

PETROVIETNAM OIL CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

REVIEWED INTERIM SEPARATE FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2022

PETROVIETNAM OIL CORPORATION

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

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PETROVIETNAM OIL CORPORATION

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

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Oil Corporation (the "Corporation") presents this report together with the Corporation's interim separate financial statements for the 6-month period ended 30 June 2022.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

Board of Directors

Mr. Cao Hoai Duong	Chairman
Mr. Doan Van Nhuom	Member
Mr. Nguyen Mau Dung	Member
Mr. Le Van Nghia	Member
Mr. Hang Anh Minh	Member
Mr. Le Ngoc Quang	Member
Mr. Tran Hoai Nam	Member

Board of Management

Mr. Doan Van Nhuom	Chief Executive Officer
Mr. Vo Khanh Hung	Vice Chief Executive Officer
Mr. Vu Hoai Lam	Vice Chief Executive Officer
Mr. Nguyen Tuan Tu	Vice Chief Executive Officer
Mr. Nguyen Anh Toan	Vice Chief Executive Officer
Mr. Nguyen Dang Trinh	Vice Chief Executive Officer

THE BOARD OF MANAGEMENT' STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the interim separate financial statements, which give a true and fair view of the financial position of the Corporation as at 30 June 2022, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

PETROVIETNAM OIL CORPORATION

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

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

THE BOARD OF MANAGEMENT' STATEMENT OF RESPONSIBILITY (Continued)

In preparing these interim separate financial statements, the Board of Management is required to:

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

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

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

For and on behalf of the Board of Management,



Doan Van Nhuom
Chief Executive Officer

08 August 2022

No.: 0124/VN1A-HC-BC

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The Shareholders
The Boards of Directors and Management
PetroVietnam Oil Corporation

We have reviewed the accompanying interim separate financial statements of PetroVietnam Oil Corporation (the "Corporation"), prepared on 08 August 2022 as set out from page 05 to page 43, which comprise the interim separate balance sheet as at 30 June 2022, the interim separate statement of income, interim separate statement of cash flows for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Interim Separate Financial Statements

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

Auditors' Responsibility

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

Basis for Qualified Conclusion

As stated in Note 16 of the Notes to the interim separate financial statements, as at 30 June 2022, the Corporation has reported on the item "Investments in joint-ventures, associates" its investments in PetroVietnam Biofuels Joint Stock Company with the amounts of cost of VND 285,506,255,661 (as at 31 December 2021: VND 285,506,255,661), and made provision for impairment of this investment with the amounts of VND 4,153,510,890 (as at 31 December 2021: VND 4,153,510,890). We were unable to obtain sufficient appropriate audit evidence about the impairment of the investment in PetroVietnam Biofuels Joint Stock Company for the year ended 31 December 2021, which caused us to qualify our audit opinion on the separate financial statements for the year then ended. We were also unable to obtain sufficient appropriate audit evidence on the impairment of investments in PetroVietnam Biofuels Joint Stock Company as at 30 June 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS (Continued)

Qualified Conclusion

Based on our review, except for the matter described in the "Basis for Qualified Conclusion" paragraph, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements do not present fairly, in all material respects, the financial position of the Corporation as at 30 June 2022, and its financial performance and its cash flows for the 6-month period then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim financial reporting.

Emphasis of Matter

As presented in Note 02 of the Notes to the interim separate financial statements, the accompanying interim separate financial statements do not include adjustments (if any) related to the finalization of equitization due to the fact that the competent authorities have not approved the final accounts of the Corporation at the time of its equitization and official transformation into a joint stock company.

Our conclusion is not qualified in respect of this matter.



Võ Thái Hòa
Audit Partner cum Branch Director
Audit Practising Registration Certificate
No. 0138-2018-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

08 August 2022

Ho Chi Minh City, S.R. Vietnam

INTERIM SEPARATE BALANCE SHEET
As at 30 June 2022

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		24,191,765,616,738	18,204,855,368,322
I. Cash and cash equivalents	110	4	916,158,595,179	1,982,655,735,482
1. Cash	111		915,144,595,179	1,781,641,735,482
2. Cash equivalents	112		1,014,000,000	201,014,000,000
II. Short-term financial investments	120	5	7,903,332,364,697	7,833,031,164,697
1. Held-to-maturity investments	123		7,903,332,364,697	7,833,031,164,697
III. Short-term receivables	130		12,965,724,285,940	6,791,138,955,104
1. Short-term trade receivables	131	6	5,428,167,616,284	2,375,659,938,609
2. Short-term advances to suppliers	132		43,315,992,891	22,021,923,391
3. Other short-term receivables	136	7	7,542,056,117,132	4,441,272,533,471
4. Provision for short-term doubtful debts	137	8	(47,815,440,367)	(47,815,440,367)
IV. Inventories	140	9	2,134,983,988,425	1,386,047,602,404
1. Inventories	141		2,234,707,809,946	1,386,047,602,404
2. Provision for devaluation of inventories	149		(99,723,821,521)	-
V. Other short-term assets	150		271,566,382,497	211,981,910,635
1. Short-term prepayments	151	10	7,500,822,531	4,060,333,118
2. Value added tax deductibles	152	11	153,819,077,361	121,372,011,988
3. Taxes and other receivables from the State budget	153	12	110,246,482,605	86,549,565,529

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

INTERIM SEPARATE BALANCE SHEET (Continued)

As at 30 June 2022

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS	200		5,357,018,346,578	5,315,105,580,344
I. Long-term receivables	210		20,331,233,800	21,065,624,554
1. Other long-term receivables	216	7	20,331,233,800	21,065,624,554
II. Fixed assets	220		1,210,467,370,297	1,228,173,899,939
1. Tangible fixed assets	221	13	778,375,599,740	833,476,323,375
- Cost	222		2,888,552,583,241	2,869,926,664,057
- Accumulated depreciation	223		(2,110,176,983,501)	(2,036,450,340,682)
2. Intangible assets	227	14	432,091,770,557	394,697,576,564
- Cost	228		524,898,900,909	482,577,705,555
- Accumulated amortisation	229		(92,807,130,352)	(87,880,128,991)
III. Long-term assets in progress	240		25,499,609,212	3,131,375,642
1. Construction in progress	242		25,499,609,212	3,131,375,642
IV. Long-term financial investments	250		3,855,683,100,958	3,811,431,520,187
1. Investments in subsidiaries	251	15	3,307,057,357,198	3,300,172,357,198
2. Investments in joint-ventures, associates	252	16	1,003,522,960,075	1,003,522,960,075
3. Equity investments in other entities	253	17	75,893,364,150	75,893,364,150
4. Provision for impairment of long-term financial investments	254	5	(530,790,580,465)	(568,157,161,236)
V. Other long-term assets	260		245,037,032,311	251,303,160,022
1. Long-term prepayments	261	10	245,037,032,311	251,303,160,022
TOTAL ASSETS (270=100+200)	270		29,548,783,963,316	23,519,960,948,666

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

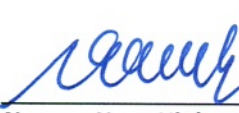
INTERIM SEPARATE BALANCE SHEET (Continued)

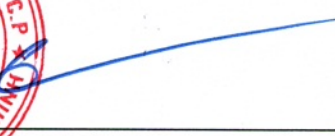
As at 30 June 2022

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		18,231,904,290,211	12,790,382,595,512
I. Current liabilities	310		18,218,323,653,159	12,757,298,858,074
1. Short-term trade payables	311	18	8,380,631,983,317	5,154,508,247,460
2. Short-term advances from customers	312		802,610,659	3,551,360,661
3. Taxes and amounts payable to the State budget	313	12	87,194,953,553	125,571,091,353
4. Payables to employees	314		58,502,734,515	60,070,977,864
5. Short-term accrued expenses	315	19	81,161,616,197	20,629,233,255
6. Short-term unearned revenue	318		60,000,000	-
7. Other current payables	319	20	6,517,361,225,202	3,868,766,691,237
8. Short-term loans and obligations under finance leases	320	21	4,080,139,289,325	4,188,723,267,774
9. Short-term provisions	321	22	21,167,425,038	11,887,464,486
10. Bonus and welfare funds	322		90,429,565,850	100,280,702,239
11. Price stabilization fund	323	23	(1,099,127,750,497)	(776,690,178,255)
II. Long-term liabilities	330		13,580,637,052	33,083,737,438
1. Long-term loans and obligations under finance leases	338	24	10,646,370,317	29,807,467,686
2. Scientific and technological development fund	343		2,934,266,735	3,276,269,752
D. EQUITY	400		11,316,879,673,105	10,729,578,353,154
I. Owners' equity	410	25	11,316,879,673,105	10,729,578,353,154
1. Owners' contributed capital	411		10,342,295,000,000	10,342,295,000,000
- Ordinary shares carrying voting rights	411a		10,342,295,000,000	10,342,295,000,000
2. Retained earnings	421		974,584,673,105	387,283,353,154
- Retained earnings/(Losses) accumulated to the prior year end	421a		386,783,353,154	(81,676,637,835)
- Retained earnings of the current period	421b		587,801,319,951	468,959,990,989
TOTAL RESOURCES (440=300+400)	440		29,548,783,963,316	23,519,960,948,666


Nguyen Thuy Dung
Preparer


Nguyen Ngoc Ninh
Chief Accountant


Doan Van Nhuom
Chief Executive Officer

08 August 2022

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


INTERIM SEPARATE INCOME STATEMENT
For the 6-month period ended 30 June 2022

Unit: VND


ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	27	36,234,758,281,173	14,215,523,378,153
2. Net revenue from goods sold and services rendered (10=01)	10		36,234,758,281,173	14,215,523,378,153
3. Cost of goods sold and services rendered	11	28	35,138,637,437,740	13,451,003,024,435
4. Gross profit from goods sold and services rendered (20=10-11)	20		1,096,120,843,433	764,520,353,718
5. Financial income	21	30	277,778,760,525	205,290,489,581
6. Financial expenses	22	31	101,416,811,885	67,158,965,818
- In which: Interest expense	23		80,892,844,306	50,980,030,132
7. Selling expenses	25	32	383,762,020,234	315,851,689,078
8. General and administration expenses	26	32	150,328,477,241	122,609,177,934
9. Operating profit (30=20+(21-22)-(25+26))	30		738,392,294,598	464,191,010,469
10. Other income	31	33	8,209,535,034	2,457,654,609
11. Other expenses	32	33	12,153,372,141	8,317,183,136
12. (Losses) from other activities (40=31-32)	40		(3,943,837,107)	(5,859,528,527)
13. Accounting profit before tax (50=30+40)	50		734,448,457,491	458,331,481,942
14. Current corporate income tax expense	51	34	146,647,137,540	63,480,445,137
15. Deferred corporate tax income	52		-	(285,839,129)
16. Net profit after corporate income tax (60=50-51-52)	60		587,801,319,951	395,136,875,934



Nguyen Thuy Dung
Preparer



Nguyen Ngoc Ninh
Chief Accountant



Doan Van Nhuom
Chief Executive Officer

08 August 2022

INTERIM SEPARATE CASH FLOW STATEMENT
For the 6-month period ended 30 June 2022

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	734,448,457,491	458,331,481,942
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	81,244,773,535	82,783,672,212
Provisions	03	71,637,201,302	(40,712,140,858)
Foreign exchange gain arising from translating foreign currency items	04	(6,299,937,414)	(383,422,200)
Gain from investing activities	05	(233,962,505,897)	(199,756,859,563)
Interest expense	06	80,892,844,306	50,980,030,132
Other adjustments (i)	07	(322,437,572,242)	(1,046,708,305,498)
3. <i>Operating profit/(loss) before movements in working capital</i>	08	405,523,261,081	(695,465,543,833)
Increases in receivables	09	(6,211,768,949,617)	(2,532,116,298,555)
Increases in inventories	10	(848,660,207,542)	(40,014,351,793)
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	5,872,788,125,574	2,392,773,221,611
Decreases in prepaid expenses	12	5,887,992,192	21,787,198,900
Interest paid	14	(75,510,379,234)	(46,106,977,306)
Corporate income tax paid	15	(81,695,333,242)	(10,382,352,944)
Other cash inflows	16	-	155,094,806
Other cash outflows	17	(10,693,139,406)	(124,317,044,533)
<i>Net cash used in operating activities</i>	20	(944,128,630,194)	(1,033,687,053,647)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(142,277,822,577)	(111,696,927,472)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	-	2,766,521,720
3. Cash outflow for lending, buying debt instruments of other entities	23	(4,163,801,200,000)	(4,743,031,164,697)
4. Cash recovered from lending, selling debt instruments of other entities	24	4,093,500,000,000	3,193,031,164,697
5. Equity investments in other entities	25	(6,885,000,000)	-
6. Interest earned, dividends and profits received	27	223,823,659,076	179,505,559,286
<i>Net cash generated by/(used in) investing activities</i>	30	4,359,636,499	(1,479,424,846,466)

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

INTERIM CASH FLOW STATEMENT (Continued)
For the 6-month period ended 30 June 2022

Unit: VND

ITEMS	Codes	Current period	Prior period
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	9,769,025,723,888	8,288,055,693,318
2. Repayment of borrowings	34	(9,896,770,799,706)	(7,436,659,112,124)
Net cash (used in)/generated by financing activities	40	(127,745,075,818)	851,396,581,194
Net decreases in cash (50=20+30+40)	50	(1,067,514,069,513)	(1,661,715,318,919)
Cash and cash equivalents at the beginning of the period	60	1,982,655,735,482	3,026,756,397,986
Effects of changes in foreign exchange rates	61	1,016,929,210	(705,972,561)
Cash and cash equivalents at the end of the period (70=50+60+61)	70	916,158,595,179	1,364,335,106,506


- (i) Include the adjustments for appropriation, use of the Price Stabilization Fund and interest expense on the negative balance of the Fund with the amounts of VND 137,863,833,100 and VND 460,023,710,290 and VND 277,695,052, respectively.



Nguyen Thuy Dung
Preparer



Nguyen Ngoc Ninh
Chief Accountant



Doan Van Nhuom
Chief Executive Officer

08 August 2022

NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

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

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

From 01 August 2018, PetroVietnam Oil Corporation - One member Limited Company officially transformed its operation model to a joint stock company with the name of PetroVietnam Oil Corporation under the 17th amended Business Registration Certificate dated 01 August 2018. The charter capital of the Corporation after equitization is VND 10,342,295,000,000.

The Corporation's shares have been approved for trading on the UPCOM market on 07 March 2018 with the stock code of OIL.

The number of employees of the Corporation as at 30 June 2022 was 701 (as at 31 December 2021: 699).

Operating industry and principal activities

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

Normal production and business cycle

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

The Company's structure

The Corporation operates under the parent - subsidiary model. The dependent accounting members of the Corporation as at 30 June 2022 include:

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

As at 30 June 2022, the Corporation has 27 subsidiaries, 07 associates and 03 joint ventures. Details of subsidiaries, associates and joint ventures are presented in Note 15 and Note 16.

Disclosure of information comparability in the financial statements

Comparative figures on the interim separate balance sheet and the notes thereto are the audited figures as at 31 December 2021.

Comparative figures of the interim separate income statement, interim separate cash flow statement and the notes thereto are the reviewed figures of the reviewed interim separate financial statements for the 6-month period ended 30 June 2021.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

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

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

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

Equitization finalization

The interim separate financial statements do not include adjustments (if any) related to the finalization of equitization due to the fact that the competent authorities have not approved the final accounts of the Corporation at the time of its equitization and official transformation into a joint stock company.

Financial year and operating period

The Corporation's financial year begins on 01 January and ends on 31 December.

These interim separate financial statements are prepared for the 6-month period ended 30 June 2022.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Cash and cash equivalents

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

Financial investments

Held-to-maturity securities

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

Post-acquisition interest income from held-to-maturity investments is recognised in the interim separate income statement on accrual basis.

Held-to-maturity investments are measured at cost less any impairment in accordance with prevailing regulations.

Investments in subsidiaries

A subsidiary is an entity whose majority of shares (51% or above) and correlative control are held by the Corporation. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

Investments in associates

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

Interests in joint ventures

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

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

Joint venture arrangements that involve the establishment of a separate entity (with or without a legal entity) in which each venturer has an interest are referred to as jointly controlled entities.

Equity investments in other entities

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

Interests in subsidiaries, joint ventures and associates and equity investments in other entities are initially recognised at cost. After that, the value of investments in subsidiaries, associates, joint ventures and equity investments in other entities of the Corporation are revalued for the purpose of valuation of enterprises for equitization. Therefore, investments in subsidiaries, associates, joint ventures, and investments in other entities as at 30 June 2022 are recorded at revaluation value less provision for impairment of such investments (if any).

Provisions for impairment of investments are made in accordance with current accounting regulations when there is reliable evidence for declining in value of investments at the interim separate balance sheet date.

The Corporation's share of the net accumulative profit of the investees after acquisition is recognised in the interim separate income statement. Other distributions received other than such profit share are deducted from the cost of the investments as recoverable amounts.

Receivables

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

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventories are accounted for under a perpetual system. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

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

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

	<u>Years</u>
Buildings and structures	6 - 50
Machinery and equipment	5 - 10
Motor vehicles	5 - 6
Office equipment	3 - 5
Others	3 - 6

Tangible fixed assets of the Corporation were revalued when the equitization was performed. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

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

Leasing

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

Intangible assets and amortisation

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

Indefinite-term land use rights are not amortised. Finite-term land use rights are amortised over the duration specified in the land use right certificate. Computer software is amortised using the straight-line method over 5 years.

Intangible fixed assets of the Corporation were revalued when the equitization was performed. The cost and accumulated amortization were adjusted based on the revaluation value approved by competent authorities as regulated.

Construction in progress

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

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

Prepayments

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

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

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

Revenue recognition

Revenue from the sale of goods:

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

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

Revenue from the services rendered:

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

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Foreign currencies

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

According to Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying exchange rate issued by the Joint Stock Commercial Bank for Foreign Trade of Vietnam for converting the foreign currency items as at 30 June 2022. This exchange rate is different from that prescribed in Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the enterprise accounting regime ("Circular 200"). According to the Board of Management, this difference does not materially affect the Corporation's interim separate financial statements for the 6-month period ended 30 June 2022.

Borrowing costs

Borrowing costs are recognised in the interim income statement in the period when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Payable provisions

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

Petroleum price stabilization fund

The Petroleum price stabilization fund is appropriated and used as per Circular No. 103/2021/TT-BTC ("Circular No. 103") dated 18 November 2021 of the Ministry of Finance for "Guiding on determining base of appropriation, management and utilization of price stabilization funds" under the Government's Decree No. 95/2021/ND-CP dated 01 November 2021 which was amended and supplemented some articles of Decree No. 83/2014/ND-CP dated 03 September 2014 on petroleum and oil business. Circular No. 103 is effective from 02 January 2022 and annuls, amends and supplements some articles of the Joint Circular No. 90/2016/TTLT-BCT-BTC dated 24 June 2016 and Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Finance and Ministry of Industry and Trade on determination of base prices, establishment, management and utilization of price stabilization funds and control of petroleum and oil prices under the Government's Decree No. 83/2014/ND-CP dated 03 September 2014 on petroleum and oil business.

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

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

Taxation

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

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

Corporate income tax payable is calculated using the prevailing normal tax rate of 20% ruling at the balance sheet date.

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

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

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

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

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

4. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	271,334,655	362,699,299
Bank demand deposits	914,873,260,524	1,781,279,036,183
Cash equivalents (i)	1,014,000,000	201,014,000,000
	<u>916,158,595,179</u>	<u>1,982,655,735,482</u>

- (i) As at 30 June 2022, cash equivalents represent term deposits in Vietnam Dong with original terms of less than 3 months at banks and with interest rates of 3% p.a (as at 31 December 2021: from 0.2% p.a to 3% p.a).

As at 30 June 2022, cash and cash equivalents include demand deposits of VND 466,053,578, USD 3,774,149.9 (as at 31 December 2021: VND 591,516,449 and USD 3,774,149.9) and deposits of VND 1,014,000,000 (as at 31 December 2021: VND 1,040,000,000) with original maturity of less than 03 months ("cash equivalents"); held-to-maturity investments include time deposits in the amount of VND 243,332,364,697 (as at 31 December 2021: VND 243,031,164,697) with original maturity from 6 to 12 months (as presented in Note 05) at Ocean Commercial Joint Stock Bank (currently known as Ocean Commercial One Member Limited Liability Bank – "Oceanbank"). Such deposits have been frozen under Directive No. 600/2015/CT-TGD dated 13 February 2015 issued by Oceanbank on the suspension of payment services for the business entities of Vietnam Oil and Gas Group to review and evaluate the payment records of customers. Oceanbank has been transformed into a wholly State-owned bank; accordingly, the Board of Management has assessed and believes that these deposits will be unfrozen in the coming time depending on the decision of the State Bank of Vietnam.

5. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
a. Held-to-maturity investments				
Term deposits (i)	7,903,332,364,697	7,903,332,364,697	7,833,031,164,697	7,833,031,164,697

Held-to-maturity deposits represent Vietnam Dong term deposits with original terms longer than 3 months and remaining terms of less than 12 months at banks, earning interest rates from 4.6% to 5.6% per annum (as at 31 December 2021: from 4.6% p.a to 5.6% p.a).

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
b. Long-term financial investments				
Investments in subsidiaries	3,307,057,357,198	(248,946,365,058)	3,300,172,357,198	(288,834,518,130)
Investments in joint-ventures, associates	1,003,522,960,075	(258,210,951,050)	1,003,522,960,075	(260,119,366,574)
Investments in other entities	75,893,364,150	(23,633,264,357)	75,893,364,150	(19,203,276,532)
	4,386,473,681,423	(530,790,580,465)	4,379,588,681,423	(568,157,161,236)

The Corporation has not determined the fair value of the financial investments at the interim separate balance sheet date since current prevailing regulations provide no detailed guidance on such determination.

6. SHORT-TERM TRADE RECEIVABLES

	Closing balance	Opening balance
	VND	VND
Short-term trade receivables from related parties (Details stated in Note 36)	5,371,284,526,483	2,262,609,466,677
Others	56,883,089,801	113,050,471,932
	5,428,167,616,284	2,375,659,938,609



7. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
a. Other short-term receivables		
Binh Son Refining and Petrochemical JSC (i)	5,340,977,997,846	3,306,751,489,819
Oil export from White Tiger Oil field	911,158,658,262	511,227,458,690
Vietsovpetro Joint Venture	251,011,453,973	18,060,138,058
Special consumption taxes awaiting deduction, environmental protection tax and special preferential import tariffs awaiting returns (ii)	56,902,501,474	7,687,919,694
Receivable related to equitization (iii)	5,755,479,545	5,755,479,545
Overpaid profit after tax receivable from Vietnam Oil and Gas Group	2,346,281,910	2,346,281,910
BCC contract no. 13/2021/PVGAS/TT-PVOIL/D4 (iv)	722,571,465,461	387,558,110,831
Other receivables	251,332,278,661	201,885,654,924
	7,542,056,117,132	4,441,272,533,471
b. Other long-term receivables		
Receivables related to transfer of Petroland project	20,331,233,800	21,065,624,554
	20,331,233,800	21,065,624,554
<i>In which: Other receivables from related parties (Details stated in Note 36)</i>	5,646,706,173,097	3,895,625,888,564
(i) Represents receivables related to the implementation of purchase and import activities as entrusted by Binh Son Refining and Petrochemical JSC.		
(ii) Represents deductible special consumption taxes on condensate materials, and environmental protection tax and special preferential import tariffs which are refundable from the State budget.		
(iii) Represents expenses related to equitization. Such value may be subject to adjustment upon the final approval of competent authorities.		
(iv) Represents the receivable related to Business Cooperation Contract No. 13/2021/PVGAS/TT-PVOIL/D4 ("Business Cooperation Contract" or "BCC") dated 21 January 2021 between the Corporation and PetroVietnam Gas Joint Stock Corporation ("PVGAS") to carry out economic activities together but do not form an independent legal entity. This activity is jointly controlled by the parties under the agreement of the BCC in the form of profit sharing after tax. According to the agreement between the parties, the Corporation is authorized to manage and operate the project as well as to record business results of the BCC and distribute profit after tax to the Corporation and PVGAS at the rate of 65% and 35%, respectively. Details of other short-term receivables relating to BCC are as follows:		

	Closing balance VND	Opening balance VND
Profit sharing after tax from business results of BCC	82,488,901,963	39,031,728,499
Other receivables related to the implementation of BCC	640,082,563,498	348,526,382,332
	722,571,465,461	387,558,110,831

8. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
Cai Lan Shipbuilding Industry Company Limited	19,576,761,700	-	19,576,761,700	-
Orient Biofuels Company Limited	9,613,340,562	-	9,613,340,562	-
Nam Song Hau Petrochemical Trading Joint Stock Company	7,799,179,244	-	7,799,179,244	-
Others	10,826,158,861	-	10,826,158,861	-
	47,815,440,367	-	47,815,440,367	-

Vietnamese Accounting Standards as well as current prevailing regulations provide no detailed guidance on the determination of the recoverable amount of receivables. Accordingly, as at 30 June 2022, the Corporation's Board of Management prudently assessed and determined the recoverable amount of receivables based on their book value less provision that had been made for doubtful debts.

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	542,496,327,789	-	93,642,854,764	-
Raw materials	642,497,338,501	-	433,355,139,855	-
Tools and supplies	5,463,726,116	-	5,176,365,597	-
Finished goods	105,204,749,762	(4,773,881,495)	140,903,834,821	-
Merchandise	939,045,667,778	(94,949,940,026)	712,969,407,367	-
	2,234,707,809,946	(99,723,821,521)	1,386,047,602,404	-

In the period, the Corporation has made provision for devaluation of inventories with the amount of VND 99,723,821,521 (prior period: nil) because the net realisable value was less than cost.

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current	7,500,822,531	4,060,333,118
Others	7,500,822,531	4,060,333,118
b. Non-current	245,037,032,311	251,303,160,022
Prepayment for office rentals at No. 1 - 5 Le Duan Street, District 1, Ho Chi Minh City	187,903,399,049	190,358,870,329
Tools and supplies	17,814,415,502	21,144,178,517
Value of land use rights due to change of use form (i)	21,173,869,386	18,464,675,570
Privilege of land rent rights (ii)	9,092,817,790	11,820,663,128
Others	9,052,530,584	9,514,772,478
	252,537,854,842	255,363,493,140

- (i) Value of land use rights due to change of use form related to the conversion from an indefinite land use right to a definite land use right based on the decision of competent authority.
- (ii) Represents the Privilege of land rent rights at some petrol stations of the Corporation.

11. VALUE ADDED TAX DEDUCTIBLES

Value-added tax (VAT) deductibles of the Corporation as at 30 June 2022 represent the portion of the input VAT of the Corporation that has not been deducted. The deduction of this tax portion in the subsequent period will be subject to the tax declaration of the Corporation and the inspection and approval of the local tax authorities.

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

	Opening balance	Payable during the period	Deductible/paid during	Closing balance
	VND	VND	the period	VND
Taxes and other receivables from the State budget				
Value added tax on domestic goods	800,000	800,000	-	-
Special consumption tax	86,548,765,529	-	23,697,717,076	110,246,482,605
	86,549,565,529	800,000	23,697,717,076	110,246,482,605
Taxes and other payables to the State budget				
Value added tax on domestic goods	295,944,923	1,436,740,312	1,393,798,461	338,886,774
Value added tax on imported goods	-	352,599,994,067	352,599,994,067	-
Export and import duties	-	87,456,300,208	87,456,300,208	-
Personal income tax	3,548,685,270	12,401,242,538	12,420,621,326	3,529,306,482
Corporate income tax	39,521,920,735	109,086,738,261	81,695,333,242	66,913,325,754
Land tax	-	83,553,024	83,553,024	-
Environmental protection tax	81,795,119,558	210,955,114,097	276,746,219,979	16,004,013,676
Other fees and charges	409,420,867	6,359,382,255	6,359,382,255	409,420,867
	125,571,091,353	780,379,064,762	818,755,202,562	87,194,953,553

13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
Opening balance	2,061,820,816,190	680,610,850,717	69,250,640,217	50,062,771,673	8,181,585,260	2,869,926,664,057
Additions	12,565,295,657	3,816,399,493	-	240,000,000	240,363,545	16,862,058,695
Increases/(decreases) due to settlement approval	(74,046,481)	2,769,750,499	-	-	-	2,695,704,018
Other (decreases)	(349,965,642)	(581,877,887)	-	-	-	(931,843,529)
Closing balance	2,073,962,099,724	686,615,122,822	69,250,640,217	50,302,771,673	8,421,948,805	2,888,552,583,241
ACCUMULATED DEPRECIATION						
Opening balance	1,427,880,842,703	496,777,419,552	64,863,634,155	39,816,431,802	7,112,012,470	2,036,450,340,682
Charge for the period	50,654,531,005	21,674,721,234	517,254,059	1,301,853,984	162,574,905	74,310,935,187
Other (decreases)	(256,641,484)	(327,650,884)	-	-	-	(584,292,368)
Closing balance	1,478,278,732,224	518,124,489,902	65,380,888,214	41,118,285,786	7,274,587,375	2,110,176,983,501
NET BOOK VALUE						
Opening balance	633,939,973,487	183,833,431,165	4,387,006,062	10,246,339,871	1,069,572,790	833,476,323,375
Closing balance	595,683,367,500	168,490,632,920	3,869,752,003	9,184,485,887	1,147,361,430	778,375,599,740

The cost of the Company's tangible fixed assets as at 30 June 2022 includes VND 136,577,792,359 (31 December 2021: VND 120,004,573,930) of assets which have been fully depreciated but are still in use.

As stated in Note 24, the Corporation has pledged the works of Phu Tho petroleum depot with net book values as at 30 June 2022 amounting to VND 5,630,250,245 (as at 31 December 2021: VND 100,023,884,365) to secure bank facilities granted to the Corporation.

14. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
Opening balance	399,641,655,698	82,936,049,857	482,577,705,555
Additions	57,676,000,000	-	57,676,000,000
Transfer from construction in progress	-	42,727,273	42,727,273
Other (decreases)	(15,397,531,919)	-	(15,397,531,919)
Closing balance	<u>441,920,123,779</u>	<u>82,978,777,130</u>	<u>524,898,900,909</u>
ACCUMULATED AMORTIZATION			
Opening balance	36,841,018,734	51,039,110,257	87,880,128,991
Charge for the period	4,519,166,299	2,414,672,049	6,933,838,348
Other (decreases)	(2,006,836,987)	-	(2,006,836,987)
Closing balance	<u>39,353,348,046</u>	<u>53,453,782,306</u>	<u>92,807,130,352</u>
NET BOOK VALUE			
Opening balance	<u>362,800,636,964</u>	<u>31,896,939,600</u>	<u>394,697,576,564</u>
Closing balance	<u>402,566,775,733</u>	<u>29,524,994,824</u>	<u>432,091,770,557</u>

The cost of the Corporation's intangible assets as at 30 June 2022 includes VND 2,414,227,248 (31 December 2021: VND 2,414,227,248) of assets which have been fully depreciated but are still in use.

15. INVESTMENTS IN SUBSIDIARIES

The Corporation's proportion of ownership interest and capital contribution to its direct subsidiaries as at 30 June 2022 are as follows:

Name of subsidiary	Book value Closing balance VND	Proportion of ownership interest as at closing date %	Proportion of voting power held as at closing date %	Book value Opening balance VND
Me Kong Petroleum JSC	337,059,294,469	89.37%	89.37%	337,059,294,469
Vung Ang Petroleum JSC	53,675,000,000	56.50%	56.50%	53,675,000,000
PetroVietnam Oil Lube JSC	59,947,983,022	62.67%	62.67%	59,947,983,022
PetroVietnam Oil Tra Vinh JSC	27,841,516,060	96.67%	96.67%	27,841,516,060
PetroVietnam Oil Bac Lieu JSC	39,800,837,516	98.58%	98.58%	39,800,837,516
PetroVietnam Oil Binh Thuan JSC	70,009,916,425	79.68%	79.68%	70,009,916,425
PetroVietnam Oil Thanh Hoa JSC	59,904,348,443	56.86%	56.86%	59,904,348,443
PetroVietnam Oil Phu My JSC	373,997,531,512	67.64%	67.64%	373,997,531,512
Sai Gon PetroVietnam JSC	151,334,458,744	65.18%	66.93%	151,334,458,744
PetroVietnam Oil Vung Tau JSC	114,732,823,809	57.18%	57.18%	114,732,823,809
PetroVietnam Oil Hanoi JSC	201,876,075,741	71.84%	71.84%	201,876,075,741
PetroVietnam Oil Lao Co., Ltd	78,551,423,672	100.00%	100.00%	78,551,423,672
PetroVietnam Oil Lao Petroleum Domestic Trading Sole Co., Ltd	134,520,658,726	100.00%	100.00%	134,520,658,726
PetroVietnam Oil Thai Binh JSC	74,999,833,116	68.00%	68.00%	74,999,833,116
Thai Binh Petroleum Services JSC	14,280,000,000	51.00%	51.00%	14,280,000,000
PetroVietnam Oil Nam Dinh JSC	41,228,882,773	56.75%	56.75%	41,228,882,773
PetroVietnam Oil Tay Ninh JSC	105,877,995,794	78.62%	78.62%	105,877,995,794
PetroVietnam Oil Cai Lan JSC	70,826,240,317	80.19%	80.19%	70,826,240,317
PetroVietnam Oil Phu Yen JSC	66,151,133,217	67.13%	67.13%	66,151,133,217
PetroVietnam Oil Phu Tho JSC	38,699,084,673	71.68%	71.68%	38,699,084,673
Singapore International Oil Trading Co., Ltd	35,242,504,910	51.00%	51.00%	35,242,504,910
PVOil Mien Trung JSC	152,739,037,713	72.29%	72.29%	152,739,037,713
Hai Phong PVOil Petroleum JSC	63,846,506,524	72.00%	72.00%	63,846,506,524
Vietnam Petroleum Oil Transport JSC (ii)	44,263,804,774	80.00%	80.00%	37,378,804,774
Thu Duc Trading and Import Export JSC	79,599,663,922	51.01%	51.01%	79,599,663,922
PETEC Trading and Investment Corporation (i)	810,364,301,326	94.55%	95.09%	810,364,301,326
PetroVietnam Oil Cambodia Public Limited Company	5,686,500,000	51.00%	51.00%	5,686,500,000
	3,307,057,357,198			3,300,172,357,198

- (i) As at 30 June 2022, the Corporation's capital contribution in PETEC Trading and Investment Corporation ("PETEC") that was recognized and presented by the Corporation exceeded the amount recorded and accounted for by PETEC by VND 111,225,298,544 (compared to the pre-adjusted investment value according to the value of re-evaluation for equitization of VND 2,464,251,000,000). The Corporation's Board of Management believes that such difference amount will be settled when PETEC has completed the finalization of equitization.

On 29 March 2021, the Vietnam Oil and Gas Group issued Resolution No. 1474/NQ-DKVN approving the policy on PetroVietnam Gas Joint Stock Corporation ("PV GAS") receiving the transfer of all shares of Petec Trading and Investment Corporation - JSC ("PETEC") from the Corporation. On 31 March 2021, the Vietnam Oil and Gas Group issued Official Letter No. 1574/DKVN-KTDT requesting the Representative of the Group's capital at PVGAS and the Corporation to report to the Prime Minister and advise to implement the next steps to ensure the interests of the Corporation and PV GAS. The Corporation is closely coordinating with PVGAS to carry out the procedures related to the above capital transfer.

- (ii) On 08 June 2022, the Corporation received the transfer of 450,000 shares of Vietnam Petroleum Oil Transport JSC from another shareholder under Contract No. 498/PVOIL.KH-NTH06-22/M. Accordingly, as at 30 June 2022, the Corporation's capital contribution in Vietnam Petroleum Oil Transport JSC was 80% (as at 31 December 2021: 71%).

16. INVESTMENTS IN JOINT VENTURES, ASSOCIATES

The Corporation's proportion of ownership interest and capital contribution to its direct joint ventures, associates as at 30 June 2022 are as follows:

	Book value Closing balance	Proportion of ownership interest as at closing date	Proportion of voting power held as at closing date	Book value Opening balance
	VND	%	%	VND
Name of associates				
PetroVietnam Biofuels JSC (i)	285,506,255,661	39.76%	39.76%	285,506,255,661
Petroleum Trading JSC	79,973,319,843	29.00%	29.00%	79,973,319,843
Thach Han Trading JSC	1,197,459,775	45.00%	45.00%	1,197,459,775
PetroVietnam Central Biofuels JSC	254,057,440,160	34.28%	34.28%	254,057,440,160
Phu Yen Cashew JSC (ii)	-	47.79%	47.79%	-
Materials - Petroleum JSC	335,225,848,000	44.79%	44.94%	335,225,848,000
Ninh Binh Petroleum JSC	13,542,778,807	20.26%	33.33%	13,542,778,807
Name of joint ventures				
PetroVietnam Oil Stockpile Co., Ltd	13,585,359,052	19.00%		13,585,359,052
LG Vina Chemical Co., Ltd	20,434,498,777	15.00%		20,434,498,777
Orient Biofuels Co., Ltd (ii)	-	30.20%		-
	1,003,522,960,075			1,003,522,960,075

- (i) According to Notice No. 385/TB-VPCP dated 02 October 2018 of the Government Office, the dissolution and bankruptcy plan for PetroVietnam Biofuels Joint Stock Company was proposed in accordance with legal regulations for consideration. On 24 October 2018, the Corporation's Board of Directors sent a document to the Vietnam Oil and Gas Group regarding the bankruptcy plan of PetroVietnam Biofuel Joint Stock Company. On 10 December 2018, the Corporation sent Official Letter No. 211/DVN-TCKT to the Vietnam Oil and Gas Group (PVN) to propose the revaluation of this investment to nil (VND 0) when finalizing equitization, and that in the course of implementing the bankruptcy procedure, any income from liquidation of Phu Tho Biofuel Plant will be fully transferred to the Enterprise Support and Arrangement Fund. This matter has been submitted by the PVN to the Committee for Management of State Capital at Enterprises (CMSC) under Official Letter No. 3540/DKVN-HDTV dated 01 July 2019 on rearrangement, handling of houses and land and solution for difficulties in equitization of PVOIL. At the date of these interim separate financial statements, the Corporation has not yet received any response from PVN, CMSC or other competent authorities on the implementation of the bankruptcy plan for PetroVietnam Biofuel Joint Stock Company. The Corporation has made provision for this investment with an amount of VND 4,153,510,890 as at 30 June 2022 (as at 31 December 2021: VND 4,153,510,890).
- (ii) The value investments in these investees is nil in accordance with the State Audit Report on the results of enterprise valuation and handling of financial issues before officially announcing the value of the equitized PetroVietnam Oil Corporation as a holding company, which has been approved by the Ministry of Industry and Trade under Decision No. 1220/QĐ-BCT dated 10 April 2017 on the valuation of PetroVietnam Oil Corporation (a member entity of Vietnam Oil and Gas Group) for equitization. The costs of the investments in Phu Yen Cashew Joint Stock Company and Orient Biofuels Company Limited as at 31 December 2015 before revaluation for equitization are VND 51,707,577,602 and VND 198,044,907,747 respectively.

17. EQUITY INVESTMENT IN OTHER ENTITIES

	Closing balance VND	Opening balance VND
Ca Mau Trading JSC	46,976,384,000	46,976,384,000
Lam Kinh Hotel JSC	10,549,395,047	10,549,395,047
Green Indochina Development JSC	7,263,016,037	7,263,016,037
Indochina Petroleum Transportation JSC (i)	9,753,141,763	9,753,141,763
Mekong Petroleum Transport JSC	1,351,427,303	1,351,427,303
	75,893,364,150	75,893,364,150

- (i) During the period, the Corporation made a public offering of all 1,000,000 shares in Indochina Petroleum Transport JSC according to the Registration Certificate of Offering No. 122/GCN-UBCK issued by the Chairman of the State Securities Commission on 11 May 2022. According to Notice No. 1166/SGDHCM-NY dated 05 July 2022 of the Ho Chi Minh City Stock Exchange (HOSE), the Corporation has successfully offered and transferred all of the above shares.

18. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount VND	Amount able to be paid off VND	Amount VND	Amount able to be paid off VND
Short-term trade payables to related parties (Details stated in Note 36)	7,378,943,562,554	7,378,943,562,554	4,671,441,088,697	4,671,441,088,697
BCC contract no. 13/2021/PVGAS/TT-PVOIL/D4 (i)	881,441,436,709	881,441,436,709	365,782,587,556	365,782,587,556
Others	120,246,984,054	120,246,984,054	117,284,571,207	117,284,571,207
	8,380,631,983,317	8,380,631,983,317	5,154,508,247,460	5,154,508,247,460

- (i) Represents the payables for purchasing base gasoline RON91 according to Business Cooperation Contract No. 13/2021/PVGAS/TT-PVOIL/D4 between the Corporation and PetroVietnam Gas Joint Stock Corporation ("PVGAS").

19. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accruals for purchasing goods, fixed assets	41,572,972,385	8,296,731,600
Accruals for transportation	7,298,884,402	1,916,419,330
Accruals for oil products	5,145,105,924	1,687,418,143
Accrued interest expenses	12,810,423,874	7,129,147,544
Other accruals	14,334,229,612	1,599,516,638
	81,161,616,197	20,629,233,255

In which: Short-term accrued expenses to related parties (Details stated in Note 36)

11,899,826,347

7,433,086,610

20. OTHER CURRENT PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Crude oil money received on behalf of other companies (i)	6,478,819,439,685	3,816,775,524,721
Payables relating to equitization (ii)	5,078,241,760	5,078,241,760
Payables relating to proceeds from IPO (iii)	6,508,956,732	6,508,956,732
Short-term deposits received	4,150,802,727	134,802,727
Others	22,803,784,298	40,269,165,297
	<u>6,517,361,225,202</u>	<u>3,868,766,691,237</u>
<i>In which: Other payables to related parties (Details stated in Note 36)</i>	<i>2,837,016,122,494</i>	<i>1,836,172,573,859</i>
(i) Represents payables related to the performance of entrusted export and sale activities to business partners.		
(ii) Represents payables relating to equitization which is the excess of enterprise value over the designated charter capital of the Corporation after equitization of VND 10,342,295,000,000 under Decision No. 1979/QĐ-TTg dated 08 December 2017 of the Prime Minister. This amount might be subject to changes when there is final approval from the competent authorities.		
(iii) Represents the proceeds from initial public offering (IPO) and the payable amount to the owner regarding this IPO. The proceeds from this equitization will be finalized and might be subject to changes upon final approval by the competent authorities.		

21. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount able to be paid off				Amount able to be paid off	
	Amount	VND	Increases	Decreases	Amount	VND
Short-term loans	4,179,166,140,772	4,179,166,140,772	9,769,025,723,888	9,870,418,435,405	4,077,773,429,255	4,077,773,429,255
Current portion of long-term loans (see Note 24)	9,557,127,002	9,557,127,002	2,365,860,070	9,557,127,002	2,365,860,070	2,365,860,070
	4,188,723,267,774	4,188,723,267,774	9,771,391,583,958	9,879,975,562,407	4,080,139,289,325	4,080,139,289,325

Short-term loans represent facilities obtained from banks in the form of letters of credit that can be withdrawn in Vietnam Dong or United States Dollar based on each credit limit as contracted with the banks. Such loans are unsecured and bear fixed interest rates that are stated in each loan acknowledgement at 1.2% p.a. for loans in USD and ranging from 2.55% to 4% p.a. for loans in VND (as at 31 December 2021: 1.2% p.a. for loans in USD and from 1.75% to 4% p.a. for loans in VND). The loans are used to supplement the Corporation's working capital.

22. SHORT-TERM PROVISIONS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Provision fund for environmental risks and damage compensation	21,167,425,038	11,887,464,486
	<u>21,167,425,038</u>	<u>11,887,464,486</u>

23. PRICE STABILIZATION FUND

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Opening balance	(776,690,178,255)	438,962,299,436
Appropriation to the fund	137,863,833,100	2,972,306,000
Interest incurred	-	155,094,806
Utilization in the period	(460,023,710,290)	(1,049,680,611,498)
Interest on negative balance of Petroleum Price Stabilization Fund	(277,695,052)	-
Closing balance	<u>(1,099,127,750,497)</u>	<u>(607,590,911,256)</u>

In which:

Amount transferred to the bank deposits	-	-
Amount remained outstanding	(1,099,127,750,497)	(607,590,911,256)

Appropriation and utilization of the Price Stabilization Fund comply with the regulations of the Ministry of Finance from time to time (as presented in Note 3 - Summary of Significant Accounting Policies, "Price Stabilization Fund" item). In the period, the Corporation appropriated to and utilized the fund in accordance with prevailing current regulations. Handling of any difference (if any) between the appropriation and utilization of the fund will comply with the guidance of the Ministry of Finance in the coming time.

24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the period		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Current portion of long-term loans (see Note 21)	9,557,127,002	9,557,127,002	2,365,860,070	9,557,127,002	2,365,860,070	2,365,860,070
Amount due for settlement after 12 months	29,807,467,686	29,807,467,686	-	19,161,097,369	10,646,370,317	10,646,370,317
	39,364,594,688	39,364,594,688	2,365,860,070	28,718,224,371	13,012,230,387	13,012,230,387

Long-term loan represents the credit facility obtained from Vietnam Public Joint Stock Commercial Bank to finance the Phu Tho Storage Construction with the total credit limit of VND 33,000,000,000. This loan has the maximum principal and interest payment term of 120 months (20 periods, 6 months each) from the date of final disbursement secured by the works of Phu Tho petroleum depot (see Note 13) and bears interest rate equal to the average 12-month saving rate plus a margin 2.2% p.a.

Long-term loans are repayable as follows:

	Closing balance	Opening balance
	VND	VND
On demand or within one year	2,365,860,070	9,557,127,002
In the second year	2,365,860,069	9,557,127,002
In the third to fifth year inclusive	4,731,720,142	17,884,480,612
After five years	3,548,790,106	2,365,860,072
	13,012,230,387	39,364,594,688
Less: Amount due for settlement within 12 months (shown under current liabilities)	2,365,860,070	9,557,127,002
Amount due for settlement after 12 months	10,646,370,317	29,807,467,686

25. OWNER'S EQUITY

Movement in owner's equity

	Owners' contributed capital VND	Retained earnings VND	Total VND
<i>For the 6-month period ended 30 June 2021</i>			
Balance as at 01 January 2021	10,342,295,000,000	(81,676,637,835)	10,260,618,362,165
Profit for the period	-	395,136,875,934	395,136,875,934
Balance as at 30 June 2021	<u>10,342,295,000,000</u>	<u>313,460,238,099</u>	<u>10,655,755,238,099</u>
<i>For the 6-month period ended 30 June 2022</i>			
Balance as at 01 January 2022	10,342,295,000,000	387,283,353,154	10,729,578,353,154
Profit for the period	-	587,801,319,951	587,801,319,951
Declare to Bonus and welfare funds (*)	-	(500,000,000)	(500,000,000)
Balance as at 30 June 2022	<u>10,342,295,000,000</u>	<u>974,584,673,105</u>	<u>11,316,879,673,105</u>

(*) Based on the level of completion of the planned profit target in 2021, the Corporation has temporarily deducted the bonus and welfare fund of employees and the bonus fund of managers in the previous year with the amount of VND 99,170,000,000. According to Resolution No. 12/NQ-DHDCD dated 28 April 2022, the General Meeting of Shareholders of the Corporation approved the plan to deduct the bonus and welfare fund of employees and the bonus fund of managers with the amount of VND 100,210,000,000 from profit after tax of 2021. During the period, the Corporation has additionally deducted the bonus and welfare fund with the amount of VND 500,000,000 according to the above Resolution No.12/NQ-DHDCD.

Shares	Closing balance	Opening balance
Number of shares issued to the public	200,445,036	200,445,036
Ordinary shares	200,445,036	200,445,036
Number of outstanding shares in circulation	1,034,229,500	1,034,229,500
Ordinary shares	1,034,229,500	1,034,229,500

Ordinary shares have par value of VND 10,000/share.

Charter capital

According to the 17th business registration certificate dated 01 August 2018, the charter capital of the Corporation after transformation into a joint stock company is VND 10,342,295,000,000. As at 30 June 2022, the charter capital was fully contributed by shareholders as follows:

	Shares	Rate %	Amount VND
Vietnam Oil and Gas Group	832,803,564	80.52%	8,328,035,640,000
Other shareholders	201,425,936	19.48%	2,014,259,360,000
	<u>1,034,229,500</u>	<u>100.00%</u>	<u>10,342,295,000,000</u>

Dividends

According to Resolution No. 12/NQ-DHDCD dated 28 April 2022, the General Meeting of Shareholders of the Corporation has approved the plan to pay cash dividend at the rate of 350 VND/share from profit after tax of 2021. Implementing the above Resolution No.12/NQ-DHDCD, the Board of Directors of the Corporation issued Resolution No. 58/NQ-DVN dated 05 July 2022 on the approval of the 2021 dividend payment plan in cash at the rate of 350 VND/share. Accordingly, the dividend payment date will be on 10 August 2022.

26. OFF BALANCE SHEET ITEMS

Operating lease assets

At the balance sheet date, the Corporation committed to irrevocable operating leases that represents the total amount of office rental paid to PetroVietnam General Services Joint Stock Corporation for the total leased area of 3,459.11 m² at No. 1-5 Le Duan, District 1, Ho Chi Minh City with rental price of VND 70,622,316/m²/month (Note 10). The office lease was signed for periods of 50 years from 10 January 2010 for area of 2,952.67 m² and 48 years from 24 July 2012 for area of 506.44 m². The entire office rentals excluding VAT that have been paid was VND 244,290,357,799.

Materials, goods held under trust or for processing

	<u>Unit</u>	<u>Closing balance</u>	<u>Opening balance</u>
1. Petroleum (M95, M92, DO, Naphtha, Condensate Shariah, E5, Jet A1)	Liter 15	144,534,383	162,770,560
2. Petroleum (FO)	Kg	213,176	359,453

Foreign currencies:

	<u>Unit</u>	<u>Closing balance</u>	<u>Opening balance</u>
United States Dollars	USD	5,968,845	8,458,128

27. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Sales of goods sold and services rendered		
- Sales of goods sold	36,059,818,233,385	14,037,446,039,290
- Sales of services rendered and other activities	174,940,047,788	178,077,338,863
	36,234,758,281,173	14,215,523,378,153
<i>In which: Sales to related parties</i>	<i>35,836,976,780,046</i>	<i>14,103,034,087,501</i>
<i>(Details stated in Note 36)</i>		

28. COST OF GOODS SOLD AND SERVICES RENDERED

	<u>Current period</u>	<u>Prior period</u>
	<u>VND</u>	<u>VND</u>
Cost of goods sold	35,006,094,714,860	13,412,632,695,992
Cost of services rendered	32,818,901,359	38,370,328,443
Provision for devaluation of inventories	99,723,821,521	-
	35,138,637,437,740	13,451,003,024,435

29. PRODUCTION COST BY NATURE

	Current period VND	Prior period VND
Raw materials and consumables	5,054,244,670,035	1,452,817,398,662
Labour	135,758,294,602	128,639,052,965
Depreciation and amortisation	81,244,773,535	82,783,672,212
Out-sourced services	130,988,124,997	115,840,413,356
Other monetary expenses	156,222,036,771	136,423,587,167
	5,558,457,899,940	1,916,504,124,362

30. FINANCIAL INCOME

	Current period VND	Prior period VND
Bank and loan interest	210,230,743,168	185,098,072,031
Foreign exchange gain	32,697,451,809	1,873,517,190
Dividends received	33,950,772,544	15,485,608,000
Other financial income	899,793,004	2,833,292,360
	277,778,760,525	205,290,489,581

31. FINANCIAL EXPENSES

	Current period VND	Prior period VND
Interest expense	80,892,844,306	50,980,030,132
Foreign exchange loss	26,171,449,322	1,724,748,051
(Reverl) for provision for impairment of long-term financial investments	(37,366,580,771)	(2,802,862,600)
Loss from investment liquidation	-	3,858,977,591
Early payment discount	30,910,462,664	13,087,159,883
Other financial expenses	808,636,364	310,912,761
	101,416,811,885	67,158,965,818

32. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
Selling expenses	383,762,020,234	315,851,689,078
Sales staffs	92,170,078,810	89,990,518,920
Office appliances, furniture and stationery	21,930,801,050	15,202,559,526
Transportation	49,727,762,798	36,613,083,471
Out-sourced services	70,394,260,078	55,737,722,698
Provisions	9,279,960,552	3,525,498,388
Depreciation and amortisation	64,766,917,150	65,153,817,766
Others	75,492,239,796	49,628,488,309
General and administration expenses	150,328,477,241	122,609,177,934
Management staff	43,588,215,792	38,648,534,045
Office appliances, furniture and stationery	7,422,186,088	5,774,765,625
Depreciation and amortisation	7,732,035,448	9,335,948,865
(Reversal) of provisions	-	(41,434,776,646)
Out-sourced services	10,866,102,121	23,489,607,187
Allocation of goodwill	-	31,418,138,644
Others	80,719,937,792	55,376,960,214
	534,090,497,475	438,460,867,012

33. (LOSS) FROM OTHER ACTIVITIES

	Current period VND	Prior period VND
Other income	8,209,535,034	2,457,654,609
Compensation claim	8,158,454,656	403,122,280
Sale, disposal of fixed assets	-	198,864,763
Others	51,080,378	1,855,667,566
Other expenses	12,153,372,141	8,317,183,136
Others	12,153,372,141	8,317,183,136
Loss from other activities	(3,943,837,107)	(5,859,528,527)

34. CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current period	146,647,137,540	63,480,445,137
Total current corporate income tax expense	146,647,137,540	63,480,445,137

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

	Current period VND	Prior period VND
Profit before tax	734,448,457,491	458,331,481,942
Adjustments for taxable profit		
Less:	(221,752,768,936)	(43,056,465,087)
<i>Dividends from subsidiaries, associates</i>	(33,950,772,544)	(15,485,608,000)
<i>Profit before tax from business cooperation contract</i>	(187,801,996,392)	(27,570,857,087)
Add back:	32,738,002,753	15,408,150,443
<i>Increase of in-kind capital contributions in 2010 and 2011 upon revaluation</i>	-	1,429,195,665
<i>Penalty due to late payment relating equitization</i>	-	310,912,761
<i>Other non-deductible expenses</i>	32,738,002,753	13,668,042,017
Losses carried forward	-	(131,201,998,729)
Taxable profit	545,433,691,308	299,481,168,569
Taxable profit at normal tax rate of 20%	545,433,691,308	299,481,168,569
Corporate income tax expense based on taxable profit in the current period	109,086,738,262	59,896,233,716
Corporate income tax paid in addition to income from business cooperation contract	37,560,399,278	3,584,211,421
Corporate income tax expense based on taxable profit in the current period	146,647,137,540	63,480,445,137

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

The corporate income tax reported for the 6-month period ended 30 June 2022 is estimates. The final amount of corporate income tax to be paid will depend on the results of settlement with the tax authorities.

35. CAPITAL COMMITMENTS

According to Resolution No. 12/NQ-DHDCD ("Resolution No. 12") dated 28 April 2022, the General Meeting of Shareholders of the Corporation approved the 2022 production and business plan, in which, the investment value capital construction investment, property purchases in 2022 with the amount of VND 295 billion. During the 6-month period ended 30 June 2022, the Corporation has disbursed capital construction investment and purchased assets with a total value of about VND 142 billion and are carrying out the necessary work to complete the investment in capital construction and purchase of assets in accordance with the above Resolution No. 12.

36. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the period:

Related parties	Relationship
Vietnam Oil and Gas Group (PVN)	Owner
Entities in PVN	Affiliate
Subsidiaries of the Corporation	Subsidiary
Associates of the Corporation	Associate
Joint Ventures of the Corporation	Joint-venture
Other long-term investees of the Corporation	Other long-term investees

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

	Current period	Prior period
	VND	VND
Dividend received	33,950,772,544	15,485,608,000
Materials - Petroleum JSC	12,650,032,000	-
Thu Duc Trading and Import Export JSC	5,693,157,000	5,693,157,000
PetroVietnam Oil Hanoi JSC	3,801,421,400	-
PetroVietnam Oil Vung Tau JSC	3,430,950,000	2,401,665,000
Hai Phong PVOil Petroleum JSC	3,226,004,844	-
Sai Gon PetroVietnam JSC	2,607,016,000	-
PetroVietnam Oil Binh Thuan JSC	1,478,328,300	-
Ninh Binh Petroleum JSC	1,063,863,000	-
Ca Mau Trading JSC	-	4,404,036,000
Thua Thien Hue Petroleum JSC	-	2,986,750,000
Sales of goods and service rendered	35,836,976,780,046	14,103,034,087,501
PetroVietnam Oil Hanoi JSC	3,909,203,171,231	1,603,213,907,310
PETEC Trading and Investment Corporation	3,527,051,866,986	1,375,933,195,984
PVOil Mien Trung JSC	3,404,103,875,426	1,193,529,634,461
Sai Gon PetroVietnam JSC	2,939,814,072,452	1,192,904,889,245
Me Kong Petroleum JSC	2,886,707,550,275	1,062,173,592,399
PetroVietnam Oil Vung Tau JSC	2,698,188,262,508	927,184,832,532
PetroVietnam Oil Phu Yen JSC	2,084,400,685,934	962,349,664,525
PetroVietnam Oil Thanh Hoa JSC	2,020,525,754,822	601,237,340,370
Hai Phong PVOil Petroleum JSC	1,828,828,211,130	716,273,254,213
PetroVietnam Oil Phu Tho JSC	1,737,451,841,633	530,788,977,029
Ninh Binh Petroleum JSC	1,734,629,925,695	676,133,776,659
Vung Ang Petroleum JSC	1,492,193,126,282	595,286,330,490
PetroVietnam Oil Binh Thuan JSC	1,065,061,531,693	438,039,766,396
PetroVietnam Oil Nam Dinh JSC	1,011,355,645,007	436,224,827,106
PetroVietnam Oil Cai Lan JSC	936,498,936,941	289,528,703,433
PetroVietnam Oil Thai Binh JSC	840,196,305,539	322,896,135,267
PetroVietnam Oil Tay Ninh JSC	763,751,935,932	358,479,086,299
PetroVietnam Oil Bac Lieu JSC	372,022,531,750	169,022,126,517
PetroVietnam Oil Tra Vinh JSC	257,141,269,142	102,424,150,096
PetroVietnam Oil Lao Co., Ltd	150,118,208,693	-
PetroVietnam Oil Lube JSC	75,431,310,291	36,149,439,767
Binh Son Refining & Petrochemical JSC	43,846,356,050	32,052,968,049
VietsovPetro Joint Venture	33,735,328,548	28,803,615,102
PetroVietnam Exploration Production Corporation	13,406,465,205	14,930,590,088
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	6,750,000,000	6,750,000,000
PetroVietnam Oil Phu My JSC	2,785,345,519	6,860,000
Bien Dong Petroleum Operating Company	1,349,082,618	1,425,992,815
Vietnam Energy Inspection JSC	243,080,000	-
Vietnam Oil and Gas Group	185,102,744	-
Thua Thien Hue Petroleum JSC	-	359,890,523,475
Ha Giang Petroleum Tourism and Trading JSC	-	65,009,559,813
Singapore International Oil Trading Co., Ltd	-	4,390,348,061

	Current period	Prior period
	VND	VND
Purchase goods and use service	29,749,156,831,831	13,858,987,758,945
Binh Son Refining & Petrochemical JSC	15,321,957,757,923	7,136,506,023,931
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	13,845,577,221,010	6,093,823,779,879
PetroVietnam Transportation Joint Stock Corporation	268,870,300,084	223,144,362,956
Bien Dong Petroleum Operating Company	114,050,992,598	-
Vietnam Petroleum Oil Transport JSC	45,122,831,116	45,845,138,630
PVI Insurance Corporation	23,454,998,746	12,253,433,465
PetroVietnam Gas Joint Stock Corporation	18,176,151,479	6,926,805,560
PetroVietnam Oil Hanoi JSC	16,741,115,003	11,870,647,121
PetroVietnam Oil Thai Binh JSC	13,292,609,333	8,521,330,582
PTSC Quang Ngai JSC	9,054,629,358	-
Vietnam Energy Inspection JSC	8,857,911,475	7,613,314,712
Vietnam Oil and Gas Group	6,975,543,295	8,000,000,000
Vung Ang Petroleum JSC	6,368,646,574	5,935,390,932
Me Kong Petroleum JSC	6,053,678,825	5,748,798,721
PetroVietnam Oil Phu My JSC	5,772,520,092	6,294,720,029
PetroVietnam Oil Vung Tau JSC	5,391,724,175	3,340,457,572
PVOil Mien Trung JSC	5,336,744,334	1,879,415,547
PETEC Trading and Investment Corporation	5,314,287,979	3,274,102,509
Petroleum Marine Services and Trading JSC	4,552,645,125	3,898,859,849
PetroVietnam Oil Phu Tho JSC	3,980,165,492	2,598,107,778
PetroVietnam Oil Cai Lan JSC	3,851,355,154	2,877,387,272
VietsovPetro Joint Venture	3,548,549,202	3,323,460,685
PetroVietnam Oil Phu Yen JSC	1,585,203,952	1,352,592,152
Sai Gon PetroVietnam JSC	1,120,531,514	1,067,228,907
PVD Offshore Services Limited Company	1,020,000,000	1,020,000,000
Materials - Petroleum JSC	787,643,151	751,667,291
PetroVietnam Oil Thanh Hoa JSC	704,850,627	443,571,473
PetroVietnam Oil Lube JSC	516,642,000	347,051,270
PetroVietnam Engineering Consultancy JSC	497,641,667	-
Hai Phong PVOil Petroleum JSC	203,637,058	742,206,460
Thai Binh Petroleum Services Joint Stock Company	161,230,000	782,072,727
Petroleum Securities JSC	134,745,292	484,475,292
Vietnam Petroleum Institute	63,636,364	-
PetroVietnam Oil Binh Thuan JSC	15,018,036	6,729,590
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	11,998,745	-
PetroVietnam Oil Tra Vinh JSC	11,592,563	6,084,908,636
PetroVietnam Oil Nam Dinh JSC	11,465,654	533,432,745
PetroVietnam Oil Tay Ninh JSC	3,492,500	1,083,727
Thu Duc Trading and Import Export JSC	3,245,191	409,090,909
PetroVietnam Oil Bac Lieu JSC	1,400,727	322,495,455
Ninh Binh Petroleum JSC	478,418	44,822,547,928
Singapore International Oil Trading Co., Ltd	-	202,213,143,916
Thua Thien Hue Petroleum JSC	-	2,269,702,737
Ha Giang Petroleum Tourism and Trading JSC	-	1,564,958,000
PetroVietnam Biofuels JSC	-	93,262,000

Salary, allowance and remuneration of the Board of Directors including the Chief Executive Officer; salary of the Board of Supervisors, Vice Chief Executive Officers and the Chief Accountant for the period:

	Current period VND	Prior period VND
Salary, allowance and remuneration of the Board of Directors (including the Chief Executive Officer)	3,181,627,675	3,139,393,545
Salary of the Board of Supervisors	1,309,950,224	1,309,538,819
Salary of the Vice Chief Executive Officers and Chief Accountant	2,888,422,101	3,052,567,635

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

	Closing balance VND	Opening balance VND
Short-term trade receivables	5,371,284,526,483	2,262,609,466,677
PETEC Trading and Investment Corporation	794,041,456,777	607,569,396,803
PetroVietnam Oil Hanoi JSC	472,321,356,644	134,233,931,954
PetroVietnam Oil Vung Tau JSC	448,534,097,850	166,671,803,183
Sai Gon PetroVietnam JSC	414,451,701,238	167,414,837,343
PetroVietnam Oil Thanh Hoa JSC	353,034,281,868	90,943,223,972
PetroVietnam Oil Phu Tho JSC	346,998,678,181	138,267,553,150
Ninh Binh Petroleum JSC	308,020,539,374	300,322,010,800
PVOil Mien Trung JSC	269,856,413,535	749,352,487
PetroVietnam Oil Nam Dinh JSC	258,137,108,952	77,794,032,311
Me Kong Petroleum JSC	254,641,616,744	121,579,557,685
Hai Phong PVOil Petroleum JSC	249,129,756,692	13,699,836,988
PetroVietnam Oil Phu Yen JSC	233,015,664,996	18,960,421,862
PetroVietnam Oil Cai Lan JSC	218,732,665,975	106,990,690,885
Vung Ang Petroleum JSC	195,068,527,352	80,838,015,536
PetroVietnam Oil Binh Thuan JSC	130,870,538,058	45,375,564,751
PetroVietnam Oil Bac Lieu JSC	89,696,721,679	39,679,473,325
PetroVietnam Oil Thai Binh JSC	87,138,647,732	14,987,387,319
PetroVietnam Oil Lao Co., Ltd	54,697,618,132	28,680,809,767
PetroVietnam Oil Tra Vinh JSC	45,186,056,892	25,433,979,004
PetroVietnam Oil Tay Ninh JSC	44,363,624,204	30,997,435
PetroVietnam Oil Lube JSC	37,568,204,723	20,895,104,921
Binh Son Refining & Petrochemical JSC	28,388,218,795	24,790,710,914
VietsovPetro Joint Venture	27,162,940,630	15,245,629,544
PetroVietnam Exploration Production Corporation	4,409,570,865	6,474,248,242
Orient Biofuels Co., Ltd	2,160,324,960	2,160,324,960
Dzung Quat Oil Refinery Project Management Board	1,362,230,984	1,362,230,984
Singapore International Oil Trading Co., Ltd	932,340,500	2,803,964,000
Bien Dong Petroleum Operating Company	746,030,094	726,766,810
PetroVietnam Oil Phu My JSC	501,015,510	32,458,320
Vietnam Oil and Gas Group	66,130,947	133,017,812
Vietnam Energy Inspection JSC	50,445,600	-
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	-	7,762,133,610
Short-term advances to suppliers	8,491,214,149	13,863,393,810
Orient Biofuels Co., Ltd	7,453,015,602	7,453,015,602
Petroleum Trading JSC	621,675,959	621,675,959
PetroVietnam Engineering Consultancy JSC	416,522,588	1,800,000,000
PTSC Quang Ngai JSC	-	3,883,837,640
PVI Insurance Corporation	-	104,864,609

	Closing balance VND	Opening balance VND
Other receivables	5,646,706,173,097	3,895,625,888,564
Binh Son Refining & Petrochemical JSC	5,340,977,997,846	3,306,751,489,819
VietsovPetro Joint Venture	251,011,453,973	17,927,132,472
Petroleum Trading JSC	22,619,561,417	22,978,080,279
PetroVietnam Oil Phu Tho JSC	9,616,986,213	8,265,664,042
Vietnam Petroleum Oil Transport JSC	6,396,669,450	6,271,185,754
PetroVietnam Oil Hanoi JSC	5,672,319,730	1,473,472,563
Vietnam Oil and Gas Group	2,346,281,910	2,501,727,592
PVOil Mien Trung JSC	1,874,018,815	-
Sai Gon PetroVietnam JSC	1,799,474,821	1,799,474,821
PetroVietnam Biofuels JSC	1,747,671,157	1,747,671,157
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch	1,259,726,027	1,262,465,752
PetroVietnam Oil Cai Lan JSC	608,722,526	65,327,512
PetroVietnam Oil Stockpile Co., Ltd	512,515,240	512,515,240
Thu Duc Trading and Import Export JSC	200,200,000	200,200,000
Cuu Long Joint Operating Company	29,204,513	29,204,513
PetroVietnam Oil Bac Lieu JSC	14,340,889	-
PetroVietnam Exploration Production Corporation	7,121,718	10,239,032,046
PetroVietnam Oil Lube JSC	6,706,852	6,946,196
PVI Insurance Corporation	5,200,000	5,200,000
Singapore International Oil Trading Co., Ltd	-	511,227,458,690
PetroVietnam Oil Thanh Hoa JSC	-	1,434,449,064
PetroVietnam Oil Tra Vinh JSC	-	847,484,173
PETEC Trading and Investment Corporation	-	79,706,879
Short-term trade payables	7,378,943,562,554	4,671,441,088,697
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	3,890,919,985,409	1,806,200,083,832
Binh Son Refining & Petrochemical JSC	2,935,173,725,459	2,365,350,973,092
PetroVietnam Oil Phu My JSC	402,414,192,276	392,768,433,108
PetroVietnam Transportation Joint Stock Corporation	86,775,737,615	47,420,381,577
Vietnam Petroleum Oil Transport JSC	16,664,893,224	21,712,591,730
PTSC Quang Ngai JSC	6,086,709,143	1,739,107,502
PetroVietnam Infrastructure and Urban Investment JSC	5,414,895,656	5,414,895,656
Ninh Binh Petroleum JSC	4,800,000,000	4,800,000,000
PetroVietnam Gas Joint Stock Corporation	4,254,881,291	3,827,584,127
Me Kong Petroleum JSC	3,532,633,564	4,149,807,421
Vung Ang Petroleum JSC	3,494,143,943	3,311,978,810
Vietnam Energy Inspection JSC	3,291,316,265	2,870,039,350
PETEC Trading and Investment Corporation	2,910,735,192	2,976,077,567
PVOil Mien Trung JSC	2,863,358,523	-
PetroVietnam Oil Cai Lan JSC	2,237,648,867	1,762,542,342
Dzung Quat Oil Refinery Project Management Board	1,954,237,323	1,954,237,323
PetroVietnam Oil Phu Tho JSC	1,947,512,149	215,012,149
PetroVietnam Oil Phu Yen JSC	834,405,729	301,755,435
PVI Insurance Corporation	759,108,636	-
Petroleum Marine Services and Trading JSC	752,305,954	-
PetroVietnam Engineering Consultancy JSC	537,453,000	56,115,138
Sai Gon PetroVietnam JSC	448,925,600	243,257,990
Petroleum Securities JSC	359,500,000	249,500,000

	Closing balance	Opening balance
	VND	VND
Short-term trade payables (continued)		
Petroleum Equipment Assembly and Metal Structure JSC	210,186,648	210,186,648
PVD Offshore Services Limited Company	183,600,000	187,000,000
Hai Phong PVOil Petroleum JSC	74,228,090	35,330,250
PetroVietnam Oil Thai Binh JSC	45,682,478	63,610,059
PetroVietnam Oil Vung Tau JSC	1,560,520	687,420,250
PetroVietnam Oil Binh Thuan JSC	-	1,373,707,000
Thai Binh Petroleum Services JSC	-	521,344,560
PetroVietnam Oil Bac Lieu JSC	-	427,634,000
PetroVietnam Oil Tra Vinh JSC	-	421,949,765
Vietnam Petroleum Institute	-	171,578,000
PetroVietnam Oil Lube JSC	-	13,735,920
PetroVietnam Oil Hanoi JSC	-	3,218,096
Short-term advances from customers	168,187,984	2,367,030,127
Hai Phong PVOil Petroleum JSC	83,227,113	-
PetroVietnam Oil Phu Tho JSC	69,572,440	-
PETEC Trading and Investment Corporation	14,829,438	-
Vung Ang Petroleum JSC	558,993	-
PetroVietnam Oil Tay Ninh JSC	-	2,367,030,127
Short-term accrued expenses	11,899,826,347	7,433,086,610
PetroVietnam Transportation Joint Stock Corporation	7,298,884,402	1,916,419,330
PVI Insurance Corporation	4,242,333,196	1,084,781,778
PetroVietnam Oil Thai Binh JSC	237,021,636	-
PetroVietnam Gas Joint Stock Corporation	121,587,113	-
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	-	4,431,885,502
Other current payables	2,837,016,122,494	1,836,172,573,859
VietsovPetro Joint Venture	2,745,920,319,096	1,640,353,495,391
PetroVietnam Exploration Production Corporation	83,669,609,580	195,594,690,666
PVOil Mien Trung JSC	730,840,000	-
PetroVietnam Oil Binh Thuan JSC	599,720,000	-
PETEC Trading and Investment Corporation	573,342,000	-
PetroVietnam Oil Phu Yen JSC	543,180,000	-
PetroVietnam Oil Hanoi JSC	501,600,000	-
Thu Duc Trading and Import Export JSC	471,702,000	-
Me Kong Petroleum JSC	454,960,000	-
PetroVietnam Oil Vung Tau JSC	444,620,000	-
PetroVietnam Oil Thanh Hoa JSC	413,600,000	-
Ninh Binh Petroleum JSC	325,710,000	-
PetroVietnam Oil Nam Dinh JSC	288,640,000	-
Sai Gon PetroVietnam JSC	287,760,000	-
PetroVietnam Oil Phu Tho JSC	238,854,000	-
Hai Phong PVOil Petroleum JSC	236,659,560	-
Vung Ang Petroleum JSC	235,840,000	-
PetroVietnam Oil Tay Ninh JSC	231,880,000	-
PVI Insurance Corporation	224,478,456	-
Vietnam Oil and Gas Group	224,387,802	224,387,802
PetroVietnam Oil Thai Binh JSC	172,700,000	-
PetroVietnam Oil Tra Vinh JSC	132,000,000	-
PetroVietnam Oil Cai Lan JSC	93,720,000	-

37. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION


Supplemental non-cash disclosures


Cash outflows for purchases of fixed assets and construction in progress during the period exclude VND 18,503,295,706 (prior period: VND 7,855,997,741), representing an addition in fixed assets and construction in progress during the period that has not yet been paid for, and include VND 26,516,665,588 (prior period: VND 11,948,809,379), representing advance payments for fixed assets purchased. Consequently, changes in payables and changes in receivables have been adjusted by the same amounts, respectively.

Interest earned, dividends and profits received during the period exclude an amount of VND 206,397,633,169 (prior period: VND 178,578,939,189) representing interest income and dividends income earned during the period that has not yet been received, and include an amount of VND 223,823,659,076 (prior period: VND 152,581,493,122) representing interest income from prior year that has been received in current period. Consequently, changes in receivables have been adjusted by the same amounts.



Nguyen Thuy Dung
Preparer



Nguyen Ngoc Ninh
Chief Accountant

Doan Van Nhuom
Chief Executive Officer

08 August 2022