			
Opening balance	48,380,583,421	9,804,345,270	58,184,928,691
Charge for the period	3,938,631,018	1,051,882,218	4,990,513,236
<hr/>			
Closing balance	52,319,214,439	10,856,227,488	63,175,441,927
<hr/>			
<b>Net book value</b>			
Opening balance	169,929,323,736	86,253,527,991	256,182,851,727
Closing balance	169,225,379,203	85,201,645,773	254,427,024,976
<hr/>			

The fair value of the investment property held for earn rental has not been determined as the Group has not performed a valuation, because there was no market transaction for similar property in the same location as the Group's investment property and there is no active market for such property.

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**18. Construction in progress**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Opening balance	604,702,429,151	695,206,490,075
Additions during the period	680,512,568,203	937,964,634,403
Transfer to tangible fixed assets	(284,589,117,279)	(319,430,090,137)
Transfer to intangible fixed assets	(19,945,094,564)	(13,708,291,969)
Transfer to investment properties	(3,234,686,485)	-
Transfer to short-term prepaid expenses	(37,179,153,569)	(357,787,070)
Transfer to long-term prepaid expenses	(44,430,110,946)	(60,963,677,324)
Disposal	(1,986,391,101)	(64,072,727)
Other movements	(2,648,611,941)	(21,349,271,234)
	<hr/>	<hr/>
Closing balance	891,201,831,469	1,217,297,934,017
	<hr/> <hr/>	<hr/> <hr/>

Major items/ projects of construction in progress were as follows:

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
37 Phan Boi Chau Building Project	147,285,520,478	134,906,032,735
TDK – Petrolimex Building Project	37,080,980,522	37,080,980,522
Ngoc Khanh Service and Trading Center Building Project	24,523,848,929	24,523,848,929
Wood-plastic composite factory	27,280,991,158	23,956,894,463
Others	655,030,490,382	384,234,672,502
	<hr/>	<hr/>
	891,201,831,469	604,702,429,151
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**19. Long-term prepaid expenses**

	Gas cylinders VND	Business advantage related to equitization VND	Land rentals VND	Overhaul costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	285,322,759,947	271,070,169,597	761,338,146,326	102,527,585,748	113,461,144,489	379,987,561,716	1,913,707,367,823
Additions	21,351,711,083	-	51,575,417,155	34,926,189,465	40,268,752,328	63,916,893,654	212,038,963,685
Transfer to intangible fixed assets	-	-	(13,698,980,078)	-	-	-	(13,698,980,078)
Transfer from construction in progress	-	-	30,310,210,286	5,977,787,264	1,781,295,379	6,360,818,017	44,430,110,946
Disposal	-	-	(7,474,671,785)	-	-	-	(7,474,671,785)
Written off	-	-	(196,393,765)	-	-	-	(196,393,765)
Amortization for the period	(24,610,369,477)	(27,107,016,960)	(39,856,273,139)	(55,380,961,923)	(49,132,571,316)	(63,508,294,653)	(259,595,487,468)
Reclassification	-	-	106,218,558,978	4,492,335,515	(8,700,510,576)	(102,010,383,917)	-
Other movements	(483,571,582)	-	9,676,911	-	(80,968,554)	-	(554,863,225)
Closing balance	281,580,529,971	243,963,152,637	888,225,690,889	92,542,936,069	97,597,141,750	284,746,594,817	1,888,656,046,133

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**20. Accounts payable to suppliers**

**(a) Accounts payable to suppliers detailed by significant suppliers**

	Cost and amount within payment capacity	
	30/6/2017	1/1/2017
	VND	VND
Wanxiang Resources (Singapore) Pte.	1,140,014,171,984	-
Binh Son Refining and Petrochemical Company Limited	1,045,803,648,728	3,371,735,224,955
Lukoil Asia Pacific Pte Ltd.	935,748,778,302	693,545,785,710
Elico Oil Pte Ltd.	840,017,680,078	-
Petco Trading Lubuan Co Ltd.	810,534,797,860	1,067,277,127,386
Sahara Energy International Pte Ltd.	-	699,062,531,839
Other suppliers	6,280,080,574,923	5,691,048,493,928
	<hr/>	<hr/>
	11,052,199,651,875	11,522,669,163,818
	<hr/>	<hr/>

**(b) Accounts payable to suppliers who are related parties**

	Cost and amount within payment capacity	
	30/6/2017	1/1/2017
	VND	VND
Accounts payable to joint ventures, associates	6,321,406,784	12,705,357,792
	<hr/>	<hr/>

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**21. Taxes and others receivable from and payable to State Treasury**

	1/1/2017 VND	Incurred VND	Paid/deducted/refunded VND	30/6/2017 VND
Output value added tax	(226,869,829,763)	(1,625,988,419,185)	1,627,734,995,386	(225,123,253,562)
Value added tax – imported goods	321,175,863,531	(3,456,082,874,917)	3,062,042,889,867	(72,864,121,519)
Special consumption tax	336,667,603,790	(1,402,912,888,458)	1,106,288,617,647	40,043,332,979
Import-export tax	1,428,147,032,643	(1,108,134,580,242)	648,940,135,268	968,952,587,669
Corporate income tax	(444,780,610,390)	(427,834,848,239)	714,052,344,992	(158,563,113,637)
Personal income tax	(14,153,325,294)	(58,974,155,595)	64,416,920,446	(8,710,560,443)
Land and housing taxes	(80,735,568,673)	(103,818,230,349)	124,507,555,552	(60,046,243,470)
Environment protection tax	(1,233,858,735,876)	(9,685,093,693,518)	9,458,469,904,540	(1,460,482,524,854)
Other taxes	(25,953,097,570)	(251,739,047,333)	263,420,757,841	(14,271,387,062)
	59,639,332,398	(18,120,578,737,836)	17,069,874,121,539	(991,065,283,899)

*In which:*

Taxes and others receivable from State Treasury	2,156,306,559,062			1,108,076,543,233
Taxes and others payable to State Treasury	(2,096,667,226,664)			(2,099,141,827,132)
	59,639,332,398			(991,065,283,899)



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**22. Other payables – short-term**

	30/6/2017 VND	1/1/2017 VND
Social, health and unemployment insurances, union fee	44,203,356,360	45,371,091,522
Others	332,850,343,383	328,171,323,853
	<b>377,053,699,743</b>	<b>373,542,415,375</b>

**23. Borrowings**

**(a) Short-term borrowings**

	Carrying amount and amount within repayment capacity 1/1/2017 VND	Movement during the period		Foreign exchange differences VND	Carrying amount and amount within repayment capacity 30/6/2017 VND	
		Addition VND	Decrease VND			Reclassification VND
Short-term borrowings (i)	6,427,890,425,251	31,937,486,399,760	(30,064,667,485,619)	25,613,949,232	51,415,862,303	8,377,739,150,927
Current portion of long-term borrowings (b)	610,119,207,029	76,731,678,972	(385,135,909,294)	179,332,431,618	(818,332,298)	480,229,076,027
	<b>7,038,009,632,280</b>	<b>32,014,218,078,732</b>	<b>(30,449,803,394,913)</b>	<b>204,946,380,850</b>	<b>50,597,530,005</b>	<b>8,857,968,226,954</b>

(i) This mainly represents the bank loans with a term from 3 months to less than 12 months of the Parent Company, Petrolimex Petrochemical Corporation - JSC, Petrolimex Singapore Pte. Ltd., Petrolimex Gas Corporation – JSC and Petrolimex Tanker Corporation which are unsecured loans for the purposes of supplementing working capital and opening letters of credit (L/C) for petroleum import. For the six-month period ended 30 June 2017, the annual interest rates for the VND loans ranged from 2.2% - 5.4% per annum and for the USD loans ranged from 1.85% - 2.05% per annum (Six-month period ended 30/6/2016: 3.8% - 4.3% per annum and 0.95% - 1.7% per annum, respectively).

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**(b) Long-term borrowings**

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Long-term borrowings	3,264,205,426,878	3,462,507,717,009
Repayable within twelve months (a)	(480,229,076,027)	(610,119,207,029)
Repayable after twelve months	2,783,976,350,851	2,852,388,509,980

Long-term borrowings mainly represent bank loans with terms ranging from more than 12 months to 120 months of subsidiaries of the Group. Details are as follows:

	<b>30/6/2017</b>	<b>1/1/2017</b>
	<b>VND</b>	<b>VND</b>
Vanphong Bonded Petroleum Terminal Joint Venture Company Limited	1,412,278,855,414	1,584,266,524,031
Vietnam Tanker Joint Stock Company	733,882,555,414	588,645,066,542
Vietnam Petroleum Transport Joint Stock Company	423,143,000,000	568,410,787,500
VP Petrochemical Transport J.S.C	307,209,843,729	338,288,387,736
Other subsidiaries	387,691,172,321	382,896,951,200
	3,264,205,426,878	3,462,507,717,009

The purpose of these long-term borrowings are to finance the Group's projects in investment and construction of petroleum terminals, purchase of oil tankers, and other projects.

The long-term borrowings of the Group are mainly denominated in USD. Most of these USD loans bear floating annual interest rates which are equal to 6-month LIBOR, SIBOR or 12-month and 13-month USD saving interest rates of the lending banks plus (+) margin, but not lower than the minimum lending interest rates of the corresponding banks at the time of adjustment or a floor interest rate specified in relevant loan agreements.

The Group's long-term borrowings are secured over tangible fixed assets (including the total value of the Project "Investment, construction and trading of Van Phong Bonded Petroleum Terminal", vessels, buildings, warehouses, etc.) with a total net book value of 30 June 2017 of VND4,990,653 million (1/1/2017: VND5,446,600 million) and intangible fixed assets with a total net book value of 30 June 2017 of VND27,315 million (1/1/2017: VND9,705 million).

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**24. Provisions – short-term**

	<b>30/6/2017</b> <b>VND</b>	<b>1/1/2017</b> <b>VND</b>
Technical reserve incurred at PJICO	2,820,575,415,573	2,820,195,317,884
Others	117,473,454,887	147,987,667,107
	2,938,048,870,460	2,968,182,984,991

**25. Petroleum price stabilization fund**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b> <b>VND</b>	<b>30/6/2016</b> <b>VND</b>
Opening balance	1,830,978,066,020	2,377,393,168,988
Increases	1,178,641,319,295	1,220,486,793,563
Decreases	(462,611,137,358)	(2,178,878,946,902)
Interest income from the deposit account	5,227,094,864	5,929,724,900
	2,552,235,342,821	1,424,930,740,549
<b>In which:</b>		
- <i>Account balance of Petroleum price stabilization fund at bank (Note 9)</i>	2,355,626,003,685	1,685,707,397,559
- <i>Amount transferred to/( withdrawn from) the account of Petroleum price stabilization fund after balance sheet date</i>	196,609,339,136	(260,776,657,010)
	2,552,235,342,821	1,424,930,740,549

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26. Changes in owners' equity

	Share capital VND	Capital surplus VND	Other capital (i) VND	Treasury shares VND	Differences upon asset revaluation (ii) VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Non-controlling interest VND	Total VND
Balance at 1 January 2016	10,700,000,000,000	164,462,417	866,234,133,320	-	(1,317,118,937,352)	(65,910,358,919)	686,086,586,574	57,603,752,588	2,822,825,501,069	2,881,901,905,371	16,631,787,047,068
Share capital issued	1,035,284,760,000	3,084,085,788,092	-	-	-	-	-	-	-	-	4,039,370,548,092
Downward adjustment for deficit amount of capital contribution by the State	(347,152,410,000)	-	-	-	-	-	-	-	-	-	(347,152,410,000)
Capital contribution from investment and development fund	-	-	22,836,789,207	-	-	-	(22,836,789,207)	-	-	-	-
Capital contribution from subsidiaries' non-controlling interest	-	-	-	-	-	-	-	-	-	21,377,140,473	21,377,140,473
Net profit for the period	-	-	-	-	-	-	-	-	2,014,025,502,890	256,695,635,340	2,270,721,138,230
Dividends	-	-	-	-	-	-	-	-	(49,897,217,802)	-	(49,897,217,802)
Appropriation to equity funds	-	-	-	-	-	-	157,845,812,070	-	(157,845,812,070)	-	-
Appropriation to bonus and welfare funds	-	-	-	-	-	-	-	-	(145,203,537,610)	(41,753,768,021)	(186,937,305,631)
Foreign exchange differences arising from translation of foreign operations	-	-	-	-	-	11,777,911,686	-	-	-	-	11,777,911,686
Other movements	-	-	5,247,048,212	-	-	(2,039,439,364)	4,792,767,323	5,628,595,133	(116,707,013,677)	7,134,679,781	(95,943,362,592)
Balance at 30 June 2016	11,388,132,350,000	3,084,250,250,509	894,317,972,739	-	(1,317,118,937,352)	(66,171,886,597)	825,888,376,760	63,232,347,721	4,417,094,640,602	3,075,478,375,142	22,295,103,489,524
Balance at 1 January 2017	12,938,780,810,000	3,083,630,250,509	990,113,997,720	(1,550,648,460,000)	(1,317,118,937,352)	(73,836,949,005)	743,691,793,605	80,994,720,997	5,162,212,103,107	3,222,785,809,457	23,200,605,049,038
Treasury shares sold during the period	-	811,067,745,500	-	200,000,000,000	-	-	-	-	-	-	1,011,067,745,500
Expenses directly attributable to re-issuance of treasury shares	-	(1,520,309,589)	-	-	-	-	-	-	-	-	(1,520,309,589)
Net profit for the period	-	-	-	-	-	-	-	-	1,772,450,495,254	238,938,422,158	2,011,388,917,412
Dividends	-	-	-	-	-	-	-	-	(267,287,115,171)	-	(267,287,115,171)
Payment of share dividends	-	-	4,284,000,000	-	-	-	-	-	(4,284,000,000)	-	-
Appropriation to equity funds	-	-	-	-	-	-	160,439,409,931	-	(160,439,409,931)	-	-
Appropriation to Bonus and welfare funds	-	-	-	-	-	-	-	-	(392,193,150,840)	(46,895,150,083)	(439,088,300,928)
Foreign exchange differences arising from translation of foreign operations	-	-	-	-	-	(983,719,782)	-	-	-	-	(983,719,782)
Capita increases	-	-	-	-	-	-	-	-	-	45,708,661,567	45,708,661,567
Other movements	-	-	(93,134,154)	-	-	(1,329,123,314)	5,377,474,934	2,513,561,046	(20,324,710,848)	23,196,120,891	9,340,188,555
Balance at 30 June 2017	12,938,780,810,000	3,813,177,686,420	994,304,773,566	(1,350,648,460,000)	(1,317,118,937,352)	(76,149,792,101)	909,508,678,470	83,508,282,043	6,357,421,326,742	3,216,446,748,814	25,569,231,116,602

(i) Other capital mainly represents the increased capital of the Parent Company from bonus shares or share dividends issued by the subsidiaries.

(ii) As at 30 June 2017, item "Differences upon asset revaluation" in the Group's consolidated balance sheet represents the consolidation adjustments with an amount of VND1,317,118,937,352 for the differences between the value of investments in subsidiaries and associates revaluated as per the Valuation Minutes issued by Vietnam Valuation and Finance Consultancy Joint Stock Company and the value of equity in the investees (including an adjustment for revaluation of investments in subsidiaries of VND1,302,361,011,837 and an adjustment for revaluation of investments in associates of VND14,757,925,515) (Note 3(r)).

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**27. Share capital**

The Group's authorized and issued share capital are:

	30/6/2017		1/1/2017	
	Number of shares	VND	Number of shares	VND
<b>Authorized share capital</b>	<b>1,293,878,081</b>	<b>12,938,780,810,000</b>	<b>1,293,878,081</b>	<b>12,938,780,810,000</b>
<b>Shares in circulation</b>	<b>1,158,813,235</b>	<b>11,588,132,350,000</b>	<b>1,138,813,235</b>	<b>11,388,132,350,000</b>
The State	981,686,626	9,816,866,260,000	981,686,626	9,816,866,260,000
Other shareholders	177,126,609	1,771,266,090,000	157,126,609	1,571,266,090,000
<b>Treasury shares</b>	<b>135,064,846</b>	<b>1,350,648,460,000</b>	<b>155,064,846</b>	<b>1,550,648,460,000</b>

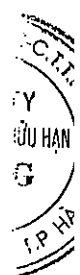
All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Group. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Group's residual assets. In respect of shares bought back by the Group, all rights are suspended until those shares are reissued.

Movements in share capital in circulation during the period were as follows:

	Six-month period ended			
	30/6/2017		30/6/2016	
	Number of shares	VND	Number of shares	VND
Opening balance	1,138,813,235	11,388,132,350,000	1,035,284,759	10,352,847,590,000
Shares issued during the period	-	-	103,528,476	1,035,284,760,000
Treasury shares sold during the period	20,000,000	200,000,000,000	-	-
<b>Closing balance</b>	<b>1,158,813,235</b>	<b>11,588,132,350,000</b>	<b>1,138,813,235</b>	<b>11,388,132,350,000</b>

**28. Investment and development fund**

Investment and development fund was established for the purpose of future business expansion. When the funds are utilised for business expansion, the amount utilised is transferred to Share capital.



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**29. Off balance sheet items**

**(a) Goods held for third parties**

	Unit	30/6/2017	1/1/2017
Gasoline RON 92	Liter 15	75,921,651	76,346,178
Diesel 0.05S	Liter 15	139,350,497	139,440,815
Mazut	Kg	39,773,624	39,780,782

**(b) Foreign currencies**

	30/6/2017		1/1/2017	
	Original currency	VND equivalent	Original currency	VND equivalent
USD	13,594,537	308,649,236,995	14,523,101	306,220,598,167
JPY	820,393	165,973,708	820,393	152,552,078
EUR	113,958	2,941,132,603	9,639	45,069,721
		<u>311,756,343,306</u>		<u>306,418,219,966</u>

**30. Financial income**

	Six-month period ended	
	30/6/2017 VND	30/6/2016 VND
Interest income from deposits and loans	267,145,705,324	220,553,604,929
Dividends or profits received	25,485,786,974	12,307,086,527
Realised foreign exchange gains	128,696,159,651	153,903,327,121
Unrealised foreign exchange gains	5,523,845,871	52,913,228,630
Interest from credit sales	4,400,214,351	51,296,622,046
Income from investments in shares and bonds	35,124,828,899	7,326,078,140
Other financial income	5,388,300,252	13,932,889,569
	<u>471,764,841,322</u>	<u>512,232,836,962</u>

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2017 (continued)**

**Form B 09a – DN/HN**  
*(Issued under Circular No. 202/2014/TT-BTC*  
*dated 22 December 2014 of the Ministry of Finance)*

**31. Financial expenses**

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Interest expenses	286,288,679,324	301,923,979,719
Realized foreign exchange losses	111,526,605,601	40,848,863,942
Unrealized foreign exchange losses	18,799,385,689	28,676,220,395
Interest from credit sales, payment discounts	1,933,000,961	3,199,800,007
Allowance reversed for short-term and long-term financial investments	(6,494,893,129)	(6,197,656,653)
Other financial income	28,420,417,796	9,037,449,551
	440,473,196,242	377,488,656,961

**32. Share of profit/(loss) in associates and jointly controlled entities**

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
<i>Share of profit in joint venture:</i>		
Castrol BP PETCO Vietnam Company Limited	262,892,800,455	276,278,520,826
<i>Share of profit in associates:</i>		
Petrolimex Group Commercial Joint Stock Bank	18,703,751,346	9,236,588,067
Dong Nai Petroleum Material and Fuel Joint Stock Company	2,306,207,161	1,871,732,349
Vietnam Expressway Services JSC (VESC)	729,548,095	625,725,147
Tuyen Quang Trading Joint Stock Company	259,318,309	278,567,011
Other associates	720,361	(16,053,454)
	284,892,345,727	288,275,079,946

**33. Production, trading and business costs by element**

	Six-month period ended	
	30/6/2017	30/6/2016
	VND	VND
Raw material costs	1,729,791,490,253	1,530,070,984,290
Labour costs and staff costs	2,241,936,223,298	2,069,986,638,606
Depreciation and amortisation	1,076,292,302,474	964,721,785,037
Outside services	2,259,040,407,904	2,299,426,659,793
Other expenses	537,801,070,106	521,786,303,366

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2017 (continued)**

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**34. Income tax**

**(a) Income tax expense by consolidated business segment**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Petroleum trading	322,080,669,960	376,986,223,145
Petrochemical products	27,359,543,716	30,961,866,799
Gas products	19,331,644,198	14,846,603,235
Insurance services	17,765,068,487	15,556,568,050
Transportation services	33,213,453,080	72,905,353,316
Other goods and services	8,687,972,555	14,579,421,200
	428,438,351,996	525,836,035,745

**(b) Recognised in the consolidated statement of income**

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
<b>Current tax expense</b>		
Current period	427,834,848,239	505,992,267,789
Under provision in prior years	-	12,672,806,355
	427,834,848,239	518,665,074,144
<b>Deferred tax expense</b>		
Write-down of deferred tax assets	603,503,757	7,170,961,601
	428,438,351,996	525,836,035,745



**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2017 (continued)**

**Form B 09a – DN/HN**  
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*dated 22 December 2014 of the Ministry of Finance)*

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

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Accounting profit before tax	2,439,827,269,408	2,796,557,173,975
Tax at the Parent Company's tax rate	488,474,723,436	559,311,434,795
Effect of different tax rates in subsidiaries	(2,294,514,745)	(6,489,652,500)
Non-deductible expenses	5,636,966,733	5,705,608,745
Deferred tax assets not recognised	19,965,399,345	35,179,950,384
Tax exempt income	(62,075,626,540)	(60,116,433,295)
Under provision in prior years	-	12,672,806,355
Tax losses utilised for which no deferred tax assets were recognised previously	(21,268,596,233)	(20,427,678,739)
	428,438,351,996	525,836,035,745

**(d) Applicable tax rates**

From 2016, the Parent Company and its subsidiaries have an obligation to pay the government income tax at the rate of 20% of taxable profits, except Petrolimex Singapore Pte. Ltd taxed at the rate of 10% and Petrolimex (Lao) Ltd. taxed at the rate of 24%.

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**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2017 (continued)**

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**35. Basic earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2017 was based on the profit attributable to ordinary shareholders of VND1,772,450,495,254 (Six-month period ended 30/6/2016: VND2,014,025,502,890) and a weighted average number of ordinary shares outstanding of 1,143,012,130 shares (Six-month period ended 30/6/2016: 1,055,762,919 shares), calculated as follows:

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

	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
Issued ordinary shares at the beginning of the period	1,138,813,235	1,035,284,759
Effect of ordinary shares issued during the period	-	20,478,160
Effect of treasury shares sold during the period	4,198,895	-
Weighted average number of ordinary shares during the period	1,143,012,130	1,055,762,919

**(ii) Basic earnings per share**

	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
Consolidated net profit attributable to shareholders (*)	1,772,450,495,254	2,014,025,502,890
Weighted average number of ordinary shares during the period	1,143,012,130	1,055,762,919
Basic earnings per share	1,551	1,908

(\*) Net profit attributable to the Parent Company's shareholders does not include the amount appropriated to Bonus and welfare funds as Bonus and welfare funds were not appropriated for the six-month period ended 30 June 2017. The Parent Company has not yet planned to appropriate funds to the Bonus and welfare funds for 2017. Basic earnings per share may decrease due to the appropriation of Bonus and welfare funds.

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2017 (continued)**

**Form B 09a – DN/HN**  
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**36. Significant transactions with related parties**

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

	<b>Transaction value</b>	
	<b>Six-month period ended</b>	
	<b>30/6/2017</b>	<b>30/6/2016</b>
	<b>VND</b>	<b>VND</b>
<b>Joint ventures and associates</b>		
<i><b>Castrol BP PETCO Vietnam Company Limited</b></i>		
Dividends	359,360,684,657	359,601,089,196
Purchase of goods	16,621,555,500	28,427,292,624
<i><b>Petrolimex Group Commercial Joint Stock Bank</b></i>		
Purchase of foreign currencies	12,908,358,574,720	574,485,308,933
<b>Board of Management and Supervisory Board</b>		
Salaries, bonuses and other benefits	8,416,280,000	3,206,518,870
<b>Board of General Directors</b>		
Salaries, bonuses and other benefits	5,406,195,250	1,905,794,050

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period**  
**ended 30 June 2017 (continued)**

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**37. Post balance sheet event**

***Dividends***

The General Meeting of Shareholders of the Parent Company on 25 April 2017 passed the Resolution No. 01/2017/PLX-NQ-DHDCD on the plan for distribution of 2016 dividends in cash at the ratio of 32.24% of the par value. The Parent Company finalised the list of shareholders eligible to receive such dividends with the ex-dividend date being 20 July 2017. Dividends payable were not accrued in these consolidated interim financial statements.

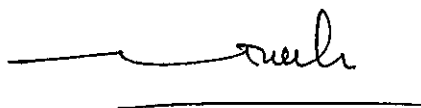
29 August 2017

Prepared by:



Dang Hong Lien  
*Accountant*

Approved by:



Luu Van Tuyen  
*Chief Accountant*



Tran Van Thinh  
*General Director*

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**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2017**

	Code	30/6/2017 VND	1/1/2017 VND
<b>ASSETS</b>			
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>	<b>1,663,887,593</b>	<b>1,470,314,437</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>523,791,254</b>	<b>500,158,599</b>
Cash	111	210,364,031	191,281,229
Cash equivalents	112	313,427,223	308,877,370
<b>Short-term financial investments</b>	<b>120</b>	<b>165,086,599</b>	<b>116,899,293</b>
Trading securities	121	3,038,333	3,485,270
Allowance for diminution in the value of trading securities	122	(628,967)	(889,651)
Held-to-maturity investments	123	162,677,233	114,303,674
<b>Accounts receivable – short-term</b>	<b>130</b>	<b>331,408,626</b>	<b>304,773,548</b>
Accounts receivable from customers	131	302,632,538	272,443,559
Prepayments to suppliers	132	20,307,065	20,002,499
Other receivables	136	27,475,844	30,986,974
Allowance for doubtful debts	137	(19,064,768)	(18,698,269)
Shortage of assets awaiting resolution	139	57,947	38,785
<b>Inventories</b>	<b>140</b>	<b>514,697,935</b>	<b>380,046,660</b>
Inventories	141	516,757,180	380,783,099
Allowance for inventories	149	(2,059,245)	(736,439)
<b>Other current assets</b>	<b>150</b>	<b>128,903,179</b>	<b>168,436,337</b>
Short-term prepaid expenses	151	13,688,104	11,927,545
Deductible value added tax	152	21,256,329	12,209,486
Taxes and other receivables from State	153	48,813,945	94,991,478
Treasury			
Other current assets	155	45,144,801	49,307,828

**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2017 (continued)**

	Code	30/6/2017 VND	1/1/2017 VND
<b>Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>	<b>924,876,199</b>	<b>919,308,227</b>
<b>Accounts receivable – long-term</b>	<b>210</b>	<b>2,903,491</b>	<b>2,097,412</b>
Accounts receivable from customers – long-term	211	2,473,211	1,588,908
Other long-term receivables	216	2,249,084	2,222,787
Allowance for doubtful long-term debts	219	(1,818,804)	(1,714,283)
<b>Fixed assets</b>	<b>220</b>	<b>683,369,109</b>	<b>689,254,354</b>
Tangible fixed assets	221	596,846,027	605,787,479
Cost	222	1,275,340,539	1,243,355,575
Accumulated depreciation	223	(678,494,512)	(637,568,096)
Intangible fixed assets	227	86,523,082	83,466,875
Cost	228	109,949,174	104,535,208
Accumulated amortisation	229	(23,426,092)	(21,068,333)
<b>Investment property</b>	<b>230</b>	<b>11,208,239</b>	<b>11,285,588</b>
Cost	231	13,991,298	13,848,801
Accumulated depreciation	232	(2,783,059)	(2,563,213)
<b>Long-term work in progress</b>	<b>240</b>	<b>39,365,449</b>	<b>26,638,874</b>
Long-term work in progress	241	105,456	-
Construction in progress	242	39,259,993	26,638,874
<b>Long-term financial investments</b>	<b>250</b>	<b>104,018,116</b>	<b>104,889,547</b>
Investments in associates, joint-ventures	252	86,332,779	89,342,443
Equity investments in other entities	253	17,798,889	15,668,470
Allowance for diminution in the value of long-term financial investments	254	(5,047,473)	(5,072,908)
Held-to-maturity investments	255	4,933,921	4,951,542
<b>Other long-term assets</b>	<b>260</b>	<b>84,011,795</b>	<b>85,142,452</b>
Long-term prepaid expenses	261	83,200,707	84,304,289
Deferred tax assets	262	458,684	487,100
Long-term tools, supplies and spare parts	263	974	974
Other long-term assets	268	351,430	350,089
<b>TOTAL ASSETS</b> <b>(270 = 100 + 200)</b>	<b>270</b>	<b>2,588,763,792</b>	<b>2,389,622,664</b>

**Vietnam National Petroleum Group**

**Appendix 1: Converted consolidated balance sheet as at 30 June 2017 (continued)**

	Code	30/6/2017 VND	1/1/2017 VND
<b>RESOURCES</b>			
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>	<b>1,462,365,945</b>	<b>1,367,569,579</b>
<b>Current liabilities</b>	<b>310</b>	<b>1,328,076,086</b>	<b>1,230,924,232</b>
Accounts payable to suppliers	311	486,881,042	507,606,571
Advances from customers	312	21,120,675	23,198,265
Taxes and others payable to State Treasury	313	92,473,208	92,364,195
Payables to employees	314	36,275,704	46,408,968
Accrued expenses	315	14,819,110	8,166,690
Unearned revenue – short-term	318	3,270,850	3,305,815
Other payables – short-term	319	16,610,297	16,455,613
Short-term borrowings	320	390,218,865	310,044,477
Provisions – short-term	321	129,429,466	130,756,960
Bonus and welfare funds	322	24,543,594	11,956,851
Petroleum price stabilization fund	323	112,433,275	80,659,827
<b>Long-term liabilities</b>	<b>330</b>	<b>134,289,859</b>	<b>136,645,347</b>
Long-term advances from customers	332	492,756	493,871
Long-term accrued expenses	333	25,155	12,796
Long-term unearned revenue	336	743,336	402,855
Other payables – long-term	337	8,446,580	8,893,737
Long-term borrowings	338	122,642,130	125,655,881
Deferred tax liabilities	341	215,132	214,921
Provisions – long-term	342	1,091,111	464,455
Science and technology development fund	343	633,659	506,831

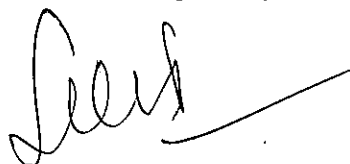
**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2017 (continued)**

	Code	30/6/2017 VND	1/1/2017 VND
<b>EQUITY (400 = 410)</b>	<b>400</b>	<b>1,126,397,847</b>	<b>1,022,053,085</b>
<b>Owners' equity</b>	<b>410</b>	<b>1,126,397,847</b>	<b>1,022,053,085</b>
Share capital	411	569,990,344	569,990,344
- <i>Ordinary shares with voting rights</i>	<i>411a</i>	<i>569,990,344</i>	<i>569,990,344</i>
Capital surplus	412	167,981,396	132,318,513
Other capital	414	43,801,972	43,617,353
Treasury shares	415	(59,499,932)	(68,310,505)
Differences upon asset revaluation	416	(58,022,861)	(58,022,861)
Foreign exchange differences	417	(3,354,616)	(3,252,729)
Investment and development fund	418	40,066,462	32,761,753
Other equity funds	420	3,678,779	3,568,049
Retained profits	421	280,062,614	227,410,225
- <i>Retained profits brought forward</i>	<i>421a</i>	<i>201,981,094</i>	<i>227,410,225</i>
- <i>Retained profit for the current period/year</i>	<i>421b</i>	<i>78,081,520</i>	-
Non-controlling interest	429	141,693,689	141,972,943
<b>TOTAL RESOURCES</b> <b>(440 = 300 + 400)</b>	<b>440</b>	<b>2,588,763,792</b>	<b>2,389,622,664</b>

The converted consolidated balance sheet as at 30 June 2017, including amounts presented for the corresponding figures, has been translated from the reviewed consolidated balance sheet as at 30 June 2017 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND22,700 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted consolidated balance sheet as at 30 June 2017 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted consolidated balance sheet should be read in conjunction with the reviewed consolidated balance sheet in VND.

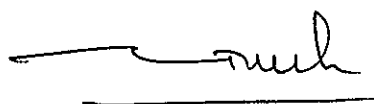
29 August 2017

Prepared by:



Dang Hong Lien  
Accountant

Approved by:



Luu Van Tuyen  
Chief Accountant



Tran Van Thinh  
General Director



**Vietnam National Petroleum Group**

**Appendix 2: Converted consolidated statement of income for the six-month period ended 30 June 2017**

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
Revenue from sales of goods and provision of services	01	3,266,741,847	2,589,209,433
Revenue deductions	02	904,678	837,436
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>3,265,837,169</b>	<b>2,588,371,997</b>
Cost of sales	11	2,990,235,105	2,308,111,554
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>	<b>275,602,064</b>	<b>280,260,443</b>
Financial income	21	20,782,592	22,565,323
Financial expenses	22	19,404,106	16,629,456
<i>In which: Interest expense</i>	23	12,611,836	13,300,616
Share of profit/(loss) in associates and jointly controlled entities	24	12,550,324	12,699,343
Selling expenses	25	166,464,847	155,387,602
General and administration expenses	26	22,386,602	22,168,651
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>	<b>100,679,425</b>	<b>121,339,400</b>
Other income	31	9,300,431	5,249,113
Other expenses	32	2,498,478	3,392,162
<b>Results of other activities (40 = 31 - 32)</b>	<b>40</b>	<b>6,801,953</b>	<b>1,856,951</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>	<b>107,481,378</b>	<b>123,196,351</b>
Income tax expense – current	51	18,847,350	22,848,682
Income tax expense – deferred	52	26,586	315,901
<b>Net profit after tax</b> <b>(60 = 50 - 51 - 52)</b> <b>(to be repeated in next page)</b>	<b>60</b>	<b>88,607,442</b>	<b>100,031,768</b>


**Vietnam National Petroleum Group**  
**Appendix 2: Converted consolidated statement of income for the six-month period**  
**ended 30 June 2017 (continued)**

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>Net profit after tax</b> (60 = 50 - 51 - 52) (repeated from previous page)	60	88,607,442	100,031,768
<b>Attributable to:</b>			
Equity holders of the Parent Company	61	78,081,520	88,723,590
Non-controlling interest	62	10,525,922	11,308,178
<b>Earnings per share</b>			
Basic earnings per share	70	0.0683	0.0841

The converted consolidated statement of income for the year ended 30 June 2017, including amounts presented for the corresponding figures, has been translated from the reviewed consolidated statement of income for the year ended 30 June 2017 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND22,700 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted consolidated statement of income for the year ended 30 June 2017 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted consolidated statement of income should be read in conjunction with the reviewed consolidated statement of income in VND.

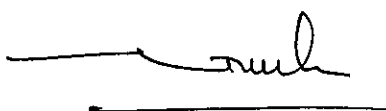
29 August 2017

Prepared by:



Dang Hong Lien  
Accountant

Approved:



Luu Van Tuyen  
Chief Accountant



Tran Van Thinh  
General Director

**Vietnam National Petroleum Group**  
**Appendix 3: Converted consolidated statement of cash flows for the six-month period**  
**ended 30 June 2017 (Indirect method)**

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>107,481,378</b>	<b>123,196,351</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	47,413,758	42,498,757
Allowances and provisions	03	806,870	7,224,748
Exchange gains arising from revaluation of monetary items denominated in foreign currencies	04	(201,523)	(1,586,560)
Profits from investing activities	05	(26,161,727)	(25,681,825)
Interest expense	06	12,611,836	13,300,616
Other adjustments	07	31,670,008	(42,219,919)
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>173,620,600</b>	<b>116,732,168</b>
Change in receivables	09	(22,733,164)	(100,429,056)
Change in inventories	10	(135,974,080)	(89,519,821)
Change in payables and other liabilities	11	34,480,844	115,613,381
Change in prepaid expenses	12	2,512,995	320,360
Change in trading securities	13	446,937	247,726
		<b>52,354,132</b>	<b>42,964,758</b>
Interest paid	14	(12,822,433)	(13,503,880)
Income tax paid	15	(31,456,050)	(15,353,202)
Other receipts from operating activities	16	11,193,813	9,354,824
Other payments for operating activities	17	(24,800,037)	(14,655,335)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>(5,530,575)</b>	<b>8,807,165</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(58,697,355)	(60,832,054)
Proceeds from disposals of fixed assets and other long-term assets	22	363,738	583,565
Payments for granting loans, purchase of debt instruments of other entities	23	(83,804,978)	(59,155,817)
Receipts from collecting loans, sales of debt instruments of other entities	24	35,871,419	56,429,316
Payments for investments in other entities	25	(3,056,842)	-
Collections on investments in other entities	26	41,850	8,666,793
Receipts of interests, dividends and share of profit	27	29,837,090	26,422,373
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(79,445,078)</b>	<b>(27,885,824)</b>

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Appendix 3: Converted consolidated statement of cash flows for the six-month period ended 30 June 2017 (Indirect method - continued)

	Code	Six-month period ended	
		30/6/2017 VND	30/6/2016 VND
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from equity issued or capital contributed by owners	31	-	177,945,839
Proceeds from transfer of treasury shares	31	44,473,455	-
Proceeds from borrowings	33	1,421,395,230	1,781,723,720
Payments to settle loan principals	34	(1,346,445,668)	(1,939,757,034)
Payments of dividends to non-controlling interest of subsidiaries	36	(10,663,808)	(2,429,838)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>108,759,209</b>	<b>17,482,687</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>23,783,556</b>	<b>(1,595,972)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>500,158,599</b>	<b>497,298,379</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>(150,901)</b>	<b>(65,119)</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>523,791,254</b>	<b>495,637,288</b>

The converted consolidated statement of cash flows for the year ended 30 June 2017, including amounts presented for the corresponding figures, has been translated from the reviewed consolidated statement of cash flows for the year ended 30 June 2017 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND22,700 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted consolidated statement of cash flows for the year ended 30 June 2017 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted consolidated statement of cash flows should be read in conjunction with the reviewed consolidated statement of cash flows in VND.


29 August 2017

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