

PETROVIETNAM OIL CORPORATION

(Incorporated in the Socialist Republic of Vietnam)

REVIEWED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the 6-month period ended 30 June 2023

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 "Parent Company") and its subsidiaries (the Parent Company and the subsidiaries are referred to as the "Corporation") presents this report together with the Corporation's interim consolidated financial statements for the 6-month period ended at 30 June 2023.

THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

The members of the Board of Directors and Board of Management of the Corporation 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. Tran Hoai Nam	Member
Mr. Nguyen Dang Trinh	Member (appointed on 27 April 2023)
Mr. Nguyen Xuan Quyen	Member (appointed on 27 April 2023)
Mr. Hang Anh Minh	Member (resigned on 27 April 2023)
Mr. Le Ngoc Quang	Member (resigned on 27 April 2023)

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 (resigned on 8 August 2023)
Mr. Nguyen Tuan Tu	Vice Chief Executive Officer
Mr. Nguyen Dang Trinh	Vice Chief Executive Officer
Mr. Nguyen Anh Toan	Vice Chief Executive Officer (resigned on 1 July 2023)

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the interim consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 30 June 2023 and its consolidated financial performance and its consolidated 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 consolidated financial reporting. In preparing these interim consolidated 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 consolidated financial statements;
- Prepare the interim consolidated 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 consolidated financial statements so as to minimize errors and frauds.

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)

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (Continued)

The Board of Management is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Corporation and that the interim consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated 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 consolidated financial statements.

For and on behalf of the Board of Management,



Doan Van Nhuom
Chief Executive Officer

9 August 2023

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

We have reviewed the accompanying interim consolidated financial statements of PetroVietnam Oil Corporation (the "Parent Company") and its subsidiaries (the Parent Company and the subsidiaries are referred to as the "Corporation") prepared on 9 August 2023 as set out from page 5 to page 51, which comprise the interim consolidated balance sheet as at 30 June 2023, the interim consolidated income statement and the interim consolidated cash flow statement for the 6-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managements' Responsibility for the Interim Consolidated Financial Statements

The Board of Management of the Corporation is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to interim consolidated financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of the interim consolidated 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 consolidated 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 consolidated 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 presented in Note 18 of the Notes to the interim consolidated financial statements, as at 30 June 2023, the Corporation's investment in PetroVietnam Biofuels Joint Stock Company (associate of the Corporation) was reported in the interim consolidated financial statements using the equity method of accounting with the amounts of VND 272,716,534,896 (as at 31 December 2022: VND 272,716,534,896). PetroVietnam Biofuels Joint Stock Company has been being requested for dissolution and bankruptcy in accordance with prevailing regulations by Notice No. 385/TB-VPCP dated 02 October 2018 of the Government Office. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence of post-acquisition changes in the Corporation's shares of net assets of PetroVietnam Biofuels Joint Stock Company as at 30 June 2023. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Qualified Conclusion

Based on our review, except for the matter described in the "Basis for Qualified Conclusion" section, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Corporation as at 30 June 2023, and its consolidated financial performance and its consolidated 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 consolidated financial reporting.

Emphasis of Matter

As presented in Note 01, Note 02 and Note 08 of the Notes to the interim consolidated financial statements, the accompanying interim consolidated financial statements do not include adjustments (if any) related to the equitization settlement of PETEC Trading and Investment Corporation ("PETEC" - a subsidiary of Corporation) and the Parent Company - the Corporation by which PETEC and the Parent Company - the Corporation have not yet been approved by the authority for the equitization settlement at the date PETEC and the Parent Company - the Corporation officially transferred to be a joint stock company.

Our conclusion is not qualified in respect of this matter.



Võ Thái Hòa

Audit Partner

Audit Practising Registration Certificate

No. 0138-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

9 August 2023

Hanoi, S.R Vietnam

INTERIM CONSOLIDATED BALANCE SHEET
As at 30 June 2023

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		24,718,631,363,203	23,233,060,749,388
I. Cash and cash equivalents	110	5	2,131,206,730,472	4,081,852,242,021
1. Cash	111		1,828,682,730,472	2,638,123,341,287
2. Cash equivalents	112		302,524,000,000	1,443,728,900,734
II. Short-term financial investments	120		9,372,778,453,675	7,666,467,404,942
1. Trading securities	121		168,047	168,047
2. Provision for impairment of trading securities	122		(109,997)	(118,547)
3. Held-to-maturity investments	123	6	9,372,778,395,625	7,666,467,355,442
III. Short-term receivables	130		9,108,470,804,509	8,090,943,360,395
1. Short-term trade receivables	131	7	4,409,787,044,774	4,575,901,110,322
2. Short-term advances to suppliers	132		141,941,565,731	132,872,929,853
3. Other short-term receivables	136	8	5,376,465,851,258	4,201,127,497,883
4. Provision for short-term doubtful debts	137	9	(826,428,109,006)	(823,109,117,237)
5. Deficits in assets awaiting solution	139		6,704,451,752	4,150,939,574
IV. Inventories	140	10	3,752,159,267,768	2,941,456,384,799
1. Inventories	141		3,762,555,516,376	2,961,539,417,245
2. Provision for devaluation of inventories	149		(10,396,248,608)	(20,083,032,446)
V. Other short-term assets	150		354,016,106,779	452,341,357,231
1. Short-term prepayments	151	11	45,060,641,635	39,947,250,445
2. Value added tax deductibles	152	12	131,948,119,242	207,489,507,333
3. Taxes and other receivables from the State budget	153	13	177,007,345,902	204,904,599,453

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

INTERIM CONSOLIDATED BALANCE SHEET (Continued)
As at 30 June 2023

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS	200		5,594,926,597,876	5,577,117,315,740
I. Long-term receivables	210		42,140,428,141	22,609,346,501
1. Long-term trade receivables	211	7	19,718,254,473	19,718,254,473
2. Other long-term receivables	216	8	42,351,628,141	22,820,546,501
3. Provision for long-term doubtful debts	219	9	(19,929,454,473)	(19,929,454,473)
II. Fixed assets	220		3,561,825,197,395	3,651,453,863,973
1. Tangible fixed assets	221	14	1,997,807,747,715	2,017,864,050,619
- Cost	222		6,655,976,027,765	6,553,665,985,072
- Accumulated depreciation	223		(4,658,168,280,050)	(4,535,801,934,453)
2. Finance lease assets	224		7,447,081,551	4,277,717,118
- Cost	225		8,530,631,135	4,857,749,317
- Accumulated depreciation	226		(1,083,549,584)	(580,032,199)
3. Intangible assets	227	15	1,556,570,368,129	1,629,312,096,236
- Cost	228		1,867,444,826,856	1,924,392,953,676
- Accumulated amortisation	229		(310,874,458,727)	(295,080,857,440)
III. Investment property	230	16	103,197,596,589	104,913,549,923
- Cost	231		139,193,437,163	139,314,852,250
- Accumulated depreciation	232		(35,995,840,574)	(34,401,302,327)
IV. Long-term assets in progress	240		116,564,749,876	116,970,343,744
1. Long-term work in progress	241		585,993,545	585,993,545
2. Construction in progress	242	17	115,978,756,331	116,384,350,199
V. Long-term financial investments	250		704,692,586,974	762,803,468,765
1. Investments in joint-ventures, associates	252	18	635,700,262,048	689,714,063,531
2. Equity investments in other entities	253	19	108,911,654,132	108,911,654,132
3. Provision for impairment of long-term financial investments	254	19	(39,919,329,206)	(35,822,248,898)
VI. Other long-term assets	260		1,066,506,038,901	918,366,742,834
1. Long-term prepayments	261	11	1,065,494,322,960	916,961,827,207
2. Long-term reserved spare parts	263		21,363,636	21,363,636
3. Goodwill	269	20	990,352,305	1,383,551,991
TOTAL ASSETS (270=100+200)	270		30,313,557,961,079	28,810,178,065,128

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

INTERIM CONSOLIDATED BALANCE SHEET (Continued)

As at 30 June 2023

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		18,683,973,531,048	17,482,969,684,097
I. Current liabilities	310		18,418,735,956,469	17,214,876,762,847
1. Short-term trade payables	311	21	6,648,454,671,534	9,264,285,413,714
2. Short-term advances from customers	312		66,050,701,563	71,644,441,481
3. Taxes and amounts payable to the State budget	313	13	694,978,576,749	355,827,312,509
4. Payables to employees	314		292,730,240,527	266,831,603,549
5. Short-term accrued expenses	315	22	272,371,774,247	216,193,333,461
6. Short-term unearned revenue	318		7,342,788,832	9,871,308,187
7. Other current payables	319	23	4,634,819,003,939	4,587,995,670,639
8. Short-term loans and obligations under finance leases	320	24	5,678,251,997,200	2,701,313,740,248
9. Short-term provisions	321		-	66,120,284,378
10. Bonus and welfare funds	322		146,160,862,455	188,192,597,380
11. Price stabilization fund	323	25	(22,424,660,577)	(513,398,942,699)
II. Long-term liabilities	330		265,237,574,579	268,092,921,250
1. Long-term unearned revenue	336		18,519,621,190	20,021,212,102
2. Other long-term payables	337		23,778,160,252	25,583,007,894
3. Long-term loans and obligations under finance leases	338	24	58,691,904,160	62,657,782,898
4. Deferred tax liabilities	341	26	162,261,544,707	156,900,774,086
5. Scientific and technological development fund	343		1,986,344,270	2,930,144,270
D. EQUITY	400		11,629,584,430,031	11,327,208,381,031
I. Owner's equity	410	27	11,629,584,430,031	11,327,208,381,031
1. Owner's contributed capital	411		10,342,295,000,000	10,342,295,000,000
2. Other owner's capital	414		23,612,446,327	23,612,446,327
3. Assets revaluation reserve	416		(163,981,446,150)	(163,981,446,150)
4. Foreign exchange reserve	417		(54,156,267,759)	(55,282,039,140)
5. Investment and development fund	418		237,911,815,985	228,667,036,228
6. Other reserves	420		20,494,008,664	20,494,008,664
7. Retained earnings/accumulated (losses)	421		157,703,449,054	(185,534,886,956)
- (Losses) accumulated to the prior year end	421a		(251,351,168,434)	(717,906,233,428)
- Retained earnings of the current period	421b		409,054,617,488	532,371,346,472
8. Non-controlling interests	429	28	1,065,705,423,910	1,116,938,262,058
TOTAL RESOURCES (440=300+400)	440		30,313,557,961,079	28,810,178,065,128

Phung To Van
PreparerNguyen Ngoc Ninh
Chief AccountantDoan Van Nhuom
Chief Executive Officer

9 August 2023

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

INTERIM CONSOLIDATED INCOME STATEMENT

For the 6-month period ended 30 June 2023

Unit: VND

ITEMS	Codes	Notes	Current period	Prior period
1. Gross revenue from goods sold and services rendered	01	31	42,865,217,569,801	53,661,788,860,972
2. Deductions	02	31	2,583,252,884	6,443,010,595
3. Net revenue from goods sold and services rendered (10=01-02)	10	31	42,862,634,316,917	53,655,345,850,377
4. Cost of goods sold and services rendered	11	32	40,800,984,032,179	51,175,255,599,356
5. Gross profit from goods sold and services rendered (20=10-11)	20		2,061,650,284,738	2,480,090,251,021
6. Financial income	21	34	396,521,647,650	266,313,637,537
7. Financial expenses	22	35	191,169,092,363	194,490,660,478
- In which: Interest expense	23		133,648,502,419	94,817,406,336
8. Share of net profit from joint-ventures, associates	24	18	4,229,306,304	17,691,043,574
9. Selling expenses	25	36	1,226,790,681,201	1,088,832,255,775
10. General and administration expenses	26	36	597,957,248,887	483,141,657,502
11. Operating profit (30=20+(21-22)-(25-24+26))	30		446,484,216,241	997,630,358,377
12. Other income	31	37	94,600,154,050	18,050,818,318
13. Other expenses	32	37	6,950,936,159	28,081,972,739
14. Profit/(loss) from other activities (40=31-32)	40	37	87,649,217,891	(10,031,154,421)
15. Accounting profit before tax (50=30+40)	50		534,133,434,132	987,599,203,956
16. Current corporate income tax expense	51	38	111,918,934,053	176,734,377,105
17. Deferred corporate tax (income)/expense	52	26	(7,119,732,563)	6,112,028,600
18. Net profit after corporate income tax (60=50-51-52)	60		429,334,232,642	804,752,798,251
In which:				
18.1 Profit after tax attributable to Holding Company	61		409,054,617,488	633,233,153,563
18.2 Profit after tax attributable to non-controlling shareholders	62		20,279,615,154	171,519,644,688
19. Basic earnings per share	70	39	296	516


Phung To Van
Preparer

Nguyen Ngoc Ninh
Chief AccountantDoan Van Nhuom
Chief Executive Officer

9 August 2023

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT
For the 6-month period ended 30 June 2023
(Under indirect method)

Unit: VND

ITEMS	Codes	Current period	Prior period
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	534,133,434,132	987,599,203,956
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment properties	02	157,465,281,894	170,272,275,551
Provisions	03	(68,391,004,689)	31,147,124,125
Foreign exchange (gain)/loss arising from translating foreign currency items	04	(28,914,091,140)	14,803,309,125
(Gain) from investing activities	05	(334,353,373,324)	(228,075,043,952)
Interest expense	06	133,648,502,419	94,817,406,336
Other adjustments (i)	07	490,974,282,122	(322,437,572,242)
3. <i>Operating profit before movements in working capital</i>	08	884,563,031,414	748,126,702,899
(Increases) in receivables	09	(906,296,885,116)	(5,242,069,175,054)
(Increases) in inventories	10	(801,016,099,131)	(2,772,484,862,467)
(Decrease)/increase in payables (excluding accrued loan interest and corporate income tax payable)	11	(2,171,528,554,989)	6,328,765,648,478
(Increases) in prepaid expenses	12	(95,009,579,470)	(24,485,041,637)
Decreases in trading securities	13	-	33,246,516
Interest paid	14	(132,200,439,290)	(89,340,420,762)
Corporate income tax paid	15	(24,597,889,481)	(101,047,960,254)
Other cash inflows	16	638,918,417	26,326,980,515
Other cash outflows	17	(78,298,864,822)	(17,673,621,892)
<i>Net cash used in operating activities</i>	20	(3,323,746,362,468)	(1,143,848,503,658)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(122,579,074,808)	(187,936,987,000)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	325,454,545	1,200,011,802
3. Cash outflow for lending, buying debt instruments of other entities	23	(5,774,012,240,183)	(4,174,123,262,054)
4. Cash recovered from lending, selling debt instruments of other entities	24	4,067,701,200,000	4,099,400,000,000
5. Equity investments in other entities	25	(79,680,015,000)	(6,885,000,000)
6. Cash recovered from investments in other entities	26	33,139,404,640	-
7. Interest earned, dividends and profits received	27	266,040,226,650	213,857,685,933
<i>Net cash used in investing activities</i>	30	(1,609,065,044,156)	(54,487,551,319)

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT (Continued)


For the 6-month period ended 30 June 2023

(Under indirect method)

Unit: VND


ITEMS	Codes	Current period	Prior period
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	12,166,441,132,274	12,260,426,606,878
2. Repayment of borrowings	34	(9,192,177,505,936)	(12,591,683,198,561)
3. Repayment of obligations under finance leases	35	(1,291,248,124)	(264,097,818)
4. Dividends and profits paid	36	(6,123,911,876)	(9,898,977,080)
Net cash generated by/(used in) financing activities	40	2,966,848,466,338	(341,419,666,581)
Net decreases in cash (50=20+30+40)	50	(1,965,962,940,286)	(1,539,755,721,558)
Cash and cash equivalents at the beginning of the period	60	4,081,852,242,021	2,990,894,028,577
Effects of changes in foreign exchange rates	61	15,317,428,737	(8,930,479,726)
Cash and cash equivalents at the end of the period (70=50+60+61)	70	2,131,206,730,472	1,442,207,827,293

- (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 610,907,856,050, VND (115,814,232,365) and VND (4,119,341,563), respectively.


Phung To Van
Preparer


Nguyen Ngoc Ninh
Chief Accountant




Doan Van Nhuom
Chief Executive Officer

9 August 2023

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Structure of ownership

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

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 operating model to a joint stock company with the name of PetroVietnam Oil Corporation under the 19th amended Business Registration Certificate dated 13 December 2022. The charter capital of the Parent Company after equitization is VND 10,342,295,000,000.

The Parent Company'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 (excluding its subsidiaries) as at 30 June 2023 was 702 (as at 31 December 2022: 700).

Principal activities

- Trading of petroleum products: Trade and import/export of Ethanol products; Trade of oil products and crude oil domestically and overseas; Distribution and trading of oil products; Production of Ethanol products and oil products; Trade of jet fuel; Import/export of oil products and products made from oil/chemicals; Trade and import/export materials/equipment supporting processing and trading of oil products; Trade of materials/equipment/chemicals for production of oil products; Trade of fertilizers and petrochemical products.
- Services: Warehouse rental; Cars rental, other motor vehicles, oil depots, petrol stations, oil blending equipment system; Shipping agent; Ship brokerage and supply, transportation of crude oil and oil products; Operation of seaports and inland waterway ports; Supporting activities related to coastal, ocean transport and inland waterway transport; Operation of bus stations and car parks; Hotel business and tourism; Maintenance and repair of automobiles and other motor vehicles, motorcycles and motorbikes; Bidding consultation; Building of oil products storage tank system; Petroleum sampling, analysis and testing services; Advertise in oil depots, petrol stations and tank trucks.

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 Corporation's structure

The Corporation includes the Parent Company – the Corporation and 27 subsidiaries. Below is the list of the subsidiaries:

Name of Subsidiary	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
PetroVietnam Oil Thanh Hoa One Member Co. Ltd (i)	Thanh Hoa	100.00%	100.00%	Trade all types of petrol and oil; Do commercial business and commercial services; export and import; exploit and process mineral; and Real estate.
PetroVietnam Oil Lao Petroleum Domestic Trading Sole Co. Ltd	Laos	100.00%	100.00%	Retail oil and petrol and relevant products.
PetroVietnam Oil Lao Co. Ltd	Laos	100.00%	100.00%	Wholesale oil and petrol and relevant products.
PetroVietnam Oil Bac Lieu One Member Co. Ltd	Bac Lieu	100.00%	100.00%	Wholesale food. Wholesale materials and others installation equipments for construction. Buy and sell petrol, oil and relevant products.
PetroVietnam Oil Transportation One Member Co. Ltd	Ho Chi Minh City	100.00%	100.00%	Transport goods by road. Wholesale solid & liquid fuels and gas. Retail engine fuels for specialized shops.
PetroVietnam Oil Tra Vinh One Member Co. Ltd	Tra Vinh	100.00%	100.00%	Trade petrol and oil, and consuming goods.
PETEC Trading and Investment Corporation (ii)	Ho Chi Minh City	94.78%	95.09%	Export and import, organize channels of wholesaling petrol & oil; export and import entire equipment, machines and individual equipments; export and import fertilizer; provide maritime services.
Me Kong Petroleum JSC	Can Tho	89.37%	89.37%	Build gas and oil depots. Manufacture and trade oil and gas related products, export and import petroleum related products.
PetroVietnam Oil Cai Lan JSC	Quang Ninh	80.19%	80.19%	Provide warehouse and storage services. Wholesale solid & liquid fuels and relevant products. Transport goods through roadway and waterway.
PetroVietnam Oil Binh Thuan JSC	Binh Thuan	79.68%	79.68%	Wholesale solid, liquid and gas fuels. Wholesale materials, and other installation equipments for construction. Transport goods by road.
PetroVietnam Oil Tay Ninh JSC	Tay Ninh	78.62%	78.62%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipment and other spare parts. Transport goods by domestic waterway.
PVOil Mien Trung JSC	Quang Ngai	72.29%	72.29%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipment and other spare parts. Transport goods by domestic waterway.
Hai Phong PVOil Petroleum JSC	Hai Phong	72.00%	72.00%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by domestic waterway.
PetroVietnam Oil Hanoi JSC	Hanoi	71.84%	71.84%	Trade petrol and oil and relevant products. Provide warehouse and port services. Transport goods.
Phu Tho PetroVietnam Oil JSC	Phu Tho	71.68%	71.68%	Wholesale solid & liquid fuels and relevant products. Transport products of oil and gas.

PETROVIETNAM OIL CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Name of Subsidiary	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
PetroVietnam Oil Thai Binh JSC	Thai Binh	68.00%	68.00%	Wholesale solid and liquid fuels and gas, relevant products. Build all kinds of houses.
PetroVietnam Oil Phu My JSC	Vung Tau	67.64%	67.64%	Wholesale and retail petrol and oil and relevant products. Manufacture and process fuel and solven. Trade biofuels.
PetroVietnam Oil Phu Yen JSC	Phu Yen	67.13%	67.13%	Trade petrol and oil and other relevant products; trade gas. Transport goods.
PetroVietnam Oil Lube JSC	Ho Chi Minh City	62.66%	62.66%	Exploit, manufacture, transport, wholesale and retail products related to petrol, oil, and gas.
Sai Gon PetroVietnam Oil JSC	Ho Chi Minh City	65.18%	66.93%	Trade petrol and oil. Exploit raw oil. Provide supporting service of exploiting raw oil and natural gas. Produce basic chemicals.
PetroVietnam Oil Vung Tau JSC	Vung Tau	57.18%	57.18%	Wholesale and retail petrol and oil and relevant products. Produce and process fuels and solven. Trade biofuels.
PetroVietnam Oil Nam Dinh JSC	Nam Dinh	56.75%	56.75%	Trade petroleum products. Agents that trade petrol and oil. Trade biofuels.
Vung Ang Petroleum JSC	Ha Tinh	56.50%	56.50%	Wholesale solid, liquid fuels and gas and relevant products. Store goods. Transport by domestic waterway.
Thu Duc Trading and Import Export JSC	Ho Chi Minh City	51.01%	51.01%	Trade petrol, oil, engine oil, spike. Trade and transport petrol & oil. Wholesale car and motor vehicles. Trade steels, iron and other construction materials.
PVOIL Singapore Pte Ltd	Singapore	51.00%	51.00%	Trade crude oil and other international oil products. Participate in trading and providing crude oil in Vietnam.
Thai Binh Petroleum Services JSC	Thai Binh	51.00%	51.00%	Wholesale trade of mineral water.
PetroVietnam Oil Cambodia Public Limited Company	Cambodia	51.00%	51.00%	Under establishment

(i) During the period, the Corporation successfully received the transfer of shares from other shareholders of PetroVietnam Oil Thanh Hoa JSC, thereby increasing the Corporation's ownership rate in this subsidiary to 100%, and at the same time converting the business type of this subsidiary from a joint stock company to a one-member company limited.

(ii) As at 30 June 2023, the Corporation's equity investment in PETEC reported in its interim separate financial statements exceeded the capital contributions recorded and accounted for by PETEC by VND 111,225,298,544. The Board of Management of the Corporation believes that such difference will be cleared upon completion of PETEC's equitization finalization. Accordingly, the Board of Management decided to increase the charter capital of this subsidiary to eliminate the difference before the Corporation's interim consolidation reporting.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On 29 March 2021, the Vietnam Oil and Gas Group issued Resolution No. 1474/NQ-DKVN approving the policy on the Vietnam Gas Corporation - JSC ("PVGAS") receiving the transfer of all shares of the Corporation in PETEC Trading and Investment Corporation ("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 PVGAS. The Corporation is closely coordinating with PVGAS to carry out the procedures related to the above capital transfer.

List of associates:

Name of Associate	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
Phu Yen Cashew JSC	Phu Yen	47.79%	47.79%	Produce and process agricultural products for exporting.
Thach Han Trading JSC	Quang Tri	44.99%	44.99%	Trade petrol and oil, technological products, agricultural goods and food.
Materials - Petroleum JSC	Ho Chi Minh City	44.87%	44.94%	Export and import petrol and oil. Transport goods.
PetroVietnam Biofuels JSC	Hanoi	39.76%	39.76%	Produce and trade biofuels.
PetroVietnam Central Biofuels JSC	Quang Ngai	34.28%	34.28%	Produce and trade biofuels.
Petroleum Trading JSC	Ho Chi Minh City	29.00%	29.00%	Buy and sell equipment, spare parts, materials and petrochemicals.
Ninh Binh PetroVietnam JSC	Ninh Binh	20.26%	33.30%	Wholesale solid & liquid fuels and gas and relevant products. Prepare premises. Warehouse and goods storage. Transport goods along coastline and by ocean-going.

List of joint ventures:

Name of Joint Venture	Place of incorporation & operation	Proportion of ownership interest (%)	Principal Activity
Orient Biofuels Co., Ltd	Binh Phuoc	30.20%	Manufacturing and trading chemical bio fuels
PetroVietnam Oil Stockpile Co., Ltd	Ba Ria - Vung Tau	19.00%	Investment in building underground oil storage
VINA Plasticizers Chemical Co., Ltd	Dong Nai	15.00%	Manufacturing and trading plastic oil DOP

Disclosure of information comparability in the interim consolidated financial statements

Comparative figures on the interim consolidated balance sheet and the notes thereto are the audited figures as at 31 December 2022.

Comparative figures of the interim consolidated income statement, interim consolidated cash flow statement and the notes thereto are the reviewed figures of the reviewed interim consolidated financial statements for the 6-month period ended 30 June 2022.

2. ACCOUNTING CONVENTION AND ACCOUNTING PERIOD

Accounting convention

The interim consolidated 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 consolidated financial reporting.

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

Equitization finalization

The interim consolidated financial statements for the 6-month period ended 30 June 2023 do not include adjustments (if any) related to the finalization of equitization due to the fact that the Parent Company - the Corporation has not obtained approval for the equitization finalization at the official date of transformation into a joint stock company.

Accounting period

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

These interim consolidated financial statements are prepared for the 6-month period ended 30 June 2023.

3. NEW GUIDANCE ISSUED APPLY IN THIS PERIOD

On 07 February 2023, the Ministry of Finance issued Circular No. 08/2023/TT-BTC ("Circular 08") to annul the entire Circular No. 86/2016/TT-BTC dated 20 June 2016 of the Ministry of Finance on guiding a number of contents on the provision fund for environmental risks and damage compensation according to the Decree No. 19/2015/ND-CP dated 14 February 2015 of Government regulating on implementation of the Law on Environmental Protection. Accordingly, the balance of the provision fund for environmental risks and damage compensation that has been made but not utilized since the effective date of Circular 08 is recorded in other income of financial year in 2023 (details stated in Note 37). The Circular 08 takes effect from 24 March 2023 and applies to the financial year in 2023.

The Corporation has applied Circular 08 on the interim consolidated financial statements of the Corporation for the 6-month period ended 30 June 2023.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The interim consolidated financial statements incorporate the interim financial statements of the Corporation as the Holding company and enterprises controlled by the Holding company (its subsidiaries) for the 6-month period ended 30 June 2023. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the interim consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Holding company - the Corporation.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

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.

The results and assets and liabilities of associates are incorporated in these interim financial statements using the equity method of accounting. Interests in associates are carried in the interim consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

Investments 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.

The Corporation reports its interests in jointly controlled entities with a legal entity using the equity method of accounting. Interests in joint ventures are carried in the interim consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the joint venture. Losses of an joint venture in excess of the Corporation's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the joint venture) are not recognised.

Any goodwill arising on the acquisition of the Corporation's interest in a jointly controlled entity is accounted for in accordance with the Corporation's accounting policy for goodwill arising on the acquisition of a subsidiary.

Goodwill

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an asset and is amortised on the straight-line basis over its estimated period of goodwill of 10 years.

Goodwill arising on the acquisition of associates is included in the carrying amount of the associates. Goodwill arising on the acquisition of subsidiaries is presented separately as an intangible asset in the interim consolidated balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Trading securities

Trading securities are those the Corporation holds for trading purpose. Trading securities are recognised from the date the Corporation obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent periods, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

Held-to-maturity investments

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

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

Held-to-maturity investments are measured at cost less provision for impairment of financial investments.

Provision for impairment of financial investments relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

Equity investments in other entities

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

Equity investments in other entities are carried at cost less provision for impairment. Provision for impairment of equity investments in other entities is made in accordance with prevailing accounting regulations.

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 interim consolidated 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 recognized 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	5 - 50
Machinery and equipment	3 - 20
Motor vehicles and transmission equipment	6 - 30
Office equipment	3 - 10
Others	4 - 7

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 consolidated 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.

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the interim consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Corporation's general policy on borrowing costs (see below).

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives, as follows:

	<u>Years</u>
Motor vehicles	4 - 10

Intangible assets and amortisation

Intangible assets represent land use rights, computer software and other intangible assets 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 a period from 3 to 5 years.

Intangible assets of the Parent company - the Corporation are revaluated at the time of equitization. Their cost and accumulated amortisation are adjusted to the revaluation values approved by competent authorities in accordance with legal regulations.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost includes any costs that are necessary to form the asset including construction cost, equipment cost and 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.

Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation, which are stated at cost less accumulated depreciation. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties. Investment properties are depreciated using the straight-line method over their estimated useful lives.

Prepayments

Prepayments comprise prepaid office rental, land rental, asset rental, brand name and geographical location advantages and other types of prepayments.

Land rental, office rental, asset rental represents rentals that have been paid in advance. Prepaid rentals are charged to the interim consolidated income statement using the straight-line method over the rental term.

Brand name and geographical location advantages represent brand name and geographical location advantages from renting land that do not meet the conditions to be recognised as intangible assets and are charged to the interim consolidated income statement using the straight-line method over the remaining land lease period or the useful life of fixed assets on the land.

Other types of prepayments comprise ground leveling costs, costs of tools and supplies issued for consumption, repair and maintenance expenses awaiting allocation and other expenses which are expected to provide future economic benefits to the Corporation. These expenditures are charged to the interim consolidated income statement using the straight-line method over the estimated useful life and in accordance with the current prevailing accounting regulations.

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 as at the balance sheet date.

Petroleum price stabilization fund

The petroleum price stabilization fund is appropriated and used following current fuel trading regulations.

The petroleum price stabilization fund is appropriated by a particular amount which is fixed in the base price of each liter of petroleum sold and determined as a cost item in the base price structure in accordance with prevailing regulations.

Unearned revenue

Unearned revenue is the amounts received in advance relating to results of operations of for multiple accounting periods for services or products that have been yet provided or delivered. The Corporation recognizes unearned revenue in proportion to its obligations that the Corporation will have to perform in the future. When the revenue recognition conditions are satisfied, unearned revenue will be recognized in the interim consolidated income statement for the period corresponding to the portion that meets the revenue recognition conditions.

Revenue recognition

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

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

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

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) The percentage of completion of the transaction at the interim consolidated 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.

Sales deductions

Sales deductions include trade discounts. Sales deductions incurred in the same period of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that period. In case that sales deductions for sales of products, goods or rendering of services sold in the period incurred after the balance sheet date but before the issuance of the interim consolidated financial statements, the Corporation recorded as revenue deductions for the period.

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 interim consolidated 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 consolidated income statement.

According to Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 of Vietnam Oil and Gas Group, the Corporation applied the buying exchange rate issued by the Joint Stock Commercial Bank for Foreign Trade of Vietnam for converting the foreign currency items as at 30 June 2023. 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 consolidated financial statements for the 6-month period ended 30 June 2023.

For the purpose of presenting interim consolidated financial statements, the assets and liabilities of the Corporation's foreign operations (including comparatives) are translated to reporting currency using exchange rates prevailing on the interim consolidated balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the "Foreign exchange difference" item. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising from the Corporation's foreign operations are treated as assets and liabilities of the foreign operation and translated at the interim consolidated balance sheet rate.

Borrowing costs

Borrowing costs are recognised in the interim consolidated 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.

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 consolidated 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.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the interim consolidated 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 is 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.

5. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	22,209,274,957	55,656,848,688
Bank demand deposits (i)	1,795,843,764,513	2,574,868,084,789
<i>In which:</i>		
<i>Price Stabilization Fund Balance</i>	-	-
Cash in transit	10,629,691,002	7,598,407,810
Cash equivalents (i)	302,524,000,000	1,443,728,900,734
	<u>2,131,206,730,472</u>	<u>4,081,852,242,021</u>

- (i) As at 30 June 2023, cash equivalents represent term deposits in Vietnam Dong with original terms of less than 3 months at banks and have interest rates ranging from 0.5% p.a. to 5.5% p.a. (as at 31 December 2022: from 1% p.a. to 6% p.a.).

As at 30 June 2023, cash and cash equivalents include demand deposits of VND 7,207,285,636 and USD 3,776,074 (as at 31 December 2022: VND 3,237,076,131 and USD 3,776,074) and deposits of VND 1,424,000,000 (as at 31 December 2022: VND 1,014,000,000) with original maturity of less than 03 months ("cash equivalents"); held-to-maturity investments include time deposits in the amount of VND 270,949,236,997 (as at 31 December 2022: VND 274,312,164,697) with original maturity from 6 to 12 months (as presented in Note 06) 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 of the Corporation has assessed and believes that these deposits will be unfrozen in the coming time depending on the decision of the State Bank of Vietnam.

6. SHORT-TERM HELD-TO-MATURITY FINANCIAL INVESTMENTS

The held-to-maturity investments represent the amounts of time deposits at banks in VND with original terms of more than 3 months and less than 12 months and have interest rate ranging from 4.6% p.a. to 10.5% p.a. (as at 31 December 2022: from 3.5% p.a. to 8.0% p.a.).

7. TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
a. Short-term trade receivables		
PetroVietnam Power Corporation - JSC	640,464,759,769	-
Ninh Binh PetroVietnam JSC	315,521,779,911	278,849,547,063
Long Hung Trading and Service Co., Ltd	299,202,896,128	-
Northern Petroleum and Gas JSC	124,164,578,894	124,164,578,894
PTT (Lao) Co., Ltd	188,759,144,454	241,219,979,408
Tien Phong Petroleum Investment and Development JSC	118,524,357,430	118,524,357,430
Mining Industry Construction Company - Dong Bac Corporation Branch	102,127,585,775	136,407,035,228
PetroVietnam Exploration Production Corporation	95,395,107,597	26,916,080,480
Quang Dong Commercial Transportation JSC	87,946,610,123	87,946,610,123
Phu Lam Investment JSC	77,865,356,829	77,865,356,829
Viet Nam International Petrol Corporation	69,438,325,811	69,438,325,811
Duong Dong - Saigon JSC	60,753,858,110	-
Vu Anh Petroleum Trading JSC	43,257,741,001	43,257,741,001
TKV - Materials Trading JSC - Hon Gai Materials Enterprise	38,808,641,197	124,364,484,210
Branch of Vietnam Railway Corporation - Saigon Locomotive Enterprise	30,408,682,157	16,945,910,883
Saigon Passenger Transport JSC	29,587,228,154	28,887,525,624
Materials - Petroleum JSC	29,528,900,000	30,553,040,000
Russia-Vietnam Joint Venture - Vietsovetropet	29,507,539,673	17,832,514,001
Binh Son Refining and Petrochemical JSC (i)	20,721,190,896	23,825,807,585
Pacific Petroleum JSC	10,516,217,460	11,994,704,931
BCP Trading Pte Ltd	-	673,701,299,680
Vitol Asia Pte Ltd	-	662,440,823,040
Others	1,997,286,543,405	1,780,765,388,101
	4,409,787,044,774	4,575,901,110,322
b. Long-term trade receivables		
Tan Dinh Phong Manufacturing and Commercial Export & Import Co., Ltd	12,839,699,605	12,839,699,605
Huong Giang Co., Ltd	6,315,000,000	6,315,000,000
Others	563,554,868	563,554,868
	19,718,254,473	19,718,254,473
<i>In which: Trade receivables from related parties (Details stated in Note 41)</i>	1,192,020,218,833	538,886,994,347

- (i) Closing balance represents the entrustment fee and crude oil receivables for conducting purchase, import activities and sale which were entrusted by Binh Son Refining and Petrochemical JSC.

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Other short-term receivables		
Collection and payment on-behalf-of relating to entrusted crude oil exports	3,827,510,349,731	3,091,244,397,289
Collection and payment on-behalf-of relating to entrusted crude oil imports	415,869,777,735	5,824,487,025
Other receivables from Vietnam Oil and Gas Group:	172,131,795,269	172,131,795,269
- Other receivables from Vietnam Oil and Gas Group (i)	169,785,513,359	169,785,513,359
- Profit temporarily distributed to Vietnam Oil and Gas Group	2,346,281,910	2,346,281,910
Special consumption taxes awaiting deduction, and environmental protection tax and special preferential import tariffs awaiting returns (ii)	166,106,105,137	69,999,994,102
Receivable related to equitization (iii)	6,253,479,545	6,253,479,545
BCC Contract no. 13/2021/PVGAS/TT-PVOIL/D4 (iv)	360,334,967,885	500,530,344,425
Other short-term receivables	428,259,375,956	355,143,000,228
	5,376,465,851,258	4,201,127,497,883
b. Other long-term receivables		
Receivables related to transfer of Petroland project	14,758,071,200	14,758,071,200
Long-term deposits	18,328,237,800	1,127,438,000
Ba Tri - Ben Tre Fishing Port	4,189,672,916	4,189,672,916
Other long-term receivables	5,075,646,225	2,745,364,385
	42,351,628,141	22,820,546,501

***In which: Other receivables from related parties
(Details stated in Note 41)***

3,853,760,465,001

3,302,565,003,851

- (i) Other receivables from Vietnam Oil and Gas Group include an accumulated loss of VND 169,785,513,359 from 30 June 2010 to 18 May 2011 incurred by Petec Trading and Investment Corporation ("PETEC" – the Corporation's subsidiary) when PETEC was officially transformed into a joint stock company. Such receivable amount represents the State-owned capital contributions to PETEC as at 18 May 2011 whose finalization has not been approved the equitization settlement by the Vietnam Oil and Gas Group and competent authorities.
- (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
Other receivables related to sales of M95 gasoline and CN120 additives to BCC	360,334,967,885	500,530,344,425
	360,334,967,885	500,530,344,425

9. BAD DEBTS

Items	Closing balance		Opening balance	
	Cost	VND Recoverable amount	Cost	VND Recoverable amount
Northern Petroleum and Gas JSC	124,164,578,894	-	124,164,578,894	-
Tien Phong Petrol Investment and Development JSC	118,524,357,430	-	118,524,357,430	-
Quang Dong Transportation Trading JSC	87,946,610,123	-	87,946,610,123	-
Phu Lam Investment JSC	77,865,356,829	-	77,865,356,829	-
Vietnam International Petroleum JSC	69,438,325,811	-	69,438,325,811	-
Vu Anh Petroleum Trading JSC	43,257,741,001	-	43,257,741,001	-
Song Phat JSC	26,371,285,621	-	26,371,285,621	-
Dong Phuong Petroleum JSC	20,055,871,324	8,377,256,707	20,065,312,035	14,950,507,466
Cam Giang Investment and Development JSC	20,010,740,366	-	20,010,740,366	-
Cai Lan Ship Industry Co., Ltd.	19,576,761,700	-	19,576,761,700	-
Tan Dinh Phong Export Import Trading and Manufacturing Co., Ltd.	12,839,699,605	-	12,839,699,605	-
Anh Thuy Petroleum Service Trading Co., Ltd.	12,047,043,901	-	12,047,043,901	-
Orient Biofuels Co., Ltd	9,996,785,688	-	9,996,785,688	-
Ninh Binh Petroleum Service and Trading Co., Ltd.	8,906,024,795	-	8,906,024,795	-
Nam Song Hau Trading Investing Petroleum JSC	7,799,179,244	-	7,799,179,244	-
1932 Service and Trading Construction Co., Ltd.	6,875,172,043	-	6,875,172,043	-
Huong Giang Co., Ltd.	6,315,000,000	-	6,315,000,000	-
Thanh Phat Transportation JSC	4,270,513,122	-	4,270,513,122	-
Kien Giang Petroleum JSC	4,012,890,390	-	4,412,890,390	-
Petroleum Exploration and Production Corporation	3,681,404,379	3,681,404,379	3,681,404,379	3,681,404,379
Phuong Hoang Trading JSC	3,287,903,374	-	3,287,903,374	-
Hong Viet Petroleum Trading and Investment JSC	3,145,082,500	-	3,145,082,500	-
Industrial Blue Star Co., Ltd.	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
Others	173,409,168,065	19,773,977,691	181,471,535,210	11,444,711,969
	866,497,496,205	34,532,638,777	874,969,304,061	32,776,623,814

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 2023, the Board of Management of the Corporation prudently assessed and determined the recoverable amount of receivables as follows:

- The recoverable amount of receivables without collateral is determined based on their book value less provision for doubtful debts that had been made.

- For receivables having collateral value higher than their book value, the recoverable amount is determined based on the historical cost of the receivables. For receivables having collateral valued lower than their book value, the recoverable value is determined by the book value less the total of collateral value and provision for doubtful debts.

10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	217,351,857,576	-	229,861,314,947	-
Raw materials	732,713,675,904	-	576,460,705,712	(1,014,618,341)
Tools and supplies	14,819,889,457	-	14,272,495,197	-
Work in progress	-	-	199,987,532	-
Finished goods	196,115,328,058	-	230,377,319,447	-
Merchandise	2,596,849,675,369	(10,396,248,608)	1,907,590,996,324	(19,068,414,105)
Goods on consignment	4,705,090,012	-	2,776,598,086	-
	3,762,555,516,376	(10,396,248,608)	2,961,539,417,245	(20,083,032,446)

As at 30 June 2023, the Board of Management of the Corporation assessed net realizable value of inventories and made provision with amount of VND 10,396,248,608 (as at 31 December 2022: VND 20,083,032,446) for inventories whose realizable value is lower than cost as at the interim reporting date. During the period, the Corporation reversed the provision for devaluation of inventories with the amount of VND 9,686,783,838 (for the 6-month period ended 30 June 2022: reversed VND 1,092,979,491).

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
Operating leases	13,363,971,839	3,741,061,509
Tools and supplies issued for consumption	5,284,410,177	5,380,848,778
Other current prepayments	26,412,259,619	30,825,340,158
	45,060,641,635	39,947,250,445
b. Non-current		
Operating leases	442,181,681,197	437,300,064,723
Brand name and geographical location advantages (i)	449,285,132,128	306,906,076,019
Ground leveling costs	17,024,065,204	17,328,066,370
Tools and supplies issued for consumption	39,372,517,718	32,139,761,774
Repair and maintenance expenses awaiting allocation	26,928,379,316	26,954,818,752
Other non-current prepayments	90,702,547,397	96,333,039,569
	1,065,494,322,960	916,961,827,207

- (i) Includes the value of brand name and geographical location advantages for land leased with annual payment which was included in the enterprise valuation of PETEC Trading and Investment Corporation ("PETEC" – a subsidiary of the Corporation) when being equitized on 18 May 2011 with the total amount of VND 146,519,829,546 as at 30 June 2023 (as at 31 December 2022: VND 162,640,683,830).

12. VALUE ADDED TAX DEDUCTIBLES

Value added tax deductibles of the Corporation as at 30 June 2023 represent the portion of the input value added tax of the Corporation that has not been deducted. The deduction of this tax portion in the subsequent period will be subject to the declaration of the Corporation, the inspection and approval of the local tax authorities.

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

	Opening balance VND	Payable during the period VND	Deductible/paid during the period VND	Closing balance VND
Tax receivables	204,904,599,453	38,011,561,818	10,114,308,267	177,007,345,902
Value added tax on domestic goods	-	-	102,625,602	102,625,602
Special consumption tax	155,072,491,228	-	4,784,172,491	159,856,663,719
Corporate income tax	49,109,885,189	33,652,651,779	-	15,457,233,410
Personal income tax	42,097,500	155,287,325	1,052,601,970	939,412,145
Land & housing tax	680,125,488	4,182,622,666	4,153,908,204	651,411,026
Other taxes	48	21,000,048	21,000,000	-
	204,904,599,453	38,011,561,818	10,114,308,267	177,007,345,902
Tax payables	355,416,712,643	4,707,338,388,439	4,369,443,988,833	693,311,112,249
Value added tax on domestic goods	50,801,794,598	657,735,133,849	665,497,260,534	43,039,667,913
Value added tax on imported goods	-	638,067,052,045	638,067,052,045	-
Export and import duties	-	98,342,194,746	98,342,194,746	-
Corporate income tax	31,712,277,855	74,631,266,162	24,597,889,481	81,745,654,536
Personal income tax	6,998,210,350	39,503,365,226	41,430,387,748	5,071,187,828
Natural resource tax	43,230,000	337,590,000	291,830,000	88,990,000
Land & housing tax	-	68,890,417,844	58,157,005,835	10,733,412,009
Business license tax	500,000	485,000,000	485,500,000	-
Other taxes	265,860,699,840	3,129,346,368,567	2,842,574,868,444	552,632,199,963
Other payables	410,599,866	2,398,647,388	1,141,782,754	1,667,464,500
Charges and fees	410,599,866	2,398,647,388	1,141,782,754	1,667,464,500
	355,827,312,509	4,709,737,035,827	4,370,585,771,587	694,978,576,749

In which: details of the receivables/payables to the foreign tax authority are as follows:

<i>Tax receivables</i>	-	-	-	-
<i>Tax payables</i>	24,559,661,607	341,330,462,110	340,655,301,174	25,234,822,543

14. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles, transportation equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
Opening balance	4,520,743,151,431	1,394,838,648,973	483,616,851,621	112,200,472,698	42,266,860,349	6,553,665,985,072
Additions	28,604,946,247	17,168,819,388	37,721,323,173	9,250,346,065	424,151,295	93,169,586,168
Transfer from construction in progress	6,546,306,231	8,724,515,743	7,382,014,546	-	-	22,652,836,520
Reclassification	(4,735,056,406)	4,735,056,406	-	-	-	-
Disposals	(3,087,934,915)	(626,158,636)	(785,015,273)	-	-	(4,499,108,824)
Difference due to financial statements conversion	(5,824,970,959)	(4,575,444,085)	(1,060,083,500)	(586,982,921)	(354,638,643)	(12,402,120,108)
Other increase/(decrease)	2,625,418,298	(218,968,510)	(1,013,054,999)	(641,253,499)	2,636,707,647	3,388,848,937
Closing balance	4,544,871,859,927	1,420,046,469,279	525,862,035,568	120,222,582,343	44,973,080,648	6,655,976,027,765
ACCUMULATED DEPRECIATION						
Opening balance	2,962,715,788,996	1,084,440,195,962	364,072,520,431	87,135,497,602	37,437,931,462	4,535,801,934,453
Charge for the period	93,775,288,140	27,454,559,647	12,353,400,059	3,829,597,084	686,347,641	138,099,192,571
Disposals	(3,064,925,335)	(626,158,636)	(785,015,273)	-	-	(4,476,099,244)
Difference due to financial statements conversion	(4,701,659,841)	(3,906,766,235)	(1,055,457,092)	(571,477,906)	(338,161,375)	(10,573,522,449)
Other increase/(decrease)	579,309,791	(699,992,306)	(335,247,948)	(614,240,684)	386,945,866	(683,225,281)
Closing balance	3,049,303,801,751	1,106,661,838,432	374,250,200,177	89,779,376,096	38,173,063,594	4,658,168,280,050
NET BOOK VALUE						
Opening balance	1,558,027,362,435	310,398,453,011	119,544,331,190	25,064,975,096	4,828,928,887	2,017,864,050,619
Closing balance	1,495,568,058,176	313,384,630,847	151,611,835,391	30,443,206,247	6,800,017,054	1,997,807,747,715

The cost of the Corporation's tangible fixed assets as at 30 June 2023 includes about VND 1,424,911,589,642 (as at 31 December 2022: VND 1,146,085,353,148) of assets that have been fully depreciated but are still in use.

As stated in Notes 24, the carrying amount of tangible fixed assets used as collateral for loans as at 30 June 2023 was VND 161,152,781,587 (as at 31 December 2022: VND 191,538,564,195).

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Others VND	Total VND
COST				
Opening balance	1,807,555,389,994	115,463,827,931	1,373,735,751	1,924,392,953,676
Additions	11,495,920,000	250,000,000	-	11,745,920,000
Disposals	-	(70,000,000)	-	(70,000,000)
Reclassification to prepaid expenses	(53,162,659,957)	-	-	(53,162,659,957)
Difference due to financial statements conversion	(1,953,934,760)	-	-	(1,953,934,760)
Other decrease	(13,314,465,646)	(192,986,457)	-	(13,507,452,103)
Closing balance	1,750,620,249,631	115,450,841,474	1,373,735,751	1,867,444,826,856
ACCUMULATED AMORTISATION				
Opening balance	221,011,917,534	72,910,909,785	1,158,030,121	295,080,857,440
Charge for the period	12,757,410,988	4,375,591,177	13,616,439	17,146,618,604
Disposals	-	(70,000,000)	-	(70,000,000)
Reclassification to prepaid expenses	(1,485,404,529)	-	-	(1,485,404,529)
Other increase/(decrease)	383,793,758	(181,406,546)	-	202,387,212
Closing balance	232,667,717,751	77,035,094,416	1,171,646,560	310,874,458,727
NET BOOK VALUE				
Opening balance	1,586,543,472,460	42,552,918,146	215,705,630	1,629,312,096,236
Closing balance	1,517,952,531,880	38,415,747,058	202,089,191	1,556,570,368,129

The cost of the Corporation's intangible fixed assets as at 30 June 2023 includes about VND 19,394,856,485 (as at 31 December 2022: VND 20,442,371,084) of assets that have been fully amortised but are still in use.

As stated in Note 24, as at 30 June 2023, the Corporation and subsidiaries' land use rights whose net book value amounted to VND 131,913,025,040 are used to secure bank loans (as at 31 December 2022: VND 227,828,730,937).

16. INCREASES, DECREASES IN INVESTMENT PROPERTIES

INVESTMENT PROPERTY HELD TO EARN RENTALS

	Buildings and structures	Others	Total
	VND	VND	VND
COST			
Opening balance	138,543,596,361	771,255,889	139,314,852,250
Disposals	-	(121,415,087)	(121,415,087)
Closing balance	138,543,596,361	649,840,802	139,193,437,163
ACCUMULATED DEPRECIATION			
Opening balance	33,630,046,438	771,255,889	34,401,302,327
Charge for the period	1,715,953,334	-	1,715,953,334
Disposals	-	(121,415,087)	(121,415,087)
Closing balance	35,345,999,772	649,840,802	35,995,840,574
NET BOOK VALUE			
Opening balance	104,913,549,923	-	104,913,549,923
Closing balance	103,197,596,589	-	103,197,596,589

During the period, the amount that the Corporation earned from the lease of investment properties (all of the investment properties were leased under operating lease contracts) was VND 19,226,317,824 (for the 6-month period ended 30 June 2022: VND 18,864,702,928). Directly attributable cost of operating activities arising from investment properties in the period was VND 8,026,631,741 (for the 6-month period ended 30 June 2022: VND 11,299,987,187).

The cost of the investment properties as at 30 June 2023 includes properties that have been fully depreciated but are still under leases with an amount of VND 8,808,617,423 (as at 31 December 2022: VND 8,037,361,534).

According to Vietnamese Accounting Standard No. 05 - Investment Properties, the fair value of the investment property as at 30 June 2023 should be disclosed. However, the Corporation has not determined this fair value so the investment property's fair value as at 30 June 2023 is not presented in the notes to the interim consolidated financial statements. To determine this investment property's fair value, the Corporation will have to hire an independent consulting firm. Currently, the Corporation has not found suitable consulting company to carry out this work.

17. CONSTRUCTION IN PROGRESS

	Closing balance	Opening balance
	VND	VND
Cai Mep Petroleum Terminal in Ba Ria-Vung Tau Province (i)	56,164,171,321	56,164,171,321
Construction of petrol stations	35,782,816,337	37,471,135,796
Hop Thinh - Ky Son Petrol entrepot, Hoa Binh province (ii)	5,683,769,124	5,683,769,124
Other constructions	18,347,999,549	17,065,273,958
	115,978,756,331	116,384,350,199

- (i) Represent the ground leveling value of phase 02 of Cai Mep Petroleum Terminal in Ba Ria - Vung Tau Province. PETEC Trading and Investment Corporation ("PETEC" – a subsidiary of the Corporation) has suspended the implementation of this project since 2012 and is awaiting Vietnam Oil and Gas Group's decision on whether or not to continue to implement this project in the coming time.
- (ii) Phu Tho PetroVietnam Oil JSC ("PV Oil Phu Tho" - a subsidiary of the Corporation) has ended the continued implementation of this project according to Decision No. 46/QĐ-SKHDT dated 23 April 2021 of Hoa Binh Department of Planning and Investment. As at 30 June 2023, PV Oil Phu Tho is completing the procedures for handing over land in the field and applying for a new project investment certificate for Petro Binh Minh Co., Ltd., and receiving the corresponding supportive amount.

18. INVESTMENTS IN ASSOCIATES, JOINT VENTURES

a. Investments in associates

	<u>Current period</u> VND	<u>Prior period</u> VND
Opening balance	608,440,531,993	624,998,871,670
Profit incurred in the period	6,357,933,025	6,958,480,962
Dividend received in the period	(10,580,590,860)	(13,756,895,000)
Fund distribution and other adjustments in the period	(4,558,361,651)	(6,755,185,337)
Disposal of associate in the period (i)	(20,898,570,259)	-
Closing balance (ii)	<u>578,760,942,248</u>	<u>611,445,272,295</u>

- (i) During the period, the PETEC Trading and Investment Corporation ("PETEC" - a subsidiary of the Corporation) liquidated its investment in an associate which is Petec Binh Dinh JSC.
- (ii) As at 30 June 2023, the Corporation's investment in PetroVietnam Biofuels Joint Stock Company (an associate of the Corporation) was reported in the interim consolidated financial statements using the equity method of accounting with the amounts of VND 272,716,534,896 (as at 31 December 2022: VND 272,716,534,896). According to Notice No. 385/TB-VPCP dated 02 October 2018 of the Government Office, the dissolution and bankruptcy plan for Phu Tho Biofuel Plant Project was proposed for consideration in accordance with legal regulations. On 24 October 2018, the Board of Directors of the Corporation sent a document to the Vietnam Oil and Gas Group to implement the bankruptcy plan of PetroVietnam Biofuel Joint Stock Company. On 10 December 2018, the Corporation sent Official Letter No. 211/DVN-TCKT to the PVN to propose the redetermination of this investment to nil (VND 0) when finalizing equitization, and that in the course of implementing the bankruptcy procedure, any recovery from assets liquidation at 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 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 consolidated financial statements, the Corporation is working on it with the remaining shareholders of the PetroVietnam Biofuels Joint Stock Company and relevant authorities (the remaining shareholders other than the Corporation, funding banks, the court...) to review and decide on the appropriate methods in accordance with their right and obligation as well as legal regulations.

Summarized financial information of the Corporation's associates is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Total assets	4,868,709,532,772	5,050,680,381,979
Total liabilities	4,052,050,629,494	4,117,462,415,261
Net assets	816,658,903,278	933,217,966,718
The Corporation's share of net assets of associates	578,760,942,248	608,440,531,993

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Revenue	5,972,861,582,515	5,460,342,393,545
(Loss) after tax	(50,268,948,138)	(76,720,573,488)
The Corporation's share of profit after tax of associates	6,357,933,025	6,958,480,962

b. Investments in joint ventures

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Opening balance	81,273,531,538	83,440,461,516
(Loss)/profit incurred in the period	(2,128,626,721)	10,732,562,612
Dividend received in the period	(24,254,640,000)	-
Fund distribution and other adjustments in the period	2,049,054,983	1,372,879,365
Closing balance	56,939,319,800	95,545,903,493

Summarized financial information of the joint ventures of the Corporation is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Total assets	2,168,669,576,115	2,397,927,606,474
Total liabilities	3,181,976,457,834	3,318,192,286,187
Net assets	(1,013,306,881,719)	(920,264,679,713)
The Corporation's share of net assets of joint ventures	56,939,319,800	81,273,531,538

	<u>Current period</u>	<u>Prior period</u>
	VND	VND
Revenue	1,437,731,919,081	1,870,339,828,234
(Loss) after tax	(95,784,696,818)	(7,955,952,289)
The Corporation's share of (loss)/profit after tax of joint ventures	(2,128,626,721)	10,732,562,612

19. EQUITY INVESTMENTS IN OTHER ENTITIES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Ca Mau Trading JSC	47,241,749,605	47,241,749,605
Au Lac JSC	26,482,144,914	26,482,144,914
Lam Kinh Hotel JSC	10,549,395,047	10,549,395,047
Green Indochina Development JSC	7,263,016,037	7,263,016,037
Viet Tin Transport JSC	7,000,000,000	7,000,000,000
Sai Gon Fuel JSC	4,736,610,000	4,736,610,000
Other long-term investments	5,638,738,529	5,638,738,529
	<u>108,911,654,132</u>	<u>108,911,654,132</u>
Provision for impairment of long-term investments	(39,919,329,206)	(35,822,248,898)
	<u>68,992,324,926</u>	<u>73,089,405,234</u>

As at the date of interim consolidated financial statements, the Corporation's Board of Management has not yet obtained information to determine the fair value of shares of these companies. Hence, the fair value of these investments as at 30 June 2023 has not been presented in the Notes to the interim consolidated financial statements.

20. GOODWILL

	<u>Amount</u>
	VND
COST	
Opening balance	<u>223,644,147,290</u>
Closing balance	<u>223,644,147,290</u>
ACCUMULATED AMORTISATION	
Opening balance	<u>222,260,595,299</u>
Charge for the period	393,199,686
Closing balance	<u>222,653,794,985</u>
CARRYING AMOUNT	
Opening balance	<u>1,383,551,991</u>
Closing balance	<u>990,352,305</u>

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

21. 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
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	2,393,609,929,856	2,393,609,929,856	2,627,601,138,308	2,627,601,138,308
Binh Son Refining and Petrochemical JSC	2,076,588,593,587	2,076,588,593,587	4,428,096,708,696	4,428,096,708,696
Vitol Asia Pte. Ltd.	1,007,591,440,507	1,007,591,440,507	-	-
BCC Contract no. 13/2021/PVGAS/TT-PVOIL/D4 (i)	317,209,199,110	317,209,199,110	497,537,359,621	497,537,359,621
Long Hung Trading and Service Co., Ltd	127,134,937,492	127,134,937,492	6,280,704,000	6,280,704,000
Ellico Oil Pte. Ltd.	114,760,300,674	114,760,300,674	230,028,905,253	230,028,905,253
PetroVietnam Transportation Joint Stock Corporation	42,170,269,488	42,170,269,488	55,308,480,038	55,308,480,038
Brunei Shell Petroleum Company Sdn Bhd	-	-	669,361,981,680	669,361,981,680
Glencore Singapore Pte. Ltd.	-	-	212,124,525,471	212,124,525,471
Others	569,390,000,820	569,390,000,820	537,945,610,647	537,945,610,647
	6,648,454,671,534	6,648,454,671,534	9,264,285,413,714	9,264,285,413,714

*In which: Short-term trade payables to related parties
(Details stated in Note 41)*

	4,535,664,780,204	4,535,664,780,204	7,125,844,415,522	7,125,844,415,522
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- (i) Represents the payables for purchasing base gasoline RON91 and diesel fuel bottom according to Business Cooperation Contract no. 13/2021/PVGAS/TT-PVOIL/D4 between the Corporation and PetroVietnam Gas Joint Stock Corporation ("PVGAS").

22. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accruals for purchasing goods, fixed assets	143,140,118,446	173,599,775,578
Accruals for repair and maintenance	23,580,299,326	76,908,182
Accruals for selling expense	15,358,239,573	2,244,267,969
Interest expense	7,141,201,168	5,693,138,040
Accruals for transportation	4,431,097,305	-
Accruals for operating leases	3,972,465,630	-
Accruals for oil products	2,627,522,047	1,510,511,604
Other accruals	72,120,830,752	33,068,732,088
	272,371,774,247	216,193,333,461
<i>In which: Short-term accrued to related parties (Details stated in Note 41)</i>	52,335,078,599	50,127,079,768

23. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance VND
Collection and payment on behalf relating to entrusted crude oil exports	4,158,876,591,308	4,396,993,671,925
Collection and payment on behalf relating to entrusted oil import	369,703,224,413	-
Payable for proceeds from sale of shares (i)	6,508,956,732	6,508,956,732
Payables on equitization (ii)	5,078,241,760	5,078,241,760
Collection and payment on behalf relating to crude oil export duty	876,920,471	46,229,366,244
Cash received from the transfer of shares in advance	-	33,139,404,640
Other payables	93,775,069,255	100,046,029,338
	4,634,819,003,939	4,587,995,670,639
<i>In which: Other current payables to related parties (Details stated in Note 41)</i>	1,989,725,619,632	2,153,423,050,232

- (i) Represents the proceeds from initial public offering (IPO) and the payable amount to the owners regarding this IPO. The proceeds from this equitization will be finalized and might be subject to changes upon final approval by the competent authorities.
- (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.

PETROVIETNAM OIL CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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24. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

a) Short-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
Short-term loans	2,680,177,178,922	2,680,177,178,922	12,159,958,700,456	9,181,717,956,357	5,658,417,923,021	5,658,417,923,021
Current portion of long-term loans (Note 24b)	20,554,288,602	20,554,288,602	8,579,001,336	10,459,549,579	18,673,740,359	18,673,740,359
Current portion of long-term obligations under finance leases (Note 24b)	582,272,724	582,272,724	1,869,309,220	1,291,248,124	1,160,333,820	1,160,333,820
	2,701,313,740,248	2,701,313,740,248	12,170,407,011,012	9,193,468,754,060	5,678,251,997,200	5,678,251,997,200

Short-term loans and obligations under finance leases represent facilities obtained from banks and individuals to supplement working capital of the Corporation and its subsidiaries. Bank loans might be withdrawn in Vietnam Dong, Laoian Kip or United States Dollar based on each credit limit as contracted with banks. Such loans bear fixed interest rates that are stated in each loan acknowledgement ranging from 2.6% p.a. to 4.6% p.a. (as at 31 December 2022: from 2.6% p.a. to 6.9% p.a.) as for the US dollar, ranging from 8% p.a. to 9% p.a. (as at 31 December 2022: from 8% p.a. to 9.5% p.a.) as for Laoian Kip and ranging from 4.3% p.a. to 9% p.a. (as at 31 December 2022: from 6.1% p.a. to 9.5% p.a.) as for Vietnam Dong.

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

	Closing balance	Opening balance
	VND	VND
Loans in VND	4,859,614,045,921	2,443,327,162,670
Loans in LAK	145,668,607,839	141,461,180,657
Loans in USD	653,135,269,261	95,388,835,595
	5,658,417,923,021	2,680,177,178,922

Details of short-term loans and obligations under finance leases of the Corporation by type of guarantee are as follows:

	Closing balance	Opening balance
	VND	VND
Unsecured loans	5,431,315,180,200	2,307,404,273,910
Secured loans	227,102,742,821	372,772,905,012
	5,658,417,923,021	2,680,177,178,922

b) 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
Long-term loans (i)	81,154,504,657	81,154,504,657	11,448,551,336	19,038,550,915	73,564,505,078	73,564,505,078
Long-term obligations under finance leases (ii)	2,639,839,567	2,639,839,567	5,482,191,038	3,160,557,344	4,961,473,261	4,961,473,261
	83,794,344,224	83,794,344,224	16,930,742,374	22,199,108,259	78,525,978,339	78,525,978,339

In which:

- Amount due for settlement within 12 months
(Note 24a)

- Amount due for settlement after 12 months

21,136,561,326	21,136,561,326	10,448,310,556	11,750,797,703	19,834,074,179	19,834,074,179
62,657,782,898	62,657,782,898	6,482,431,818	10,448,310,556	58,691,904,160	58,691,904,160

Details of long-term loans and obligations under finance leases are as follows:

(i) The long-term loans to finance petroleum storage extension projects implemented by the Corporation and its subsidiaries. The long-term loans bear interest rates ranging from 6% p.a. to 13.25% p.a. (as at 31 December 2022: from 6.5% p.a. to 12% p.a.) for loans in Vietnam Dong. These loans are secured by land use rights and assets on land at petrol stations and other fixed assets of the Corporation and its subsidiaries.

(ii) Long-term financial leasing debt include a loan with term of 36 months of Sai Gon PetroVietnam Oil JSC and a loan with term of 48 months of PETEC Trading and Investment Corporation from Vietcombank Financial Leasing Co., Ltd, interest rates as agreed in the the financial lease contract.

Details of long-term loans and obligations under finance leases of the Corporation by type of guarantee are as follows:

	Closing balance VND	Opening balance VND
Unsecured loans	8,151,473,261	2,902,000,000
Secured loans	70,374,505,078	80,892,344,224
	78,525,978,339	83,794,344,224

Long-term loans and obligation under finance leases are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	19,834,074,179	21,136,561,326
In the second year	18,403,303,169	20,921,272,277
In the third to fifth year inclusive	29,642,838,755	31,392,504,055
After five years	10,645,762,236	10,344,006,566
	78,525,978,339	83,794,344,224
Less: Amount due for settlement within 12 months (shown under Current portion of long-term loans and obligation under finance leases)	(19,834,074,179)	(21,136,561,326)
Amount due for settlement after 12 months	58,691,904,160	62,657,782,898

25. PRICE STABILISATION FUND

	Current period VND	Prior period VND
Opening balance	(513,398,942,699)	(776,690,178,255)
Appropriation to the fund	610,907,856,050	759,352,582,961
Utilization in the period	(115,814,232,365)	(493,802,375,690)
Interest on negative balance of Price Stabilisation Fund	(4,119,341,563)	(2,258,971,715)
Closing balance	(22,424,660,577)	(513,398,942,699)

In which:

Amount transferred to the bank deposits	-	-
Amount remained outstanding	(22,424,660,577)	(513,398,942,699)

Appropriation and utilization of the Price Stabilization Fund comply with the regulations of the Ministry of Finance and Ministry of Industry and Trade from time to time (as presented in Note 4 - 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 and Ministry of Industry and Trade in the coming time.

26. DEFERRED TAX LIABILITIES

The following are deferred tax liabilities recognized in the interim consolidated balance sheet as at the balance sheet date and deferred tax income recognized in the interim consolidated income statement.

Deferred tax liabilities

	Closing balance	Opening balance
	VND	VND
Corporate income tax rate used for determination of deferred tax liabilities	20%	20%
Deferred tax liabilities arising from taxable temporary differences	162,261,544,707	156,900,774,086
Deferred tax liabilities	162,261,544,707	156,900,774,086
Transfer into current period's profit and loss	(7,119,732,563)	6,112,028,600

PETROVIETNAM OIL CORPORATION
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)

27. OWNERS' EQUITY

Movement in owner's equity:

For the 6-month period ended 30 June 2022

	Owners' contributed capital	Asset revaluation reserve (i)	Investment and development fund	Other reserves	Foreign exchange reserve	Retained earnings/accumulated losses	Construction investment fund	Other owners' capital	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Opening balance	10,342,295,000,000	(163,981,446,150)	211,457,940,243	19,805,997,473	(21,113,618,263)	(401,912,043,108)	5,326,859,943	18,967,801,779	1,174,295,342,932	11,185,141,834,849
Profit in the period	-	-	-	-	-	804,752,798,251	-	-	-	804,752,798,251
Funds distribution is not under of owner's equity	-	-	-	-	-	(32,603,387,305)	-	-	-	(32,603,387,305)
Funds distribution is under of owner's equity	-	-	16,495,210,472	-	-	(20,212,254,745)	-	-	-	(3,717,044,273)
Reclassification between non-controlling shareholders and Holding company	-	-	-	-	-	(7,879,439,141)	-	-	7,879,439,141	-
Reclassification between funds Profit attributable to non-controlling shareholders	-	-	5,326,859,943	-	-	-	(5,326,859,943)	-	-	-
Adjustment for non-controlling interest	-	-	(5,692,620,471)	-	(1,461,090,587)	17,011,977,729	-	-	(9,858,266,671)	-
Difference due to financial statements conversion	-	-	-	-	(4,870,783,121)	-	-	-	-	(4,870,783,121)
Increase the capital of the subsidiaries by dividends	-	-	-	-	-	(356,934,195)	-	-	(5,769,706,750)	(5,769,706,750)
Dividend distribution	-	-	-	-	-	-	-	-	(12,516,917,277)	(12,516,917,277)
Others	-	-	342,390,810	633,440,100	-	(6,273,979,635)	-	-	(2,341,486,833)	(7,639,635,558)
Closing balance	10,342,295,000,000	(163,981,446,150)	227,929,780,997	20,439,437,573	(27,445,491,971)	181,007,093,163	-	18,967,801,779	1,323,564,983,425	11,922,777,158,816

For the 6-month period ended 30 June 2023

	Owners' contributed capital	Asset revaluation reserve (i)	Investment and development fund	Other reserves	Foreign exchange reserve	Retained earnings/accumulated losses	Construction investment fund	Other owners' capital	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
Opening balance	10,342,295,000,000	(163,981,446,150)	228,667,036,228	20,494,008,664	(55,282,039,140)	(185,534,886,956)	-	23,612,446,327	1,116,938,262,058	11,327,208,381,031
Profit in the period	-	-	-	-	-	429,334,232,642	-	-	-	429,334,232,642
Funds distribution is not under of owner's equity	-	-	-	-	-	(23,821,948,535)	-	-	(11,094,274,264)	(34,916,222,799)
Funds distribution is under of owner's equity	-	-	5,051,356,057	-	-	(5,051,356,057)	-	-	-	-
Profit attributable to non-controlling shareholders	-	-	-	-	-	(20,279,615,154)	-	-	20,279,615,154	-
Adjustment for non-controlling interest	-	-	-	-	(8,511,490,838)	-	-	-	-	(8,511,490,838)
Difference due to financial statements conversion	-	-	-	-	9,637,262,219	-	-	-	8,511,490,838	18,148,753,057
Adjustment due to changes in the proportion of ownership in subsidiaries	-	-	4,193,423,700	-	-	(31,977,683,629)	-	-	(61,613,080,200)	(89,397,340,129)
Dividend distribution	-	-	-	-	-	-	-	-	(6,124,231,804)	(6,124,231,804)
Others	-	-	-	-	-	(4,965,293,257)	-	-	(1,192,357,872)	(6,157,651,129)
Closing balance	10,342,295,000,000	(163,981,446,150)	237,911,815,985	20,494,008,664	(54,156,267,759)	157,703,449,054	-	23,612,446,327	1,065,705,423,910	11,629,584,430,031

- (i) The assets revaluation reserve represents the consolidated adjustments for the difference between the value of investments in subsidiaries and associates arising from adjusting the value of the enterprises according to the results of the State Audit Office and has been approved by the competent authorities for the purpose of determining the enterprise value for equitization and the value of the Corporation's capital contributions in the investees.

Shares

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	200,445,036	200,445,036
<i>Ordinary shares</i>	<i>200,445,036</i>	<i>200,445,036</i>
Number of outstanding shares in circulation	1,034,229,500	1,034,229,500
<i>Ordinary shares</i>	<i>1,034,229,500</i>	<i>1,034,229,500</i>

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

Charter capital

According to the 19th Business Registration Certificate dated 13 December 2022, the charter capital of the Corporation after transformation into a joint stock company is VND 10,342,295,000,000. As at 30 June 2023, the charter capital was fully contributed by shareholders as follows:

	<u>Quantity</u>	<u>Proportion</u>	<u>Paid-in capital</u>
	<u>Share</u>	<u>%</u>	<u>VND</u>
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
	1,034,229,500	100%	10,342,295,000,000

Profits distribution

According to Resolution No. 15/NQ-DHDCD dated 27 April 2023, the General Meeting of Shareholders of the Parent Company - the Corporation has approved the plan to distribute profit after tax in 2022 as follows:

- Appropriation of bonus and welfare fund of employees and manager bonus fund with the amount of VND 119,515,000,000. In 2022, the Parent Company - the Corporation has temporarily distributed VND 117,744,000,000, accordingly, the Parent Company - the Corporation has additionally distributed for bonus and welfare fund during the period with the amount of VND 1,771,000,000.
- Dividend distribution in 2022 at the rate of 2% of charter capital, equivalent to the amount of VND 206,845,900,000. Implementing Resolution 15/NQ-DHDCD, the Board of Directors of Parent Company - the Corporation has issued Resolution No. 60/NQ-DVN dated 9 August 2023 about the payment of dividends in 2022 of the Parent Company - the Corporation. As at the date of these interim consolidated financial statements, the Parent Company - the Corporation is carrying out the necessary work to execute the above dividend payment plan.

28. NON-CONTROLLING INTERESTS

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Owners' contributed capital	1,011,204,442,336	1,062,856,004,465
Share premium	22,444,504,530	22,444,504,530
Foreign exchange differences	3,904,297,235	(4,607,193,602)
Investment and development fund	132,423,197,689	132,936,335,644
Accumulated (losses)	(104,271,017,880)	(96,691,388,979)
	1,065,705,423,910	1,116,938,262,058

29. OFF BALANCE SHEET ITEMS

Operating lease assets

At the interim consolidated balance sheet date, the Corporation, as a lessee, entered into an irrevocable operating lease with the total amount of office rental paid to Vietnam Oil and Gas Group for the total leased area of 3,459.11m² at No. 1-5 Le Duan, District 1, Ho Chi Minh City with rental price of VND 70,622,316/m²/50 years (Note 11). 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.

Goods held under trust or for processing

	Unit	Closing balance	Opening balance
- Petroleum M95	Liter	13,556,688	36,117,785
- Petroleum M92	Liter	23,555,880	28,712,031
- Petroleum E5	Liter	4,025,934	3,743,861
- Petroleum DO 0.05%	Liter	84,709,070	63,922,497
- Petroleum FO	Kg	17,670,684	9,432,718
- Jet A1	Kg	3,507,779	10,312,105
- Naphtha	Liter	11,263,252	6,527,331
- Petroleum E100	Liter	40,488	320,053
- Condensate	Liter	5,626,320	5,299,429
- DO bottom	Liter	-	554,302
- Solvent	Liter	-	118,352

Foreign currencies

	Unit	Closing balance	Opening balance
- US Dollars (USD)	USD	16,829,868	22,588,818
- Euro (EUR)	EUR	315	320
- Singapore Dollars (SGD)	SGD	275,062	536,780
- Lao KIP (KIP)	KIP	76,349,711,076	16,989,485,187
- Thai Bath (THB)	THB	8,034,635	32,693,611

30. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

The Corporation does not prepare a report by business segment since its activities mainly include import-export and trade of crude oil and petroleum activities.

Geographical segments

The Corporation is operating in both domestic and international regions. Below is an analysis of the Corporation's revenue by geographical segment regardless of country of origin of goods and services (Note 31).

	Current period VND	Prior period VND
Domestic	39,772,494,508,891	38,937,657,714,464
International	3,090,139,808,026	14,717,688,135,913
	<u>42,862,634,316,917</u>	<u>53,655,345,850,377</u>

Below is an analysis of the net book value and increases in tangible fixed assets and intangible assets by geographical location of such assets (Note 14 and Note 15).

	Net book value of segment assets		Increase in Tangible/Intangible assets	
	Closing balance	Opening balance	Current period	Prior period
	VND	VND	VND	VND
Domestic	3,513,170,519,400	3,606,492,213,429	123,778,113,893	128,679,792,974
International	41,207,596,444	40,683,933,426	3,790,228,795	248,254,518
	3,554,378,115,844	3,647,176,146,855	127,568,342,688	128,928,047,492

31. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current period VND	Prior period VND
Sales of goods sold and service rendered	42,865,217,569,801	53,661,788,860,972
- Sales of goods sold	42,618,705,258,334	53,408,713,027,070
- Sales of services rendered and other activities	194,948,181,701	201,311,640,214
- Sales of entrusted crude oil exports	51,564,129,766	51,764,193,688
Deductions	(2,583,252,884)	(6,443,010,595)
- Sales discount	(2,583,252,884)	(6,443,010,595)
Net sales of goods sold and service rendered	42,862,634,316,917	53,655,345,850,377
<i>In which: Revenue from related parties (Details stated in Note 41)</i>	<i>5,031,747,616,097</i>	<i>10,779,630,845,054</i>

32. COST OF GOODS SOLD AND SERVICES RENDERED

	Current period VND	Prior period VND
Cost of goods sold	40,713,596,945,983	51,103,382,213,553
Cost of services rendered	97,073,870,034	91,956,418,249
(Reversal) for the devaluation of inventory	(9,686,783,838)	(20,083,032,446)
	40,800,984,032,179	51,175,255,599,356

33. PRODUCTION COST BY NATURE

	Current period VND	Prior period VND
Raw materials and consumables	5,098,939,343,335	5,159,974,262,936
Labour	750,199,046,364	638,878,018,304
Depreciation and amortisation fixed assets and investment properties	157,465,281,894	170,272,275,551
Out-sourced services	416,462,752,845	474,686,376,009
Other monetary expenses	394,391,930,352	343,009,659,735
	6,817,458,354,790	6,786,820,592,535

34. FINANCIAL INCOME

	Current period VND	Prior period VND
Bank interest	316,428,830,219	213,415,407,487
Foreign exchange gain	60,166,268,264	50,061,389,295
Gain on disposal of financial investments	12,240,834,381	-
Dividends received	1,477,412,000	80,000
Interest on credit sales	783,180,833	210,839,077
Other financial income	5,425,121,953	2,625,921,678
	396,521,647,650	266,313,637,537

35. FINANCIAL EXPENSES

	Current period VND	Prior period VND
Interest expense	133,648,502,419	94,817,406,336
Foreign exchange loss	50,015,411,779	91,201,486,400
Provision for impairment of financial investments	4,097,071,758	2,749,610,795
Other financial expenses	3,408,106,407	5,722,156,947
	191,169,092,363	194,490,660,478

36. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current period VND	Prior period VND
Selling expenses	1,226,790,681,201	1,088,832,255,775
Sales staff	502,652,940,030	414,938,151,792
Office appliances, furniture and materials	75,719,859,061	55,078,430,698
Transportation	88,435,341,319	89,072,714,229
Out-sourced services	293,588,375,502	263,205,735,124
Depreciation and amortisation	115,609,209,778	121,641,389,446
Provisions	-	13,471,929,771
Others	150,784,955,511	131,423,904,715
General and administration expenses	597,957,248,887	483,141,657,502
Labour	217,803,973,254	208,002,099,126
Office appliances, furniture and materials	23,910,833,313	15,286,606,171
Depreciation and amortization	18,220,701,576	16,664,198,266
Provisions	3,318,991,769	3,707,383,548
Outsourced services	53,757,219,946	58,290,191,813
Others	280,945,529,029	181,191,178,578
	1,824,747,930,088	1,571,973,913,277

37. PROFIT/(LOSS) FROM OTHER ACTIVITIES

	Current period VND	Prior period VND
Other income	94,600,154,050	18,050,818,318
Reversal of Provision fund for environmental risks (*)	66,120,284,378	-
Indemnification received	11,821,704,550	9,127,982,861
Disposals of fixed assets	-	3,125,120,435
Other income	16,658,165,122	5,797,715,022
Other expenses	6,950,936,159	28,081,972,739
Penalties	1,594,889,733	160,632,528
Disposals of fixed assets	551,588,737	-
Storage fees	-	13,621,536,655
Other expenses	4,804,457,689	14,299,803,556
Profit/(Loss) from other activities	87,649,217,891	(10,031,154,421)

(*) During the period, the Corporation reversed the provision fund for environmental risks and damage compensation in accordance with Circular No. 08/2023/TT-BTC of the Ministry of Finance as presented in Note 03.

38. CORPORATE INCOME TAX EXPENSE

	Current period VND	Prior period VND
Current corporate income tax expense		
- Current corporate income tax expense based on taxable profit in the current period	111,918,934,053	176,734,377,105
Total current corporate income tax expense	111,918,934,053	176,734,377,105

The current corporate income tax reported for the 6-month period ended 30 June 2023 is estimated. The final amount of corporate income tax to be paid will depend on the results of settlement with the tax authorities.

39. BASIC EARNINGS PER SHARE

	Current period	Prior period
Accounting profit after corporate income tax of Parent Company (VND)	409,054,617,488	633,233,153,563
- Allocate to funds which is not under of owner's equity from the profits (VND) (*)	(103,310,191,057)	(99,925,404,120)
Profit for the purposes of calculating basic earnings per share (VND)	305,744,426,431	533,307,749,443
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
Basic earnings per share (VND)	296	516

(*) For the purpose of presenting basic earnings per share for the 6-month period ended 30 June 2023, the figures relating to the allocation of funds which is not under of owner's equity from the profits for the 6-month period ended 30 June 2023 is estimated based on the Corporation's 2023 business plan and profit distribution approved by the Vietnam Oil and Gas Group in accordance with Resolution No. 7396/NQ-DKVN dated 20 December 2022 and the Resolutions of the General Meeting of Shareholders/Resolutions of the Members' Council of the subsidiaries.

40. CAPITAL COMMITMENTS

According to Resolution No. 15/NQ-DHDCD ("Resolution No. 15") dated 27 April 2023, the General Meeting of Shareholders of the Corporation approved the production and business plan in 2023, in which the approved capital for construction investment, property procurement is VND 638 billion. During the 6-month period ended 30 June 2023, the Corporation has disbursed capital construction investment and purchased assets with a total value of about VND 183 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. 15.

41. RELATED PARTY TRANSACTIONS AND BALANCES

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

<u>Related parties</u>	<u>Relationship</u>
Vietnam Oil and Gas Group	Owner
Other companies in the Group	Other entity in PVN
Associates	Other entity in PVN

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

	Current period VND	Prior period VND
Sales of goods and services rendered	5,031,747,616,097	10,779,630,845,054
Ninh Binh PetroVietnam JSC	3,212,537,580,431	1,734,629,925,695
Materials - Petroleum JSC	869,475,190,907	1,030,323,527,270
PetroVietnam Power Corporation	565,144,100,699	11,620,816,351
PetroVietnam Exploration Production Corporation	102,297,026,622	50,244,128,105
Pacific Petroleum Transportation JSC	62,513,604,527	95,634,519,610
Binh Son Refining and Petrochemical JSC	46,966,330,015	7,720,913,694,248
Bien Dong Petroleum Operating Company	43,763,200,058	41,174,046,312
Song Hau 1 Petroleum Power Project Management Board	36,260,616,064	-
Russia-Vietnam Joint Venture - Vietsovpetro	23,501,067,908	33,735,328,548
Cuu Long Joint Venture Company	23,041,010,000	-
PTSC Quang Ngai JSC	17,164,437,444	22,096,212,998
PetroVietnam Technical Services Corporation	9,257,087,675	13,555,080,641
PTSC Marine Mechanical Service One Member Co., Ltd	5,432,549,693	-
PTSC Geos and Subsea Services Co., Ltd	2,314,197,786	1,723,351,982
Petroleum Equipment Assembly and Metal Structure JSC	2,158,224,368	2,633,066,453
PetroVietnam Gas Joint Stock Corporation	1,849,758,767	3,123,574,440
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	-	6,750,000,000
Others	8,071,633,133	11,473,572,401
Purchases goods and use services	28,091,822,925,315	31,247,677,308,537
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	15,411,541,924,616	13,845,577,221,010
Binh Son Refining and Petrochemical JSC	12,178,660,695,797	15,321,957,757,923
PetroVietnam Transportation Joint Stock Corporation	252,428,379,698	268,870,300,084
Bien Dong Petroleum Operating Company	148,266,743,082	114,050,992,598
Vietnam Oil and Gas Group	28,256,915,095	6,975,543,295
PVI Insurance Corporation	27,105,980,367	25,002,118,571
PetroVietnam Exploration Production Corporation	12,907,566,623	1,616,921,983,465
Vietnam Energy Inspection Corporation	11,515,192,689	9,016,757,838
PetroVietnam Gas Joint Stock Corporation	8,479,339,341	18,176,151,479
Petroleum Offshore Trading and Services JSC	5,522,630,379	4,552,645,125
Russia-Vietnam Joint Venture - Vietsovpetro	3,772,469,411	3,548,549,202
PTSC Quang Ngai JSC	343,432,321	9,054,629,358
Others	3,021,655,896	3,972,658,589

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

	Closing balance VND	Opening balance VND
Short-term trade receivables	1,192,020,218,833	538,886,994,347
PetroVietnam Power Corporation	640,464,759,769	11,966,516,086
Ninh Binh PetroVietnam JSC	315,521,779,911	278,849,547,063
PetroVietnam Exploration Production Corporation	95,395,107,597	26,916,080,480
Binh Son Refining and Petrochemical JSC	20,721,190,896	23,825,807,585
Russia-Vietnam Joint Venture - Vietsovpetro	29,507,539,673	17,832,514,001
Materials - Petroleum JSC	29,528,900,000	30,553,040,000
Cuu Long Joint Venture Company (BL.15-1)	21,267,510,000	-
Branch of Vietnam Oil and Gas Group - Bien Dong Oil and Gas Operating Company	19,447,295,193	15,886,940,146
PetroVietnam Technical Services Corporation	4,389,815,234	3,931,142,623
PTSC Quang Ngai JSC	3,219,157,619	2,603,970,025
Orient Bio-fuels Company Limited	2,543,770,086	2,543,770,086
PTSC Geos and Subsea Services Co., Ltd	2,139,440,380	2,072,896,390
PTSC Marine Mechanical Service One Member Co., Ltd	1,603,647,290	1,695,314,920
Petroleum Equipment Assembly and Metal Structure JSC	1,388,354,530	2,437,766,930
Dung Quat Oil Refinery Project Management Board	1,362,230,984	1,362,230,984
Song Hau 1 Petroleum Power Project Management Board	-	72,338,010,316
Pacific Petroleum Transportation JSC	-	29,381,135,000
PTSC Thanh Hoa Technical Service JSC	-	7,045,330,439
PetroVietnam International Gas Shipping JSC	-	4,439,568,400
Others	3,519,719,671	3,205,412,873
Other receivables	3,853,760,465,001	3,302,535,799,338
Binh Son Refining and Petrochemical JSC	3,231,666,217,088	3,092,519,548,663
Russia-Vietnam Joint Venture - Vietsovpetro	361,059,060,742	8,545,468,176
Vietnam Oil and Gas Group	172,131,795,269	172,131,795,269
PetroVietnam Exploration Production Corporation	58,752,390,896	7,121,381
Petroleum Trading JSC	23,597,505,986	23,134,972,605
Vietnam Public Joint Stock Commercial Bank	4,258,904,110	3,931,506,847
Others	2,294,590,910	2,265,386,397
Short-term trade payables	4,535,664,780,204	7,125,844,415,522
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	2,393,609,929,856	2,627,601,138,308
Binh Son Refining and Petrochemical JSC	2,076,588,593,587	4,428,096,708,696
PetroVietnam Transportation Joint Stock Corporation	42,170,269,488	55,308,480,038
Da Nang Petroleum Service Company	7,405,464,000	-
Ninh Binh PetroVietnam JSC	4,800,000,000	4,801,068,120
Vietnam Energy Inspection Corporation	4,455,515,037	3,469,834,229
Dung Quat Oil Refinery Project Management Board	1,954,237,323	1,954,237,323
PetroVietnam Gas Joint Stock Corporation	1,333,882,592	3,362,687,487
Others	3,346,888,321	1,250,261,321

	Closing balance VND	Opening balance VND
Other current payables	1,989,725,619,632	2,153,423,050,232
Russia-Vietnam Joint Venture - Vietsovpetro	1,674,631,945,956	1,819,686,460,776
PetroVietnam Exploration Production Corporation	310,384,580,461	327,015,456,822
Binh Son Refining & Petrochemical JSC	4,329,605,413	5,742,593,422
Others	379,487,802	978,539,212
Loans	10,646,370,317	11,829,300,352
Vietnam Public Joint Stock Commercial Bank	10,646,370,317	11,829,300,352
Short-term accrued expenses	52,335,078,599	50,127,079,768
Bien Dong Petroleum Operating Company	45,555,751,797	48,694,214,435
PetroVietnam Transportation Joint Stock Corporation	5,184,851,886	-
PVI Insurance Corporation	1,323,022,046	931,602,514
Vietnam Oil and Gas Group	-	246,340,000
Others	271,452,870	254,922,819

Salary, allowance and remuneration of the Board of Directors including the Chief Executive Officer; salary of the Board of Supervisors, Vice Chief Executive Officer and the Chief Accountant during the period was as follows:

	Current period VND	Prior period VND
Salary, allowance and remuneration of the Board of Directors (including Chief Executive Officer)	3,215,407,696	3,181,627,675
Salary of the Board of Supervisors	1,324,437,761	1,309,950,224
Salary of the Vice Chief Executive Officers and Chief Accountant	3,344,804,384	2,888,422,101

42. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE STATEMENT OF CASH FLOWS

Supplementary information for non-monetary items

Loan interest, dividends and profit distributed in the period excluding the amount of VND 306,804,821,385 which is the value of the profit from investment activities in the period not yet received (prior period: VND 207,163,660,201) and including 211,952,050,415 VND is the value of the profit from investment activities in the previous year paid in the period (prior period: 225,552,181,159 VND). Therefore, a corresponding amount has been adjusted on the increase and decrease in accounts receivable.


Phung To Van
Preparer


Nguyen Ngoc Ninh
Chief Accountant




Doan Van Nhuom
Chief Executive Officer

9 August 2023