



**Vietnam National Petroleum Group**

Consolidated Interim Financial  
Statements for the six-month period  
ended 30 June 2019  
*(Reissued)*



## **Vietnam National Petroleum Group Corporate Information**

<b>Establishment Documents</b>	<p>Decision No. 224/QD-TTg dated 14 April 1995 of the Prime Minister on establishment of Vietnam National Petroleum Corporation.</p> <p>Decision No. 828/QD-TTg dated 31 May 2011 of the Prime Minister on the approval of the equitisation and restructuring plan of Vietnam National Petroleum Corporation.</p> <p>Business Registration Certificate No. 0100107370 initially issued by the Hanoi Department of Planning and Investment on 5 May 1995. The Business Registration Certificate has been amended several times, the most recent of which is by Business Registration Certificate dated 3 May 2018.</p>																
<b>Board of Management</b>	<table><tr><td>Mr. Pham Van Thanh</td><td>Chairman</td></tr><tr><td>Mr. Nguyen Thanh Son</td><td>Member</td></tr><tr><td>Mr. Nguyen Duc Thang</td><td>Member</td></tr><tr><td>Mr. Tran Ngoc Nam</td><td>Member</td></tr><tr><td>Mr. Le Van Huong</td><td>Member</td></tr><tr><td>Mr. Nguyen Anh Dung</td><td>Member</td></tr><tr><td>Mr. Yoshihiro Sato</td><td>Member</td></tr></table>	Mr. Pham Van Thanh	Chairman	Mr. Nguyen Thanh Son	Member	Mr. Nguyen Duc Thang	Member	Mr. Tran Ngoc Nam	Member	Mr. Le Van Huong	Member	Mr. Nguyen Anh Dung	Member	Mr. Yoshihiro Sato	Member		
Mr. Pham Van Thanh	Chairman																
Mr. Nguyen Thanh Son	Member																
Mr. Nguyen Duc Thang	Member																
Mr. Tran Ngoc Nam	Member																
Mr. Le Van Huong	Member																
Mr. Nguyen Anh Dung	Member																
Mr. Yoshihiro Sato	Member																
<b>Board of General Directors</b>	<table><tr><td>Mr. Pham Duc Thang</td><td>General Director</td></tr><tr><td>Mr. Tran Ngoc Nam</td><td>Deputy General Director</td></tr><tr><td>Mr. Nguyen Quang Dung</td><td>Deputy General Director</td></tr><tr><td>Mr. Nguyen Van Su</td><td>Deputy General Director</td></tr><tr><td>Mr. Dao Nam Hai</td><td>Deputy General Director</td></tr><tr><td>Mr. Nguyen Thanh Son</td><td>Deputy General Director</td></tr><tr><td>Mr. Nguyen Xuan Hung</td><td>Deputy General Director</td></tr><tr><td>Mr. Luu Van Tuyen</td><td>Deputy General Director</td></tr></table>	Mr. Pham Duc Thang	General Director	Mr. Tran Ngoc Nam	Deputy General Director	Mr. Nguyen Quang Dung	Deputy General Director	Mr. Nguyen Van Su	Deputy General Director	Mr. Dao Nam Hai	Deputy General Director	Mr. Nguyen Thanh Son	Deputy General Director	Mr. Nguyen Xuan Hung	Deputy General Director	Mr. Luu Van Tuyen	Deputy General Director
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<b>Registered Office</b>	<p>No. 1, Kham Thien Street, Dong Da District Hanoi, Vietnam</p>																
<b>Auditor</b>	<p>KPMG Limited Vietnam</p>																

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

The Board of General Directors of Vietnam National Petroleum Group (“the Group”) presents this statement and the accompanying reissued consolidated interim financial statements of the Group for the six-month period ended 30 June 2019 (“the consolidated interim financial statements”).

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

- (a) the consolidated interim financial statements set out on pages 5 to 63 give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of the consolidated results of operations and the consolidated cash flows of the Group for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting; and
- (b) at the date of this statement, there are no reasons to believe that the Group will not be able to pay its debts as and when they fall due.

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



On behalf of the Board of General Directors

*[Handwritten signature]*

**Lưu Văn Tuyen**  
*Deputy General Director*

Hanoi, 29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019



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## **CONSOLIDATED INTERIM FINANCIAL STATEMENTS REVIEW REPORT**

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

We have reviewed the accompanying reissued consolidated interim financial statements of Vietnam National Petroleum Group (“the Group”), which comprise the consolidated balance sheet as at 30 June 2019, the consolidated statements of income and cash flows for the six-month period then ended and the explanatory notes thereto which were authorised for issue by the Group’s Board of General Directors on 29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019, as set out on pages 5 to 63 (“consolidated interim financial statements”).

### **Board of General Directors’ Responsibility**

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

### **Auditor’s Responsibility**

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

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



### Auditor's conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not give a true and fair view, in all material respects, of the consolidated financial position of Vietnam National Petroleum Group as at 30 June 2019 and of its consolidated results of operations and its consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System for enterprises and the relevant statutory requirements applicable to interim financial reporting.

### Emphasis of Matter on reissuance of financial statements

We draw attention to Note 39 of the reissued consolidated interim financial statements which describes the revisions made to the financial statements issued previously. On 29 August 2019, the Group's Board of General Directors authorised the issuance of the consolidated interim financial statements for the six-month period ended 30 June 2019. These consolidated financial statements were reviewed by us and we issued a qualified review conclusion in the review report No. 19-02-00109-19-2 dated 29 August 2019 because a Group's subsidiary did not recognise allowance for inventories in accordance with Vietnamese Accounting Standard No. 02 - Inventories. In order to correct the errors in the consolidated financial statements on which we issued a qualified review conclusion as mentioned above, the Group's Board of General Directors decided to restate certain related accounts and reissue the consolidated interim financial statements for the six-month period ended 30 June 2019. This matter has no impact on our review conclusion in this reissued review report.

**KPMG Limited**  
Vietnam

Report No.: 19-02-00109-19-3



Wang John Kim  
Practising Auditor Registration  
Certificate No.: 0557-2018-007-1  
Deputy General Director

Phan My Linh  
Practising Auditor Registration  
Certificate No.: 3064-2019-007-1

Hanoi, 29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2019**

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

	Code	Note	30/6/2019 VND Restated – Note 39	1/1/2019 VND
<b>ASSETS</b>				
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>		<b>37,186,889,360,988</b>	<b>34,578,075,982,910</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>9</b>	<b>9,672,955,743,406</b>	<b>10,220,835,547,036</b>
Cash	111		3,470,585,926,334	4,153,214,642,077
Cash equivalents	112		6,202,369,817,072	6,067,620,904,959
<b>Short-term financial investments</b>	<b>120</b>		<b>5,682,349,930,190</b>	<b>4,714,407,291,361</b>
Trading securities	121		13,493,852,787	5,256,246,000
Allowance for diminution in the value of trading securities	122		(2,971,587,540)	(2,858,302,864)
Held-to-maturity investments	123	10(a)	5,671,827,664,943	4,712,009,348,225
<b>Accounts receivable – short-term</b>	<b>130</b>		<b>9,007,792,341,892</b>	<b>7,458,601,071,959</b>
Accounts receivable from customers	131	11	8,337,882,163,803	7,005,872,124,081
Prepayments to suppliers	132		549,279,620,171	345,207,153,297
Other receivables	136	12	539,196,319,395	517,264,599,588
Allowance for doubtful debts	137		(420,611,066,087)	(411,260,131,686)
Shortage of assets awaiting resolution	139		2,045,304,610	1,517,326,679
<b>Inventories</b>	<b>140</b>	<b>13, 39</b>	<b>11,022,502,255,955</b>	<b>10,294,894,147,123</b>
Inventories	141		11,143,862,069,843	10,885,554,215,474
Allowance for inventories	149		(121,359,813,888)	(590,660,068,351)
<b>Other current assets</b>	<b>150</b>		<b>1,801,289,089,545</b>	<b>1,889,337,925,431</b>
Short-term prepaid expenses	151		178,146,681,398	214,190,706,717
Deductible value added tax	152		639,471,852,077	328,040,723,919
Taxes and others receivable from State Treasury	153	20	960,869,697,640	1,324,555,775,906
Other current assets	155		22,800,858,430	22,550,718,889

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

**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2019 (continued)**

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

	Code	Note	30/6/2019 VND	1/1/2019 VND
<b>Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>		<b>21,418,583,516,359</b>	<b>21,593,107,132,773</b>
<b>Accounts receivable – long-term</b>	<b>210</b>		<b>22,208,206,153</b>	<b>20,644,627,553</b>
Accounts receivable from customers – long-term	211		653,849,561	764,038,491
Other long-term receivables	216		52,215,698,153	38,879,930,623
Allowance for doubtful long-term debts	219		(30,661,341,561)	(18,999,341,561)
<b>Fixed assets</b>	<b>220</b>		<b>15,080,275,460,259</b>	<b>15,121,166,611,332</b>
Tangible fixed assets	221	14	13,028,625,401,336	13,088,046,588,593
Cost	222		31,311,306,742,236	30,549,814,979,282
Accumulated depreciation	223		(18,282,681,340,900)	(17,461,768,390,689)
Intangible fixed assets	227	15	2,051,650,058,923	2,033,120,022,739
Cost	228		2,695,815,090,791	2,653,048,915,542
Accumulated amortisation	229		(644,165,031,868)	(619,928,892,803)
<b>Investment property</b>	<b>230</b>	<b>16</b>	<b>192,223,316,379</b>	<b>199,379,225,971</b>
Cost	231		266,972,469,713	269,571,985,795
Accumulated depreciation	232		(74,749,153,334)	(70,192,759,824)
<b>Long-term work in progress</b>	<b>240</b>		<b>854,990,250,972</b>	<b>875,013,410,257</b>
Construction in progress	242	17	854,990,250,972	875,013,410,257
<b>Long-term financial investments</b>	<b>250</b>		<b>3,045,959,457,668</b>	<b>3,115,721,080,960</b>
Investments in associates, joint-ventures	252	10(c)	2,846,803,332,280	2,937,427,661,822
Equity investments in other entities	253	10(d)	303,709,219,507	301,127,119,507
Allowance for diminution in the value of long-term financial investments	254		(114,053,094,119)	(125,833,700,369)
Held-to-maturity investments	255	10(a)	9,500,000,000	3,000,000,000
<b>Other long-term assets</b>	<b>260</b>		<b>2,222,926,824,928</b>	<b>2,261,182,176,700</b>
Long-term prepaid expenses	261	18	2,192,313,409,091	2,233,354,898,790
Deferred tax assets	262		27,334,191,326	24,569,042,779
Long-term tools, supplies and spare parts	263		22,118,300	22,118,300
Other long-term assets	268		3,257,106,211	3,236,116,831
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>58,605,472,877,347</b>	<b>56,171,183,115,683</b>

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

**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2019 (continued)**

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

	Code	Note	30/6/2019 VND Restated – Note 39	1/1/2019 VND
<b>RESOURCES</b>				
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>		<b>35,973,380,378,348</b>	<b>33,186,900,072,934</b>
<b>Current liabilities</b>	<b>310</b>		<b>34,317,491,444,733</b>	<b>31,575,525,373,909</b>
Accounts payable to suppliers	311	19	13,144,372,861,414	12,489,789,725,099
Advances from customers	312		224,852,034,860	120,644,200,273
Taxes and others payable to State Treasury	313	20, 39	2,938,331,248,409	1,886,187,361,415
Payables to employees	314		656,445,549,478	847,409,526,049
Accrued expenses	315	21	487,137,486,465	319,384,394,810
Unearned revenue – short-term	318		4,521,892,722	7,066,875,730
Other payables – short-term	319	22	3,493,679,423,650	235,593,345,411
Short-term borrowings	320	23(a)	12,688,113,153,754	13,357,481,938,226
Provisions – short-term	321		86,710,985,081	64,578,033,000
Bonus and welfare fund	322		539,790,500,051	316,868,629,672
Petroleum price stabilisation fund	323	24	53,536,308,849	1,930,521,344,224
<b>Long-term liabilities</b>	<b>330</b>		<b>1,655,888,933,615</b>	<b>1,611,374,699,025</b>
Long-term advances from customers	332		13,953,060,920	11,397,060,920
Long-term unearned revenue	336		842,515,132	931,818,164
Other payables – long-term	337		148,308,011,213	159,757,079,402
Long-term borrowings	338	23(b)	1,434,234,982,028	1,350,371,049,841
Deferred tax liabilities	341		11,490,364,322	7,797,690,698
Provisions – long-term	342		47,060,000,000	81,120,000,000

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



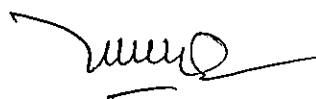
**Vietnam National Petroleum Group**  
**Consolidated balance sheet as at 30 June 2019 (continued)**

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

	Code	Note	30/6/2019 VND Restated – Note 39	1/1/2019 VND
<b>EQUITY (400 = 410)</b>	<b>400</b>		<b>22,632,092,498,999</b>	<b>22,984,283,042,749</b>
<b>Owners' equity</b>	<b>410</b>	<b>25</b>	<b>22,632,092,498,999</b>	<b>22,984,283,042,749</b>
Share capital	411	26	12,938,780,810,000	12,938,780,810,000
- Ordinary shares with voting rights	411a		12,938,780,810,000	12,938,780,810,000
Share premium	412		2,840,089,287,826	2,246,997,553,623
Other capital	414		1,098,901,628,522	1,093,793,763,574
Treasury shares	415	26	(1,230,648,460,000)	(1,350,648,460,000)
Differences upon asset revaluation	416	25	(1,294,725,514,734)	(1,294,725,514,734)
Foreign exchange differences	417	25	15,563,858,016	12,242,160,703
Investment and development fund	418	25	1,185,868,320,558	971,137,171,719
Other equity funds	420	27	1,336,917,875,281	1,337,042,365,416
Retained profits	421	25, 39	3,028,791,172,879	4,290,620,538,148
- Retained profits brought forward	421a		647,071,544,680	4,290,620,538,148
- Retained profit for the current period/year	421b		2,381,719,628,199	-
Non-controlling interest	429		2,712,553,520,651	2,739,042,654,300
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>58,605,472,877,347</b>	<b>56,171,183,115,683</b>

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:

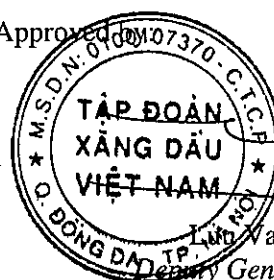


Ngo My Nhung  
Accountant

Approved by:



Nguyen Ba Tung  
Chief Accountant




Lim Van Tuyen  
Deputy General Director

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

**Vietnam National Petroleum Group**

**Consolidated statement of income for the six-month period ended 30 June 2019**

**Form B 02a – DN/HN**

*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2019 VND Restated – Note 39	30/6/2018 VND
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>		<b>91,684,559,256,957</b>	<b>96,655,718,688,551</b>
<b>Revenue deductions</b>	<b>02</b>		<b>22,465,979,161</b>	<b>25,115,411,244</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>8</b>	<b>91,662,093,277,796</b>	<b>96,630,603,277,307</b>
<b>Cost of sales</b>	<b>11</b>	<b>8, 39</b>	<b>84,205,839,626,369</b>	<b>89,387,036,706,422</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>		<b>7,456,253,651,427</b>	<b>7,243,566,570,885</b>
Financial income	21	30	412,584,750,355	395,302,485,221
Financial expenses	22	31	539,404,140,462	656,115,941,584
<i>In which: Interest expense</i>	23		423,856,579,212	410,931,417,135
Share of profit in associates and joint ventures	24	32	327,631,390,101	335,517,530,491
Selling expenses	25	33	4,268,155,865,328	4,162,280,757,495
General and administration expenses	26		283,434,261,755	314,586,070,498
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>		<b>3,105,475,524,338</b>	<b>2,841,403,817,020</b>
Other income	31		103,844,608,144	65,826,195,403
Other expenses	32		17,844,371,749	84,771,008,214
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>		<b>86,000,236,395</b>	<b>(18,944,812,811)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>		<b>3,191,475,760,733</b>	<b>2,822,459,004,209</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>35, 39</b>	<b>542,378,826,411</b>	<b>526,469,345,619</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>35, 39</b>	<b>13,209,380,253</b>	<b>2,176,570,917</b>
<b>Net profit after tax</b> <b>(60 = 50 - 51 - 52)</b> <b>(to be repeated in next page)</b>	<b>60</b>		<b>2,635,887,554,069</b>	<b>2,293,813,087,673</b>

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

**Vietnam National Petroleum Group**

**Consolidated statement of income for the six-month period ended 30 June 2019 (continued)**

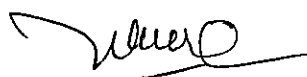
**Form B 02a – DN/HN**

*(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)*

	Code	Note	Six-month period ended	
			30/6/2019 VND Restated – Note 39	30/6/2018 VND
<b>Net profit after tax</b> (60 = 50 - 51 - 52) (repeated from previous page)	60	39	2,635,887,554,069	2,293,813,087,673
<b>Attributable to:</b>				
Equity holders of the Parent Company	61	39	2,381,719,628,199	2,076,696,336,645
Non-controlling interest	62	39	254,167,925,870	217,116,751,028
<b>Earnings per share</b>				
Basic earnings per share	70	36, 39	1,799	1,792

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:

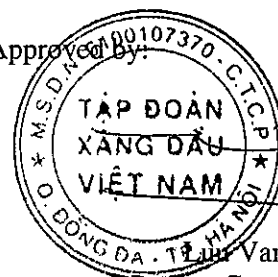


Ngo My Nhung  
Accountant

Approved by:



Nguyen Ba Tung  
Chief Accountant



Van Tuyen  
Deputy General Director

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

**Vietnam National Petroleum Group**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2019**  
**(Indirect method)**

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

	Code	Six-month period ended	
		30/6/2019 VND Restated – Note 39	30/6/2018 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>3,191,475,760,733</b>	<b>2,822,459,004,209</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	1,015,608,374,152	1,038,343,026,128
Allowances and provisions	03	(471,881,689,555)	60,145,216,366
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	13,615,645,129	99,140,043,112
Profits from investing activities	05	(656,069,402,339)	(631,494,375,942)
Interest expense	06	423,856,579,212	410,931,417,135
Other adjustments (Movement in petroleum price stabilisation fund – Note 24)	07	(1,879,694,278,919)	(777,151,921,219)
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>1,636,910,988,413</b>	<b>3,022,372,409,789</b>
Change in receivables	09	(1,858,847,098,899)	(2,072,672,278,491)
Change in inventories	10	(258,307,854,369)	(3,437,171,041,160)
Change in payables and other liabilities	11	2,372,463,341,163	4,536,700,386,431
Change in prepaid expenses	12	170,647,770,887	116,607,269,110
Change in trading securities	13	-	(2,906,257,914)
		<b>2,062,867,147,195</b>	<b>2,162,930,487,765</b>
Interest paid	14	(423,856,579,212)	(406,002,873,298)
Income tax paid	15	(510,465,827,656)	(429,455,358,144)
Other receipts from operating activities	16	2,709,243,544	6,931,406,344
Other payments for operating activities	17	(197,762,775,306)	(169,844,227,316)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>933,491,208,565</b>	<b>1,164,559,435,351</b>

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

**Vietnam National Petroleum Group**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2019**  
**(Indirect method - continued)**

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

	Code	Six-month period ended	
		30/6/2019 VND	30/6/2018 VND
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(1,140,096,645,077)	(1,013,715,771,062)
Proceeds from disposals of fixed assets and other long-term assets	22	45,169,357,468	34,943,157,887
Payments for granting loans, purchase of debt instruments of other entities	23	(6,682,546,000,000)	(4,791,000,000,000)
Receipts from collecting loans, sales of debt instruments of other entities	24	5,716,227,683,282	1,677,478,604,431
Payments for investments in other entities	25	(9,282,334,214)	-
Collections on investments in other entities	26	16,070,644,894	95,156,012,443
Receipts of interests, dividends and shares of profits	27	653,131,083,885	606,021,111,184
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(1,401,326,209,762)</b>	<b>(3,391,116,885,117)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from capital contributed by owners, sales of treasury shares	31	724,847,951,403	-
Proceeds from borrowings	33	35,926,254,937,450	58,148,189,929,655
Payments to settle loan principals	34	(36,541,784,528,253)	(56,957,102,201,397)
Payments of dividends	36	(194,181,085,872)	(179,583,646,140)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(84,862,725,272)</b>	<b>1,011,504,082,118</b>

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

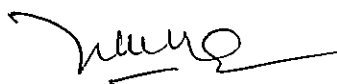
**Vietnam National Petroleum Group**  
**Consolidated statement of cash flows for the six-month period ended 30 June 2019**  
**(Indirect method - continued)**

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

	Code	Six-month period ended	
		30/6/2019 VND	30/6/2018 VND
Net cash flows during the period (50 = 20 + 30 + 40)	50	(552,697,726,469)	(1,215,053,367,648)
Cash and cash equivalents at the beginning of the period	60	10,220,835,547,036	14,223,421,508,261
Effect of exchange rate fluctuations on cash and cash equivalents	61	4,817,922,839	4,244,043,154
Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61) (Note 9)	70	9,672,955,743,406	13,012,612,183,767

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:

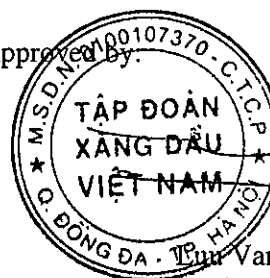


Ngo My Nhung  
Accountant

Approved by:



Nguyen Ba Tung  
Chief Accountant



  
Tran Van Tuyen  
Deputy General Director

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

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019**

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

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

**1. Reporting entity**

**(a) Ownership structure**

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

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

**(b) Principal activities**

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

**(c) Normal operating cycle**

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

**(d) Group structure**

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

As at 30 June 2019, the Group had 55 subsidiaries including 43 petroleum companies fully owned by the Group within its Petroleum Division and 12 other subsidiaries (1/1/2019: 55 subsidiaries including 43 petroleum companies fully owned by the Group within its Petroleum Division and 12 other subsidiaries) as listed in Note 10(b), 10 associates, joint ventures (1/1/2019: 11 associates, joint ventures) as listed in Note 10(c).

As at 30 June 2019, the Group had 24,723 employees (1/1/2019: 24,726 employees).

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

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

**2. Basis of preparation**

**(a) Statement of compliance**

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

**(b) Basis of measurement**

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

**(c) Annual accounting period**

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

**(d) Accounting and presentation currency**

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

**3. Summary of significant accounting policies**

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

**(a) Basis of consolidation**

**(i) Subsidiaries**

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

**(ii) Non-controlling interests**

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

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



**Vietnam National Petroleum Group**  
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**30 June 2019 (continued)**

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

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

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

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

One of the Group’s associates is Petrolimex Joint Stock Insurance Corporation (“PJICO”) which operates in the insurance sector and one is Petrolimex Group Commercial Joint Stock Bank (“PG Bank”) which operates in the banking sector. The Board of General Directors of the Parent Company assessed the effect of prevailing regulations on capital contribution in insurance and banking activities under Decree No. 91/2015/ND-CP dated 13 October 2015 and Decree No. 32/2018/ND-CP dated 8 March 2018 of the Government on investment of state capital in enterprises and management and use of capital and assets in enterprises. Accordingly, the Group had a plan for divestment from these associates.

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

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

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

**Form B 09a – DN/HN**  
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**(vi) Business combination**

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

**(b) Foreign currency**

**(i) Foreign currency transactions**

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

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

- For monetary assets (cash on hand, cash in banks and receivables): the foreign currency buying rate at the end of the accounting period quoted by the commercial banks where the Parent Company and its subsidiaries most frequently conducts transactions.
- For monetary liabilities (payables and borrowings): the foreign currency selling rate at the end of the accounting period quoted by the commercial banks where the Parent Company and its subsidiaries most frequently conducts transactions.

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

**(ii) Foreign operations**

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

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

**(c) Cash and cash equivalents**

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

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

**Form B 09a – DN/HN**  
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**(d) Investments**

**(i) *Trading securities***

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

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

Held-to-maturity investments are those that the Board of General Directors has the intention and ability to hold until maturity. Held-to-maturity investments include term deposits at banks. These investments are stated at costs less allowance for diminution in the value of investments.

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

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

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

**(e) Accounts receivable**

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

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

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

**Form B 09a – DN/HN**  
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**(f) Inventories**

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

The Group applies the perpetual method of accounting for inventories.

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

**(g) Tangible fixed assets**

**(i) Cost**

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

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

**(ii) Depreciation**

Depreciation of tangible fixed assets is computed on a straight-line basis over the estimated useful lives in accordance with Circular No. 45/2013/TT-BTC dated 25 April 2013 of the Ministry of Finance providing guidance on management, use and depreciation of fixed assets (“Circular 45”). The estimated useful lives are as follows:

- Buildings and structures                      5 – 50 years
- Machinery and equipment                    2 – 20 years
- Motor vehicles                                    6 – 30 years
- Equipment, management tools              3 – 10 years
- Others    5 – 10 years

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

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**(h) Intangible fixed assets**

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

**(i) Land use rights**

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

Land use rights comprise:

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

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

**(ii) Software and software licence**

Software and software licence include any costs incurred until the date that software and software licence are put into use. Software and software licence are amortised on a straight-line basis over the estimated useful lives from 3 to 10 years.

**(i) Investment property**

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

*Cost*

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

*Depreciation*

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

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

**Form B 09a – DN/HN**  
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**(ii) Investment property held for capital appreciation**

Investment property held for capital appreciation is stated at cost less any devaluation in market price. The carrying amount of an investment property item held for capital appreciation is reduced when there is evidence that its market price falls below its carrying amount and the loss can be measured reliably. Any reduction in value of investment property held for capital appreciation is charged to cost of sales.

**(j) Construction in progress**

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

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

**(i) Cylinders**

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

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

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

The business advantages determined during evaluation for equitisation of Vietnam National Petroleum Corporation amounted to VND542,140,339,196 and have been amortising in the consolidated statement of income on a straight-line basis over 10 years since 1 January 2012.

**Vietnam National Petroleum Group**  
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**30 June 2019 (continued)**

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**(iii) *Prepaid land costs***

Prepaid land costs comprise prepaid land lease rentals, including those for which the Group obtained land use rights certificate but are not qualified as intangible fixed assets under Circular 45 and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the consolidated statement of income on a straight-line basis over the term of the lease.

**(iv) *Asset overhaul costs***

Asset overhaul costs comprised periodically incurred repair costs during the useful life of tangible fixed assets. These costs are initially recognised at cost and subsequently amortised in the consolidated statement of income on a straight-line basis over a maximum period of no more than 3 years.

**(v) *Tools and instruments***

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

**(l) *Trade and other payables***

Trade and other payables are stated at their cost.

**(m) *Provisions***

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

**Vietnam National Petroleum Group**  
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**30 June 2019 (continued)**

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**(n) Petroleum price stabilisation fund**

The appropriation and utilisation of petroleum price stabilisation fund are made in accordance with Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Industry and Trade and the Ministry of Finance on “Method of determination of basic prices and the mechanism for creation, management and use of the price stabilisation fund and regulation of petrol and oil prices as prescribed in Decree No. 83/2014/ND-CP dated 3 September 2014 of the Government on petrol and oil trading” (“Circular 39”) and Joint Circular No. 90/2016/ TTLT-BCT-BTC amending and supplementing a number of articles of Circular 39. Whereby:

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

**(o) Share capital**

**(i) Ordinary shares**

Ordinary shares are stated at issue price less any costs directly attributable to the issue of shares. Incremental costs directly attributable to the issue of shares, net of tax effects, are recognised as a deduction from share premium.

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

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

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



**Vietnam National Petroleum Group**  
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**30 June 2019 (continued)**

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**(p) Differences upon assets revaluation**

For the purpose of enterprises valuation upon equitisation, the Group has revaluated the value of investments in subsidiaries and associates as per the Valuation Minutes of Vietnam Valuation and Finance Consultancy Joint Stock Company and based on the Equitisation Finalisation Documents approved by the competent authorities, the Group has recognised an increase in the cost of these investments in the consolidated balance sheet, meanwhile the equity capital of those investees were not revaluated.

For the purpose of consolidated financial statements preparation, the difference between value of the revaluated investments in subsidiaries and associates and value of equity in the investees was recognised as a decrease in “Differences upon asset revaluation” in the consolidated financial statements. When subsidiaries and associates are disposed, differences upon asset revaluation are recognised the consolidated statement of income in the period.

**(q) Income tax**

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

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

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

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

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

**(r) Revenue and other incomes**

**(i) Goods sold**

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

**Vietnam National Petroleum Group**  
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**(ii) Services rendered**

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

**(iii) Rental income**

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

**(iv) Interest income**

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

**(v) Dividend income**

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

**(s) Operating lease payments**

Payments made under operating leases are recognised in the consolidated statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the consolidated statement of income as an integral part of the total lease expense.

**(t) Borrowing costs**

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

**(u) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. As at 30 June 2019 and for the six-month period then ended, the Parent Company did not have any dilutive potential ordinary shares. Therefore, requirement for disclosure of diluted earnings per share is not applicable.

**(v) Segment reporting**

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

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**(w) Related parties**

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

Related companies refer to the joint-venture and associates of the Group.

**4. Seasonality of operations**

The Group does not have any operations, the seasonality of which may affect the Group's consolidated operating results for the six-month period ended 30 June 2019.

**5. Changes in accounting estimates**

In preparing the consolidated annual and consolidated interim financial statements, the Board of General Directors has made several accounting estimates. Actual results may differ from these estimates. During the six-month period ended 30 June 2019, the Group has not had any significant changes in accounting estimates as compared to those made in the latest annual financial statements.

**6. Unusual items**

The Group does not have any unusual items which may affect the Group's consolidated financial statements for the six-month period ended 30 June 2019.

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

There were no significant changes in the Group's composition during the six-month period ended 30 June 2019.

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**8. Segment reporting**

**(a) Business segments**

Consolidated balance sheet as at 30 June 2019

	Petroleum segment						Internal elimination and consolidation adjustment	Total					
	Petroleum member companies		Non-petroleum member companies		Petrochemical products				Gas products	Transportation services	Other goods and services	Internal elimination and consolidation adjustment	Total
	VND	Restated - Note 39	VND	Restated - Note 39	VND	VND							
<b>Assets</b>													
Cash and cash equivalents	6,201,261,884,782	2,396,013,369,367	492,798,729,929	53,818,509,288	490,853,402,774	38,209,847,266	-	9,672,955,743,406					
Short-term financial investments	4,790,957,507,460	-	71,281,664,943	680,120,000,000	131,357,151,000	396,000,000	8,237,606,787	5,682,349,930,190					
Accounts receivable – short-term	4,660,045,877,102	3,793,858,746,719	1,662,553,487,295	337,710,023,615	634,428,623,323	39,315,295,513	(2,120,119,711,675)	9,007,792,341,892					
Inventories	8,209,483,783,082	1,003,968,370,469	1,277,255,532,829	136,296,740,183	468,763,648,271	16,249,609,704	(89,515,428,583)	11,022,502,255,955					
Other current assets	1,504,389,836,337	35,272,487,988	106,376,797,407	44,472,641,724	108,239,852,972	2,501,379,616	36,093,501	1,801,289,089,545					
Accounts receivable – long-term	235,711,635,955	333,150,000	4,229,019,200	266,057,408	5,485,549,916	58,712,000	(223,875,918,326)	22,208,206,153					
Fixed assets	7,519,486,797,306	644,724,259,809	741,399,639,246	384,256,402,981	4,330,748,256,360	1,605,743,647,294	(146,083,542,737)	15,080,275,460,259					
Investment property	49,720,557,458	-	154,902,903,204	7,099,994,543	132,718,057,777	2,684,706,601	-	192,223,316,379					
Long-term work in progress	362,622,951,710	78,978,079,617	154,902,903,204	2,001,554,072	231,846,258,860	24,638,503,509	-	854,990,250,372					
Long-term financial investments	6,675,947,682,088	10,000,000,000	36,459,753,590	-	65,154,371,900	13,746,247,788	(3,755,348,597,698)	3,045,959,457,668					
Other long-term assets	1,553,598,861,389	109,683,839,058	169,868,500,480	303,429,060,196	64,823,794,652	3,619,683,434	17,903,085,719	2,222,926,824,928					
<b>Total assets</b>	<b>41,763,227,374,669</b>	<b>8,072,832,303,027</b>	<b>4,717,126,028,123</b>	<b>1,949,470,984,010</b>	<b>6,664,418,967,805</b>	<b>1,747,163,632,725</b>	<b>(6,308,766,413,012)</b>	<b>58,605,472,877,347</b>					
<b>Liabilities</b>													
Current liabilities	23,475,151,009,243	6,258,787,080,061	3,353,908,987,872	1,032,855,462,056	1,313,136,472,104	920,447,406,831	(2,036,794,973,434)	34,317,491,444,733					
Long-term liabilities	168,180,692,843	24,646,294,150	96,692,323,435	125,692,738,101	1,452,608,067,048	11,944,736,364	(223,875,918,326)	1,655,888,933,615					
<b>Total liabilities</b>	<b>23,643,331,702,086</b>	<b>6,283,433,374,211</b>	<b>3,450,601,311,307</b>	<b>1,158,548,200,157</b>	<b>2,765,744,539,152</b>	<b>932,392,143,195</b>	<b>(2,260,670,891,760)</b>	<b>35,973,380,378,348</b>					
<b>Capital expenditure</b>	504,126,277,485	38,393,520,753	93,071,193,225	4,435,499,834	377,109,607,656	7,886,493,994	(34,568,435,092)	990,454,157,855					
Depreciation of tangible fixed assets	420,847,658,064	44,551,089,527	37,518,250,685	28,069,868,389	350,609,215,286	64,656,788,544	(2,007,250,506)	944,245,619,989					
Amortisation of intangible fixed assets	25,299,588,402	1,510,660,974	334,637,672	57,511,494	950,040,497	146,084,370	-	28,298,523,409					
Depreciation of investment property	1,045,586,842	-	-	91,296,666	3,203,143,378	216,366,624	-	4,556,393,510					

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Consolidated statement of income for the six-month period ended 30 June 2019

	Petroleum segment						Total					
	Petroleum member companies		Non-petroleum member companies		Petrochemical products			Gas products	Transportation services	Other goods and services	Internal elimination and consolidation adjustment	Total
	VND	VND	VND	VND	VND	VND						
			Restated - Note 39								Restated - Note 39	
<b>Total net revenue</b>	<b>67,447,922,057,217</b>	<b>29,665,444,719,608</b>	<b>3,166,324,753,890</b>	<b>1,578,508,814,640</b>	<b>4,420,756,984,291</b>	<b>308,969,715,436</b>	<b>(14,925,833,767,286)</b>	<b>91,662,093,277,796</b>			<b>91,662,093,277,796</b>	
In which: Internal revenue	4,496,333,869,967	7,283,214,911,252	733,776,112,236	454,273,650,703	1,854,431,709,288	103,803,513,840	(14,925,833,767,286)	-			-	
Net revenue from external sales	62,951,588,187,250	22,382,229,808,356	2,432,548,641,654	1,124,235,163,937	2,566,325,275,003	205,166,201,596	-	91,662,093,277,796			91,662,093,277,796	
<b>Operating expenses</b>	<b>(65,632,797,217,081)</b>	<b>(29,092,959,446,143)</b>	<b>(3,016,452,646,728)</b>	<b>(1,482,153,492,403)</b>	<b>(4,259,995,606,317)</b>	<b>(184,414,745,479)</b>	<b>14,911,343,400,699</b>	<b>(88,757,429,753,452)</b>			<b>(88,757,429,753,452)</b>	
Cost of goods sold and services rendered	(61,510,194,842,169)	(28,601,800,097,198)	(2,741,036,548,330)	(1,258,918,799,350)	(4,019,023,797,071)	(167,054,158,693)	14,092,188,616,442	(84,205,839,626,369)			(84,205,839,626,369)	
Selling expenses	(4,122,602,374,912)	(484,606,598,730)	(226,640,010,639)	(166,383,141,634)	(82,792,326,463)	(4,286,197,207)	819,154,784,257	(4,268,155,865,328)			(4,268,155,865,328)	
General and administration expenses	-	(6,552,750,215)	(48,776,087,759)	(56,851,551,419)	(158,179,482,783)	(13,074,389,579)	-	(283,434,261,755)			(283,434,261,755)	
<b>Operating profit</b>	<b>1,815,124,840,136</b>	<b>572,485,273,465</b>	<b>149,872,107,162</b>	<b>96,355,322,237</b>	<b>160,761,377,974</b>	<b>124,554,969,957</b>	<b>(14,490,366,587)</b>	<b>2,904,663,524,344</b>			<b>2,904,663,524,344</b>	
Share of profit in associates and joint ventures								327,631,390,101			327,631,390,101	
Financial income								412,584,750,355			412,584,750,355	
Financial expenses								(539,404,140,462)			(539,404,140,462)	
Results of other activities								86,000,236,395			86,000,236,395	
<b>Accounting profit before tax</b>								<b>3,191,475,760,733</b>			<b>3,191,475,760,733</b>	
Income tax expense – current								(542,378,826,411)			(542,378,826,411)	
Income tax expense – deferred								(13,209,380,253)			(13,209,380,253)	
<b>Net profit after tax</b>								<b>2,635,887,554,069</b>			<b>2,635,887,554,069</b>	

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Consolidated balance sheet as at 1 January 2019

	Petroleum segment						Internal elimination and consolidation adjustment	Total				
	Petroleum member companies		Non-petroleum member companies		Petrochemical products				Gas products	Transportation services	Other goods and services	
	VND	VND	VND	VND	VND	VND						
<b>Assets</b>												
Cash and cash equivalents	7,036,775,509,207	1,944,447,605,473	583,654,569,745	54,075,074,424	580,516,913,339	21,365,874,848	-	-	10,220,835,547,036			
Short-term financial investments	3,749,172,656,836	-	110,809,348,225	690,310,000,000	164,115,286,300	-	-	-	4,714,407,291,361			
Accounts receivable – short-term	3,275,843,546,979	3,465,904,507,371	1,878,626,068,186	313,632,584,059	466,253,833,973	47,109,170,832	(1,988,768,639,441)	(1,988,768,639,441)	7,458,601,071,959			
Inventories	7,652,137,847,757	951,270,895,030	1,139,019,474,211	157,461,009,254	466,435,932,916	9,087,770,288	(80,518,782,333)	(80,518,782,333)	10,294,894,147,123			
Other current assets	1,598,570,876,235	41,194,102,393	83,615,899,195	42,809,262,073	120,313,516,854	2,798,175,183	36,093,498	36,093,498	1,889,337,925,431			
Accounts receivable – long-term	229,220,951,219	433,150,000	4,258,194,500	447,246,338	3,429,747,336	52,152,000	(217,196,813,840)	(217,196,813,840)	20,644,627,553			
Fixed assets	7,575,685,928,126	632,661,263,785	677,907,867,529	408,691,183,069	4,331,664,611,024	1,664,409,111,657	(169,853,353,858)	(169,853,353,858)	15,121,166,611,332			
Investment property	50,130,973,897	-	3,234,686,485	7,191,291,209	135,921,201,155	2,901,073,225	-	-	199,379,225,971			
Long-term work in progress	337,205,406,862	103,472,438,164	162,641,748,723	1,899,285,450	246,780,465,314	23,014,065,744	-	-	875,013,410,257			
Long-term financial investments	6,664,642,763,371	10,000,000,000	43,534,152,089	-	65,883,521,112	13,746,247,789	(3,682,085,603,401)	(3,682,085,603,401)	3,115,721,080,960			
Other long-term assets	1,592,648,832,406	115,972,186,511	166,941,510,806	322,042,079,409	59,788,120,311	3,789,447,257	-	-	2,261,182,176,700			
<b>Total assets</b>	<b>39,762,035,292,895</b>	<b>7,265,356,148,727</b>	<b>4,854,243,519,694</b>	<b>1,998,559,015,285</b>	<b>6,641,103,149,634</b>	<b>1,788,273,088,823</b>	<b>(6,138,387,099,375)</b>	<b>(6,138,387,099,375)</b>	<b>56,171,183,115,683</b>			
<b>Liabilities</b>												
Current liabilities	21,034,730,475,122	5,686,749,369,595	3,441,161,911,141	1,012,164,485,688	1,263,253,241,590	1,046,851,252,848	(1,909,385,362,075)	(1,909,385,362,075)	31,575,525,373,909			
Long-term liabilities	155,728,854,346	26,068,014,480	88,354,158,642	133,897,280,285	1,416,474,168,748	8,049,036,364	(217,196,813,840)	(217,196,813,840)	1,611,374,699,025			
<b>Total liabilities</b>	<b>21,190,459,329,468</b>	<b>5,712,817,384,075</b>	<b>3,529,516,069,783</b>	<b>1,146,061,765,973</b>	<b>2,679,727,410,338</b>	<b>1,054,900,289,212</b>	<b>(2,126,582,175,915)</b>	<b>(2,126,582,175,915)</b>	<b>33,186,900,072,934</b>			
Capital expenditure	1,593,386,422,757	137,784,705,197	239,959,590,245	24,436,840,754	636,424,878,075	46,478,617,734	(164,617,476,933)	(164,617,476,933)	2,513,853,577,829			
Depreciation of tangible fixed assets	833,112,462,185	90,205,023,944	61,329,800,874	59,845,341,794	740,841,750,758	138,800,932,594	(16,855,395,011)	(16,855,395,011)	1,907,279,917,138			
Amortisation of intangible fixed assets	82,822,262,559	2,618,185,542	577,714,950	136,044,503	1,519,550,714	687,251,946	-	-	88,361,010,214			
Depreciation of investment property	856,397,729	-	-	182,593,332	6,406,286,756	613,034,052	-	-	8,058,311,869			

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Consolidated statement of income for the six-month period ended 30 June 2018

	Petroleum segment						Internal elimination and consolidation adjustment	Total							
	Petroleum member companies		Non-petroleum member companies		Petrochemical products				Gas products		Transportation services		Other goods and services		
	VND		VND		VND				VND		VND		VND		
<b>Total net revenue</b>	71,918,176,804,306		32,651,600,285,987		2,982,789,886,031		1,570,399,960,790		4,424,982,911,578		2,189,119,131,539		(19,106,465,702,924)		96,630,603,277,307
In which: Internal revenue	4,727,176,073,535		11,034,671,016,501		740,134,170,621		449,457,672,938		1,800,553,203,296		354,473,566,033		(19,106,465,702,924)		-
Net revenue from external sales	67,191,000,730,771		21,616,929,269,486		2,242,655,715,410		1,120,942,287,852		2,624,429,708,282		1,834,645,565,506		-		96,630,603,277,307
<b>Operating expenses</b>	(70,264,479,876,864)		(32,311,075,259,429)		(2,840,746,442,379)		(1,471,653,160,404)		(4,179,846,187,531)		(2,035,939,935,021)		19,239,837,327,213		(93,863,903,534,415)
Cost of goods sold and services rendered	(66,342,997,136,244)		(31,854,388,289,765)		(2,536,733,114,345)		(1,248,620,965,778)		(3,954,843,808,813)		(1,883,688,734,852)		18,434,235,343,375		(89,387,036,706,422)
Selling expenses	(3,921,482,740,620)		(450,247,110,547)		(249,846,598,456)		(165,620,557,663)		(83,222,219,265)		(97,463,514,782)		805,601,983,838		(4,162,280,757,495)
General and administration expenses	-		(6,439,859,117)		(54,166,729,578)		(57,411,636,963)		(141,780,159,453)		(54,787,685,387)		-		(314,586,070,498)
<b>Operating profit</b>	1,653,696,927,442		340,525,026,558		142,043,443,652		98,746,800,386		245,136,724,047		153,179,196,518		133,371,624,289		2,766,699,742,892
Share of profit in associates and joint ventures															335,517,530,491
Financial income															395,302,485,221
Financial expenses															(656,115,941,584)
Results of other activities															(18,944,812,811)
<b>Accounting profit before tax</b>															2,822,459,004,209
Income tax expense – current															(526,469,345,619)
Income tax expense – deferred															(2,176,570,917)
<b>Net profit after tax</b>															2,293,813,087,673

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**(b) Geographical segments**

	Within the territory of Vietnam		Outside the territory of Vietnam		Consolidated	
	Six-month period ended		Six-month period ended		Six-month period ended	
	30/6/2019	30/6/2018	30/6/2019	30/6/2018	30/6/2019	30/6/2018
	VND	VND	VND	VND	VND	VND
	Restated - Note 39					
External revenue	77,116,528,890,328	80,210,471,762,913	14,568,030,366,629	16,445,246,925,638	91,684,559,256,957	96,655,718,688,551
Segment assets	57,128,481,773,397	54,714,699,522,139	1,476,991,103,950	1,456,483,593,544	58,605,472,877,347	56,171,183,115,683
Capital expenditure	990,310,888,969	957,768,131,299	143,268,886	7,475,487,289	990,454,157,855	965,243,618,588



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**9. Cash and cash equivalents**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand .	122,984,215,294	83,530,536,491
Cash in banks	2,629,495,987,311	3,786,618,284,917
In which:		
- <i>Account balance of Petroleum price stabilisation fund (i)</i>	<i>40,130,280</i>	<i>1,372,574,859,359</i>
Cash in transit (ii)	718,105,723,729	283,065,820,669
Cash equivalents (iii)	6,202,369,817,072	6,067,620,904,959
	<hr/>	<hr/>
	9,672,955,743,406	10,220,835,547,036
	<hr/>	<hr/>

- (i) The account balance of Price stabilisation fund is monitored separately in a bank account.  
The account balance of Price stabilisation fund should be used solely for the price stabilisation purpose and should not be used for any other purpose.
- (ii) Cash in transit represents the cash balances at petroleum stations of the petroleum member companies. These amounts will be transferred to the petroleum member companies' bank accounts on the next working day.
- (iii) Cash equivalents represents term deposits at local banks with a tenor of less than three months at local banks.

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**10. Financial investments**

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

	30/6/2019		1/1/2019	
	Cost VND	Fair value VND	Cost VND	Fair value VND
Held-to-maturity investments - short-term				
▪ Term deposits	5,671,827,664,943	5,671,827,664,943	4,712,009,348,225	4,712,009,348,225
Held-to-maturity investments - long-term				
▪ Term deposits	9,500,000,000	9,500,000,000	3,000,000,000	3,000,000,000

Held-to-maturity investments represent term deposits at local banks.

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**(b) Investments in subsidiaries**

No.	Name	Address	Principal activities	30/6/2019		1/1/2019	
				% of voting rights	% of equity owned	% of voting rights	% of equity owned
1	Petrolimex Tanker Corporation	Hanoi	Transportation services	100%	100%	100%	100%
2	Van Phong Bonded Petroleum Terminal Joint Venture Company Limited	Khanh Hoa	Storing and trading petroleum products at border gate	85.00%	85.00%	85.00%	85.00%
3	Petrolimex Petrochemical Corporation - JSC	Hanoi	Processing petroleum products	79.07%	79.07%	79.07%	79.07%
4	Petrolimex Gas Corporation – JSC	Hanoi	Trading gas products	52.37%	52.37%	52.37%	52.37%
5	Petrolimex Transportation Services Corporation	Hanoi	Transportation services	100%	100%	100%	100%
6	Petrolimex Singapore Pte. Ltd.	Singapore	Trading petroleum	100%	100%	100%	100%
7	Petrolimex Aviation Fuel JSC	Hanoi	Providing fuel for airlines	59.00%	59.00%	59.00%	59.00%
8	Petrolimex (Lao) Ltd.	Laos	Trading petroleum	100%	100%	100%	100%
9	Petrolimex Kien Giang Co., Ltd.	Kien Giang	Trading petroleum	51.00%	51.00%	51.00%	51.00%
10	VP Petrochemical Transport J.S.C	Hai Phong	Transportation services	88.88%	57.62%	88.88%	57.62%
11	Hai Chau Trading and Services Company Limited	Ho Chi Minh City	Producing, trading ice, frozen seafood	92.04%	92.04%	92.04%	92.04%
12	Cai Be Trading and Services JSC	Tien Giang	Producing, trading ice, frozen seafood	63.04%	63.04%	63.04%	63.04%

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No.	Name	Address	Principal activities	30/6/2019		1/1/2019	
				% of voting rights	% of equity owned	% of voting rights	% of equity owned
<b>Petroleum member companies</b>							
13	Petrolimex Quang Ninh One Member Limited Company	Quang Ninh	Trading petroleum	100%	100%	100%	100%
14	Petrolimex Sai Gon One Member Limited Company	Ho Chi Minh City	Trading petroleum	100%	100%	100%	100%
15	Petrolimex Hanoi One Member Limited Company	Hanoi	Trading petroleum	100%	100%	100%	100%
16	Petrolimex Da Nang One Member Limited Company	Da Nang	Trading petroleum	100%	100%	100%	100%
17	Petrolimex Tay Nam Bo Limited Company	Can Tho	Trading petroleum	100%	100%	100%	100%
18	Petrolimex Ba Ria Vung Tau Limited Company	Ba Ria Vung Tau	Trading petroleum	100%	100%	100%	100%
19	Petrolimex Nghe An Limited Company	Nghe An	Trading petroleum	100%	100%	100%	100%
20	Petrolimex Nam Dinh Limited Company	Nam Dinh	Trading petroleum	100%	100%	100%	100%
21	Petrolimex Phu Khanh Limited Company	Khanh Hoa	Trading petroleum	100%	100%	100%	100%
22	Petrolimex Ha Son Binh Limited Company	Hanoi	Trading petroleum	100%	100%	100%	100%
23	Petrolimex Hai Phong One Member Limited Company	Hai Phong	Trading petroleum	100%	100%	100%	100%
24	Petrolimex Vinh Long One Member Limited Company	Vinh Long	Trading petroleum	100%	100%	100%	100%
25	Petrolimex Gia Lai Limited Company	Gia Lai	Trading petroleum	100%	100%	100%	100%
26	Petrolimex Binh Dinh Limited Company	Binh Dinh	Trading petroleum	100%	100%	100%	100%
27	Petrolimex Thanh Hoa One Member Limited Company	Thanh Hoa	Trading petroleum	100%	100%	100%	100%
28	Petrolimex Daklak One Member Limited Company	Daklak	Trading petroleum	100%	100%	100%	100%
29	Petrolimex Long An Limited Company	Long An	Trading petroleum	100%	100%	100%	100%
30	Petrolimex Ca Mau One Member Limited Company	Ca Mau	Trading petroleum	100%	100%	100%	100%
31	Petrolimex Tien Giang One Member Limited Company	Tien Giang	Trading petroleum	100%	100%	100%	100%
32	Petrolimex Dong Nai Limited Company	Dong Nai	Trading petroleum	100%	100%	100%	100%
33	Petrolimex Bac Thai Limited Company	Thai Nguyen	Trading petroleum	100%	100%	100%	100%
34	Petrolimex Hue Limited Company	Hue	Trading petroleum	100%	100%	100%	100%
35	Petrolimex Tay Ninh Limited Company	Tay Ninh	Trading petroleum	100%	100%	100%	100%
36	Petrolimex Lao Cai Limited Company	Lao Cai	Trading petroleum	100%	100%	100%	100%

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No.	Name	Address	Principal activities	30/6/2019		1/1/2019	
				% of voting rights	% of equity owned	% of voting rights	% of equity owned
37	Petrolimex Phu Tho Limited Company	Phu Tho	Trading petroleum	100%	100%	100%	100%
38	Petrolimex Song Be One Member Limited Company	Binh Duong	Trading petroleum	100%	100%	100%	100%
39	Petrolimex Lam Dong Limited Company	Lam Dong	Trading petroleum	100%	100%	100%	100%
40	Petrolimex Ha Tinh Limited Company	Ha Tinh	Trading petroleum	100%	100%	100%	100%
41	Petrolimex Ben Tre Limited Company	Ben Tre	Trading petroleum	100%	100%	100%	100%
42	Petrolimex Ha Bac Limited Company	Bac Giang	Trading petroleum	100%	100%	100%	100%
43	Petrolimex An Giang One Member Limited Company	An Giang	Trading petroleum	100%	100%	100%	100%
44	Petrolimex Quang Tri Limited Company	Quang Tri	Trading petroleum	100%	100%	100%	100%
45	Petrolimex Quang Binh Limited Company	Quang Binh	Trading petroleum	100%	100%	100%	100%
46	Petrolimex Dong Thap Limited Company	Dong Thap	Trading petroleum	100%	100%	100%	100%
47	Petrolimex Dien Bien Limited Company	Dien Bien	Trading petroleum	100%	100%	100%	100%
48	Petrolimex Tra Vinh One Member Limited Company	Tra Vinh	Trading petroleum	100%	100%	100%	100%
49	Petrolimex Ha Giang Limited Company	Ha Giang	Trading petroleum	100%	100%	100%	100%
50	Petrolimex Yen Bai Limited Company	Yen Bai	Trading petroleum	100%	100%	100%	100%
51	Petrolimex Cao Bang Limited Company	Cao Bang	Trading petroleum	100%	100%	100%	100%
52	Petrolimex Tuyen Quang Limited Company	Tuyen Quang	Trading petroleum	100%	100%	100%	100%
53	Petrolimex Quang Ngai One Member Limited Company	Quang Ngai	Trading petroleum	100%	100%	100%	100%
54	Petrolimex Thai Binh Limited Company	Thai Binh	Trading petroleum	100%	100%	100%	100%
55	Petrolimex Lai Chau Limited Company	Lai Chau	Trading petroleum	100%	100%	100%	100%

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**(c) Equity investments in associates, joint-ventures**

No.	Name	Address	Principal activities	30/6/2019				1/1/2019					
				% of voting rights	% of equity owned	Equity accounted investment value VND	Allowance for diminution in value VND	Fair value VND	% of voting rights	% of equity owned	Equity accounted investment value VND	Allowance for diminution in value VND	Fair value VND
<b>Joint ventures</b>													
1	Castrol BP Petco Co. Ltd.	Ho Chi Minh City	Processing lubricant products	35.00%	35.00%	308,968,350,651	-	(*)	35.00%	35.00%	396,364,711,746	-	(*)
<b>Associates</b>													
1	Petrolimex Group Commercial Joint Stock Bank (i)	Hanoi	Banking	40.00%	40.00%	1,494,487,853,319	-	(*)	40.00%	40.00%	1,475,343,544,182	-	(*)
2	Petrolimex Joint Stock Insurance Corporation (i)	Hanoi	Insurance services	40.95%	40.95%	595,280,542,288	-	617,608,776,740	40.95%	40.95%	610,045,717,388	-	657,542,592,000
3	Kien Giang Trade and Tourism Company Limited	Kien Giang	Trading agricultural products, petroleum	38.94%	38.94%	167,094,213,914	-	(*)	38.94%	38.94%	168,575,489,297	-	(*)
4	Petrolimex Group Construction and Trading Corporation – Joint Stock Company	Hanoi	Trading	35.00%	35.00%	151,060,096,322	-	(*)	35.00%	35.00%	145,884,559,733	-	(*)
5	Nha Petrolimex – Tradoco Development Joint Stock Company	Vung Tau	Real Estate Trading	46.00%	46.00%	93,596,193,484	-	(*)	46.00%	46.00%	93,596,193,484	-	(*)
6	Vietnam Expressway Services JSC	Hanoi	Investment, construction, operation, management and maintenance of national expressway network	22.38%	22.38%	21,286,793,747	-	(*)	22.38%	22.38%	21,313,651,354	-	(*)
7	Mekong Riverside Resort (ii)	Tien Giang	Trading goods	40.00%	40.00%	10,500,000,000	(503,752,212)	(*)	40.00%	40.00%	10,500,000,000	(503,752,212)	(*)
8	Dong Nai Petroleum Material and Fuel Joint Stock Company	Dong Nai	Trading petroleum	27.73%	27.73%	-	-	-	21.32%	21.32%	11,979,816,214	-	(*)
9	Tuyen Quang Trading Joint Stock Company	Tuyen Quang	Commercial trading	40.00%	40.00%	2,729,288,555	-	(*)	27.73%	27.73%	2,023,978,424	-	(*)
10	V AUTO., JSC (ii)	Tien Giang	Trading goods	40.00%	40.00%	1,800,000,000	(261,917,003)	(*)	40.00%	40.00%	1,800,000,000	(261,917,003)	(*)
						2,846,803,332,280	(765,669,215)			2,937,427,661,822	(765,669,215)		

(i) As described in Note 3(a)(iv), the Group had a plan for divestment from PIICO and PG Bank. On 21 April 2018, the General Meeting of Shareholders of PG Bank passed its Resolution No. 01/2018/NQ-DHDCD-PGB, approving the scheme to merge PG Bank with Ho Chi Minh City Development Joint Stock Commercial Bank (“HDBank”). According to this scheme, the expected ownership ratio of the Parent Company in HDBank after the merger is 5.62%. By the date when these financial statements are authorized for issuance, the merger had not been completed.

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

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

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

No.	Name	30/6/2019		1/1/2019			
		Cost VND	Allowance for diminution in value VND	Fair value VND	Cost VND	Allowance for diminution in value VND	Fair value VND
1	Military Petrochemical Joint Stock Company – MIPEC	50,000,000,000	-	(*)	50,000,000,000	-	(*)
2	Vietnam Export Import Commercial Joint Stock Bank (Eximbank)	49,913,937,200	(3,523,527,200)	46,390,410,000	49,913,937,200	(15,244,508,450)	34,669,428,750
3	An Phu Corporation	110,724,000,000	(105,560,000,000)	(*)	110,724,000,000	(105,560,000,000)	(*)
4	Others	93,071,282,307	(4,203,897,704)	(*)	90,489,182,307	(4,263,522,704)	(*)
		303,709,219,507	(113,287,424,904)		301,127,119,507	(125,068,031,154)	

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

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**11. Accounts receivable from customers**

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

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Vietjet Aviation Joint Stock Company	1,083,135,009,397	881,910,509,824
Other customers	7,254,747,154,406	6,123,961,614,257
	<hr/>	<hr/>
	8,337,882,163,803	7,005,872,124,081
	<hr/>	<hr/>

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

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Over payment of VAT on imported goods (i)	31,419,319,559	82,534,765,973
Undeducted input VAT accepted for tax refund by local tax authority	70,127,521,248	-
Deductible VAT but yet to receive invoices at the reporting date	-	135,479,264,278
Interest receivable	122,454,290,687	85,060,465,884
Others	315,195,187,901	214,190,103,453
	<hr/>	<hr/>
	539,196,319,395	517,264,599,588
	<hr/>	<hr/>

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



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**13. Inventories**

	30/6/2019		1/1/2019	
	Cost VND	Allowance VND Restated – Note 39	Cost VND	Allowance VND
Goods in transit	668,116,904,217	(9,867,336,730)	1,129,427,214,836	(28,776,742,365)
Raw materials	761,882,666,051	(2,135,973,107)	774,052,741,600	(9,548,827,972)
Tools and supplies	37,675,050,425	-	34,631,765,797	-
Work in progress	178,514,702,936	-	155,219,231,294	-
Finished goods	206,505,361,012	-	201,080,715,819	-
Merchandise inventories	9,291,081,788,047	(109,356,504,051)	8,588,987,221,392	(552,334,498,014)
Goods on consignment	85,597,155	-	2,155,324,736	-
	11,143,862,069,843	(121,359,813,888)	10,885,554,215,474	(590,660,068,351)

Included in inventories at 30 June 2019 was VND191,811 million of goods in transit (1/1/2019: VND243,538 million) and VND4,526,210 million of merchandise inventories (1/1/2019: VND4,414,853 million) stated at net realisable value.

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**14. Tangible fixed assets**

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Cost</b>						
Opening balance	12,782,744,781,800	3,858,051,262,676	13,341,677,697,036	541,491,107,156	25,850,130,614	30,549,814,979,282
Additions	37,122,423,565	86,250,593,956	311,558,597,836	35,595,076,593	337,479,294	470,864,171,244
Transfer from construction in progress	247,707,066,371	60,163,841,334	99,340,545,457	1,409,645,956	4,201,541,148	412,822,640,266
Transfer to long-term prepaid expenses	(2,350,779,372)	-	(90,909,092)	-	-	(2,441,688,464)
Disposal and written off	(30,200,297,758)	(26,207,255,920)	(22,477,103,896)	(4,938,957,701)	-	(83,823,615,275)
Decrease due to disposal of subsidiaries	(31,942,558,329)	(2,660,919,599)	(488,749,041)	(578,987,780)	-	(35,671,214,749)
Reclassification	46,871,017,469	(46,871,017,469)	-	-	-	-
Other movements	477,362,705	(266,343,648)	(400,701,914)	(70,153,995)	1,306,784	(258,530,068)
Closing balance	13,050,429,016,451	3,928,460,161,330	13,729,119,376,386	572,907,730,229	30,390,457,840	31,311,306,742,236
<b>Accumulated depreciation</b>						
Opening balance	6,398,110,649,999	2,576,518,150,719	8,053,978,738,750	418,671,382,873	14,489,468,348	17,461,768,390,689
Charge for the period	320,983,504,029	162,201,602,986	420,226,151,394	39,577,437,969	1,256,923,611	944,245,619,989
Transfer to long-term prepaid expenses	(49,053,216)	-	(529,265)	-	-	(49,582,481)
Disposal and written off	(27,232,042,954)	(25,924,647,720)	(25,765,084,300)	(692,108,048)	-	(79,613,883,022)
Decrease due to disposal of subsidiaries	(13,213,294,639)	(2,660,919,599)	(578,987,780)	(488,749,041)	-	(16,941,951,059)
Other movements	(26,682,928,032)	2,862,464,051	(3,228,761,262)	308,456,040	13,515,987	(26,727,253,216)
Closing balance	6,651,916,835,187	2,712,996,650,437	8,444,631,527,537	457,376,419,793	15,759,907,946	18,282,681,340,900
<b>Net book value</b>						
Opening balance	6,384,634,131,801	1,281,533,111,957	5,287,698,958,286	122,819,724,283	11,360,662,266	13,088,046,588,593
Closing balance	6,398,512,181,264	1,215,463,510,893	5,284,487,848,849	115,531,310,436	14,630,549,894	13,028,625,401,336

Included in tangible fixed assets were assets costing VND7,206,628 million which were fully depreciated as of 30 June 2019 but which are still in active use (1/1/2019: VND6,513,334 million).

At 30 June 2019, tangible fixed assets of the Group's subsidiaries with a net book value of VND2,968,587 million (1/1/2019: VND3,539,074 million) were pledged with banks as security for loans granted (Note 23(b)).

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**15. Intangible fixed assets**

	Land use rights VND	Software license VND	Software VND	Others VND	Total VND
<b>Cost</b>					
Opening balance	2,092,832,929,026	20,022,170,400	517,409,896,072	22,783,920,044	2,653,048,915,542
Additions	20,348,723,984	-	7,498,320,759	6,658,102,893	34,505,147,636
Transfer from construction in progress	22,660,997,493	-	4,115,757,550	-	26,776,755,043
Transfer to long-term prepaid expenses	(6,304,135,740)	-	-	-	(6,304,135,740)
Disposal and written off	(131,467,086)	-	-	-	(131,467,086)
Decrease due to disposal of subsidiaries	(11,500,124,604)	-	(580,000,000)	-	(12,080,124,604)
Closing balance	2,117,906,923,073	20,022,170,400	528,443,974,381	29,442,022,937	2,695,815,090,791
<b>Accumulated amortisation</b>					
Opening balance	171,494,117,481	14,536,066,060	421,250,276,187	12,648,433,075	619,928,892,803
Charge for the period	11,331,543,016	729,203,367	15,706,154,327	531,622,699	28,298,523,409
Transfer to long-term prepaid expenses	(1,858,741,381)	-	-	-	(1,858,741,381)
Disposal and written off	(36,125,371)	-	-	-	(36,125,371)
Reclassification	(939,773,913)	-	939,773,913	-	-
Decrease due to disposal of subsidiaries	(1,587,517,592)	-	(580,000,000)	-	(2,167,517,592)
Closing balance	178,403,502,240	15,265,269,427	437,316,204,427	13,180,055,774	644,165,031,868
<b>Net book value</b>					
Opening balance	1,921,338,811,545	5,486,104,340	96,159,619,885	10,135,486,969	2,033,120,022,739
Closing balance	1,939,503,420,833	4,756,900,973	91,127,769,954	16,261,967,163	2,051,650,058,923

Included in intangible fixed assets were assets costing VND397,529 million which were fully amortised as of 30 June 2019 (1/1/2019: VND360,570 million), but which are still in active use.

At 30 June 2019, intangible fixed assets of the Group's subsidiaries with a net book value of VND65,226 million (1/1/2019: VND64,654 million) were pledged with banks as security for loans granted (Note 23(b)).

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**16. Investment property**

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Investment property held to earn rental	192,223,316,379	196,144,539,486
Investment property held for capital appreciation	-	3,234,686,485
	<u>192,223,316,379</u>	<u>199,379,225,971</u>

**Investment property held to earn rental**

	<b>Land use rights</b> <b>VND</b>	<b>Buildings</b> <b>VND</b>	<b>Total</b> <b>VND</b>
<b>Cost</b>			
Opening balance	55,141,685,517	211,195,613,793	266,337,299,310
Transfer from construction in progress	-	635,170,403	635,170,403
Closing balance	<u>55,141,685,517</u>	<u>211,830,784,196</u>	<u>266,972,469,713</u>
<b>Accumulated depreciation</b>			
Opening balance	30,871,585,556	39,321,174,268	70,192,759,824
Charge for the period	69,570,000	4,486,823,510	4,556,393,510
Closing balance	<u>30,941,155,556</u>	<u>43,807,997,778</u>	<u>74,749,153,334</u>
<b>Net book value</b>			
Opening balance	24,270,099,961	171,874,439,525	196,144,539,486
Closing balance	<u>24,200,529,961</u>	<u>168,022,786,418</u>	<u>192,223,316,379</u>

The investment property held to earn rental belongs to a subsidiary of the Group. The fair value of the investment property held for earn rental of the Group has not been determined as there was no market transaction for similar property in the same location and there is no active market for such property.

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	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Opening balance	875,013,410,257	777,729,469,586
Additions during the period	485,084,838,975	683,879,151,185
Transfer to tangible fixed assets	(412,822,640,266)	(418,461,336,756)
Transfer to intangible fixed assets	(26,776,755,043)	(33,488,848,632)
Transfer to investment properties	(635,170,403)	(461,078,134)
Transfer to short-term prepaid expenses	(3,044,184,948)	-
Transfer to long-term prepaid expenses	(60,049,691,041)	(51,738,164,830)
Decrease due to disposal of subsidiaries	-	(72,148,498,979)
Disposal	(109,745,132)	-
Other movements	(1,669,811,427)	(6,357,123,817)
	<hr/>	<hr/>
Closing balance	854,990,250,972	878,953,569,623
	<hr/>	<hr/>

Major items/ projects of construction in progress at the reporting date were as follows:

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
37 Phan Boi Chau Building Project	138,243,674,237	137,953,176,564
Cam Ranh Warehouse Building Project	84,800,215,315	60,498,582,070
Others	631,946,361,420	676,561,651,623
	<hr/>	<hr/>
	854,990,250,972	875,013,410,257
	<hr/>	<hr/>

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**18. Long-term prepaid expenses**

	Gas cylinders VND	Business advantage related to equitization VND	Prepaid land costs VND	Asset overhaul costs VND	Tools and instruments VND	Others VND	Total VND
Opening balance	269,878,712,415	162,642,101,757	1,105,965,666,292	163,957,928,510	89,837,316,641	441,073,173,175	2,233,354,898,790
Additions	14,588,284,648	-	62,687,061,465	35,321,794,738	25,988,503,735	42,337,573,609	180,923,218,195
Transfer from/(to) tangible fixed assets	-	-	2,916,886,588	(615,160,432)	90,379,827	-	2,392,105,983
Transfer from intangible fixed assets	-	-	4,445,394,359	-	-	-	4,445,394,359
Transfer from construction in progress	-	-	37,624,738,608	13,850,562,697	1,465,999,072	7,108,390,664	60,049,691,041
Disposal and written off	-	-	(2,255,841)	(1,076,666)	(324,830,314)	(220,181,862)	(548,344,683)
Amortisation for the period	(30,907,683,351)	(27,107,016,960)	(38,507,837,244)	(72,198,456,445)	(40,303,774,803)	(78,808,278,467)	(287,833,047,270)
Reclassifications	-	-	(13,215,058,741)	(4,078,730,639)	(861,100,395)	18,154,889,775	-
Other movements	-	-	412,453,395	152,145,707	664,893,574	(1,700,000,000)	(470,507,324)
Closing balance	253,559,313,712	135,535,084,797	1,162,327,048,881	136,389,007,470	76,557,387,337	427,945,566,894	2,192,313,409,091

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**19. Accounts payable to suppliers**

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

	<b>Cost and amount within payment capacity</b>	
	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Binh Son Refinery and Petrochemical Company Limited	3,880,154,943,022	3,163,328,126,006
Nghi Son Petroleum Product Distribution Branch – Petrolvietnam	3,557,122,924,468	3,134,835,927,322
Vitol Asia Pte Ltd	1,076,203,870,493	1,235,016,059,511
Shell Eastern Trading Pte Ltd	1,207,537,826,568	420,081,214,152
Other suppliers	3,423,353,296,863	4,536,528,398,108
	<hr/>	<hr/>
	13,144,372,861,414	12,489,789,725,099
	<hr/>	<hr/>

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

	<b>Cost and amount within payment capacity</b>	
	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
<b>Associates</b>		
Petrolimex Group Commercial Joint Stock Bank	9,225,362,188	16,580,481,558
Castrol BP PETCO Co. Ltd.	2,071,061,612	24,497,107,815
Petrolimex Construction Joint Stock Company I	22,364,854,491	22,357,819,209
Others	57,662,504,345	63,767,289,299
	<hr/>	<hr/>
	91,323,782,636	127,202,697,881
	<hr/>	<hr/>

The trade related amounts due to the related parties were unsecured, interest free and are payable upon demand.

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

Details of taxes and others receivable from/(payable) to State Treasury at the reporting date are as follows:

	1/1/2019 VND	Incurred VND Restated – Note 39	Paid/refunded VND	30/6/2019 VND Restated – Note 39
Output value added tax (*)	(190,170,326,819)	(1,905,829,295,261)	1,771,141,264,773	(324,858,357,307)
Value added tax – imported goods	35,192,125,789	(2,296,392,429,296)	2,238,145,190,398	(23,055,113,109)
Special consumption tax	404,013,013,685	(922,509,333,984)	1,128,000,870,208	609,504,549,909
Import-export tax	725,053,654,677	(803,996,104,897)	383,288,071,350	304,345,621,130
Corporate income tax	(222,721,063,358)	(542,378,826,411)	510,465,827,656	(254,634,062,113)
Personal income tax	(17,163,782,720)	(70,471,446,957)	78,846,483,124	(8,788,746,553)
Land and housing taxes	(28,301,636,054)	(141,923,272,750)	137,350,105,745	(32,874,803,059)
Environmental protection tax	(1,267,606,154,203)	(14,700,772,474,947)	13,719,619,525,950	(2,248,759,103,200)
Other taxes	72,583,494	(168,204,487,061)	169,790,367,100	1,658,463,533
	(561,631,585,509)	(21,552,477,671,564)	20,136,647,706,304	(1,977,461,550,769)

*In which:*

Taxes and others receivable from State Treasury	1,324,555,775,906	960,869,697,640
Taxes and others payable to State Treasury	(1,886,187,361,415)	(2,938,331,248,409)
	(561,631,585,509)	(1,977,461,550,769)

(\*) The value added tax payable presented as above represents the amount after netting off against with deductible input value added tax during the period.



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**21. Accrued expenses**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Demurrage fees	125,452,334,850	92,732,990,727
Interest expense	28,481,055,349	27,139,454,866
Major repair expenses	23,461,089,611	22,898,317,271
Others	309,743,006,655	176,613,631,946
	<hr/>	<hr/>
	487,137,486,465	319,384,394,810
	<hr/>	<hr/>

**22. Other payables – short-term**

	<b>30/6/2019</b>	<b>1/1/2019</b>
	<b>VND</b>	<b>VND</b>
Social, health and unemployment insurances, trade union fee	34,943,340,311	31,629,277,826
Dividends payable	3,107,646,215,596	12,520,600,340
Others (i)	351,089,867,743	191,443,467,245
	<hr/>	<hr/>
	3,493,679,423,650	235,593,345,411
	<hr/>	<hr/>

- (i) As at 30 June 2019, this other payable included refunded import tax in relation to the difference between the normal import tax incentive and the special import tax incentive under regional trade agreements for some imported petroleum products in 2015 and 2016, amounting to VND75,281,673,480. The Group recognised this refunded import tax amount in Other payables – short-term instead of Other income for the purpose of waiting for review and completing the accounting treatment in the following accounting periods according to the conclusion of the State Audit of Vietnam.

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**23. Borrowings**

**(a) Short-term borrowings**

	Movements during the period			30/6/2019 Carrying amount and amount within repayment capacity VND		
	1/1/2019 Carrying amount and amount within repayment capacity VND	Additions VND	Decreases VND		Reclassification VND	Foreign exchange differences VND
Short-term borrowings (i)	12,184,599,870,581	35,721,151,760,100	(36,293,789,989,446)	(280,000,000)	23,707,790,087	11,635,389,431,322
Current portion of long-term borrowings (b)	1,172,882,067,645	1,026,693,726	(241,275,973,306)	116,490,952,647	3,599,981,720	1,052,723,722,432
	13,357,481,938,226	35,722,178,453,826	(36,535,065,962,752)	116,210,952,647	27,307,771,807	12,688,113,153,754

(i) This mainly represents the bank loans in VND and in USD with terms ranging from 3 months to less than 12 months of the Parent Company, Petrolimex Petrochemical Corporation - JSC, Petrolimex Singapore Pte. Ltd., Petrolimex Gas Corporation - JSC and Petrolimex Tanker Corporation which are unsecured loans for the purposes of supplementing working capital and opening letters of credit (L/C) for petroleum import.

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**(b) Long-term borrowings**

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Long-term borrowings	2,486,958,704,460	2,523,253,117,486
Repayable within twelve months (a)	(1,052,723,722,432)	(1,172,882,067,645)
	<hr/>	<hr/>
Repayable after twelve months	1,434,234,982,028	1,350,371,049,841
	<hr/>	<hr/>

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

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Van Phong Bonded Petroleum Terminal		
Joint Venture Company Limited	852,185,710,519	988,399,647,368
Vietnam Tanker Joint Stock Company	566,476,379,670	467,686,987,111
Vietnam Petroleum Transport		
Joint Stock Company	204,568,000,000	232,606,875,000
VP Petrochemical Transport JSC	308,973,653,105	308,340,237,990
Other subsidiaries	554,754,961,166	526,219,370,017
	<hr/>	<hr/>
	2,486,958,704,460	2,523,253,117,486
	<hr/>	<hr/>

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

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

The Group's long-term borrowings are secured over tangible fixed assets with a total net book value as of 30 June 2019 of VND2,968,587 million (1/1/2019: VND3,539,074 million) and intangible fixed assets with a total net book value as of 30 June 2019 of VND65,226 million (1/1/2019: VND65,654 million).

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	Six-month period ended	
	30/6/2019 VND	30/6/2018 VND
Opening balance	1,930,521,344,224	3,040,080,594,879
Increases	1,520,541,502,042	1,093,521,872,866
Decreases	(3,400,235,780,961)	(1,870,673,794,085)
Interest income from the deposit account	2,709,243,544	6,931,406,344
Closing balance	53,536,308,849	2,269,860,080,004
In which:		
- <i>Account balance of Petroleum price stabilisation fund at bank (Note 9)</i>	40,130,280	2,452,770,387,956
- <i>Amount deposited into/(withdrawn from) the account of Petroleum price stabilisation fund after the balance sheet date</i>	53,496,178,569	(182,910,307,952)
Closing balance	53,536,308,849	2,269,860,080,004

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**25. Changes in owners' equity**

	Share capital VND	Share premium VND	Other capital VND	Treasury shares VND	Differences upon asset revaluation (i) VND	Foreign exchange differences VND	Investment and development fund VND	Other equity funds VND	Retained profits VND	Non-controlling interest VND	Total VND
									Restated – Note 39	Restated – Note 39	Restated – Note 39
<b>Balance at 1 January 2018</b>	12,938,780,810,000	2,246,997,553,623	1,132,410,233,797	(1,350,648,460,000)	(1,317,118,937,352)	5,425,927,848	951,687,189,578	1,333,225,579,172	4,578,569,554,201	2,864,655,714,085	23,393,985,164,952
Net profit during the period	-	-	-	-	-	-	-	-	2,076,696,336,645	217,116,751,028	2,293,813,087,673
Dividends (Note 28)	-	-	-	-	-	-	-	-	(3,476,439,705,000)	(179,583,646,140)	(3,656,023,351,140)
Appropriation to equity funds	-	-	-	-	-	-	153,703,318,485	-	(153,703,318,485)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	(388,092,332,246)	(35,703,393,513)	(423,795,625,759)
Foreign exchange differences arising from translation of foreign operations	-	-	-	-	-	4,142,110,913	-	-	(12,883,793,280)	-	4,142,110,913
Subsidiaries' increase capitals from retained profits	-	-	12,883,793,280	-	-	-	-	-	54,937,049,053	(286,495,203,839)	(286,495,203,839)
Decrease due to disposal of subsidiaries	-	-	(43,496,097,304)	-	22,393,422,618	-	(33,834,374,367)	-	-	-	-
Unrealised profit in prior periods arising from purchases or sales of assets with the subsidiaries disposed during the period	-	-	-	-	-	-	-	(231,537,478)	159,638,055,639	11,760,787,678	159,638,055,639
Other movements	-	-	(10,667,435,665)	-	-	-	(20,228,570,002)	-	45,716,636	-	(19,321,038,831)
<b>Balance at 30 June 2018</b>	12,938,780,810,000	2,246,997,553,623	1,091,130,494,108	(1,350,648,460,000)	(1,294,725,514,734)	9,568,038,761	1,051,327,563,694	1,332,994,041,694	2,838,767,563,163	2,591,751,109,299	21,455,943,199,608
<b>Balance at 1 January 2019</b>	12,938,780,810,000	2,246,997,553,623	1,093,793,763,574	(1,350,648,460,000)	(1,294,725,514,734)	12,242,160,703	971,137,171,719	1,337,042,365,416	4,290,620,538,148	2,739,042,654,300	22,984,283,042,749
Net profit during the period - restated	-	-	-	-	-	-	-	-	2,381,719,628,199	254,167,925,870	2,635,887,554,069
Dividends (Note 28)	-	-	-	-	-	-	-	-	(3,044,114,411,000)	(244,242,067,347)	(3,288,356,478,347)
Appropriation to equity funds	-	-	2,295,000,000	-	-	-	204,662,993,929	-	(206,957,993,929)	-	-
Appropriation to bonus and welfare fund	-	-	-	-	-	-	-	-	(395,710,247,398)	(43,412,668,507)	(439,122,915,905)
Foreign exchange differences arising from translation of foreign operations	-	-	-	-	-	3,321,697,313	-	-	-	-	3,321,697,313
Increased capitals by subsidiaries	-	-	-	-	-	-	-	-	-	11,756,317,200	11,756,317,200
Sales of treasury shares	-	593,091,734,203	-	120,000,000,000	-	-	-	-	-	-	713,091,734,203
Appropriation to equity fund from retained profits by associates	-	-	2,812,864,948	-	-	-	10,040,292,017	-	(12,853,156,965)	-	-
Other movements	-	-	-	-	-	-	27,862,893	(124,490,135)	16,086,815,824	(4,758,540,865)	11,231,647,717
<b>Balance at 30 June 2019 – restated</b>	12,938,780,810,000	2,840,089,287,826	1,098,901,628,522	(1,230,648,460,000)	(1,294,725,514,734)	15,563,858,016	1,185,868,320,558	1,336,917,875,281	3,028,791,172,879	2,712,553,520,651	22,632,092,498,999

(i) As at 30 June 2019, item "Differences upon asset revaluation" in the Group's consolidated balance sheet represents the consolidation adjustments for the differences between the value of investments in subsidiaries and associates revaluated as per the Valuation Minutes issued by Vietnam Valuation and Finance Consultancy Joint Stock Company and the value of equity in the investees (Note 3(p)).

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**26. Share capital**

The Group's authorized and issued share capital are:

	30/6/2019		1/1/2019	
	Number of shares	VND	Number of shares	VND
<b>Authorized share capital</b>	<b>1,293,878,081</b>	<b>12,938,780,810,000</b>	<b>1,293,878,081</b>	<b>12,938,780,810,000</b>
<b>Shares in circulation</b>	<b>1,170,813,235</b>	<b>11,708,132,350,000</b>	<b>1,158,813,235</b>	<b>11,588,132,350,000</b>
The State	981,686,626	9,816,866,260,000	981,686,626	9,816,866,260,000
Other shareholders	189,126,609	1,891,266,090,000	177,126,609	1,771,266,090,000
<b>Treasury shares</b>	<b>123,064,846</b>	<b>1,230,648,460,000</b>	<b>135,064,846</b>	<b>1,350,648,460,000</b>

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

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

	Six-month period ended			
	30/6/2019		30/6/2018	
	Number of shares	VND (at par value)	Number of shares	VND (at par value)
Opening balance	1,158,813,235	11,588,132,350,000	1,158,813,235	11,588,132,350,000
Treasury shares sold during the period	12,000,000	120,000,000,000	-	-
Closing balance	1,170,813,235	11,708,132,350,000	1,158,813,235	11,588,132,350,000

**27. Equity funds**

**(a) Investment and development fund**

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

**(b) Other equity funds**

These other equity funds shall be used for profit distributions to the shareholders in the following years.

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**28. Dividends**

The General Meeting of Shareholders on 26 April 2019 passed the Resolution No. 01/2019/PLX-NQ-DHDCD on the plan for distribution of cash dividend at the ratio of 26% of the par value, equivalent to VND3,044,114,411,000 (Six-month period ended 30 June 2018: VND3,476,439,705,000).

**29. Off balance sheet items**

**(a) Goods held under trust (Petroleum of the national reserve)**

		<b>30/6/2019</b>	<b>1/1/2019</b>
Gasoline RON 92	Litter 15	74,138,749	74,585,145
Diesel 0.05S	Litter 15	138,998,839	139,085,788
Mazut	Kg	39,744,992	39,752,150

**(b) Goods held under trust (third parties)**

		<b>30/6/2019</b>	<b>1/1/2019</b>
Gasoline RON 92	Litter 15	58,412,436	112,929,134
Gasoline RON 95	Litter 15	81,924,784	18,410,072
Gasoline E5	Litter 15	6,938,322	5,071,874
Diesel	Litter 15	81,801,267	115,633,220
Kerosene	Litter 15	221,407	105,544
Mazut	Kg	161,692	372,133

**(c) Foreign currencies**

		<b>30/6/2019</b>		<b>1/1/2019</b>	
	<b>Original currency</b>	<b>VND equivalent</b>	<b>Original currency</b>	<b>VND equivalent</b>	
USD	33,610,136	772,778,823,129	11,379,361	254,545,009,881	
JPY	-	-	820,393	164,718,507	
EUR	2,887	76,643,449	4,162	110,493,843	
LAK	324,604,758	896,157,183	2,483,619,082	6,770,211,944	
		<b>773,751,623,761</b>		<b>261,590,434,175</b>	

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**(d) Capital expenditure commitments**

As at 30 June 2019, the Group had the following outstanding capital commitments approved but not provided for in the balance sheet:

	<b>30/6/2019</b> <b>VND</b>	<b>1/1/2019</b> <b>VND</b>
Approved but not contracted	1,179,507,281,563	-
Approved and contracted	405,000,000	-
	<hr/>	
	1,179,912,281,563	-
	<hr/>	

**(e) Foreign exchange contracts**

As at 30 June 2019, the Group had valid forward exchange contracts as follows:

Contract No.	Term (days)	Foreign currency amount USD	Forward exchange rate USD/VND	Date of transaction	Payment amount VND
1101/HDNT-EIBHN/2019	61	5,300,000	23,489	9/7/2019	124,491,700,000
2019.05.10/HDMBNT/TPB -PLX	60	4,080,191	23,427	9/7/2019	95,586,634,557
1626/HDNT-EIBHN/2019	61	2,518,240	23,408	14/8/2019	58,946,961,920
FXT1906245	64	8,975,033	23,368	27/8/2019	209,728,571,144
2019.05.31/HDMBNT/TPB -PLX	60	6,376,302	23,497	30/7/2019	149,823,968,094
953/HDNT-EIBHN/2019	92	6,200,530	23,298	23/7/2019	144,459,947,940
1013/HDNT-EIBHN/2019	91	14,000,000	23,390	26/7/2019	327,460,000,000
TECHCOMBANK260419	91	6,492,688	23,390	26/7/2019	151,863,972,320
1289/HDNT-EIBHN/2019	96	14,348,215	23,543	4/9/2019	337,800,025,745
1121/HDNT-EIBHN/2019	92	13,000,000	23,443	13/8/2019	304,759,000,000
TECHCOMBANK130519	92	6,997,360	23,443	13/8/2019	164,039,110,480
TECHCOMBANK310519	90	5,000,000	23,535	29/8/2019	117,675,000,000
FXT1905134	63	7,984,333	23,406	15/7/2019	186,881,298,198
2019.05.13/HDMBNT/TPB -PLX	63	7,000,000	23,406	15/7/2019	163,842,000,000
1202/HDNT-EIBHN/2019	57	8,000,000	23,475	16/7/2019	187,800,000,000
08-2019/MBNT-FW	56	8,000,000	23,468	16/7/2019	187,744,000,000
FXT1905222	55	8,408,221	23,470	16/7/2019	197,340,946,870
FXT1906147	59	14,878,898	23,406	12/8/2019	348,255,486,588
1625/HDNT-EIBHN/2019	59	6,000,000	23,406	12/8/2019	140,436,000,000
					<hr/>
					3,598,934,623,856
					<hr/>



**Vietnam National Petroleum Group****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***30. Financial income**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits and loans	305,007,979,954	314,774,793,313
Profit from disposal of subsidiaries	9,120,858,741	16,350,216,892
Dividends or profits received	10,475,952,700	10,318,441,000
Realised foreign exchange gains	80,823,153,611	47,349,233,706
Unrealised foreign exchange gains	612,438,592	3,281,747,153
Interest from credit sales	1,971,676,291	3,228,053,157
Other financial income	4,572,690,466	-
	<hr/>	<hr/>
	412,584,750,355	395,302,485,221
	<hr/>	<hr/>

**31. Financial expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Interest expense	423,856,579,212	410,931,417,135
Realized foreign exchange losses	95,202,043,968	127,301,800,288
Unrealized foreign exchange losses	14,228,083,721	102,421,790,265
Interest from credit sales, payment discounts	561,702,803	1,353,912,908
Movements in allowance for short-term and long-term investments	(11,667,321,574)	13,288,139,698
Other financial expenses	17,223,052,332	818,881,290
	<hr/>	<hr/>
	539,404,140,462	656,115,941,584
	<hr/>	<hr/>

**Vietnam National Petroleum Group****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***32. Share of profit in associates and joint ventures**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
<i>Joint venture:</i>		
Castrol BP PETCO Vietnam Company Limited	253,773,800,342	254,142,599,131
<i>Associates:</i>		
Petrolimex Group Commercial Joint Stock Bank	20,025,431,447	31,559,243,959
Petrolimex Joint Stock Insurance Corporation	33,469,479,852	30,414,133,562
Dong Nai Petroleum Material and Fuel Joint Stock Company	1,756,813,883	1,724,716,499
Kien Giang Trade and Tourism Company Limited	8,308,675,290	14,087,409,469
Petrolimex Group Construction and Trading Corporation – Joint Stock Company	9,637,994,850	-
Other associates	659,194,437	3,589,427,871
	<hr/> 327,631,390,101	<hr/> 335,517,530,491 <hr/>

**33. Selling expenses**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Labour costs and staff costs	1,556,445,216,266	1,551,778,884,512
Materials and packaging expenses	37,676,438,221	69,816,887,306
Tools and supplies	64,214,247,471	60,400,322,798
Depreciation and amortisation	367,572,902,071	368,396,742,069
Other cash expenses	2,242,247,061,299	2,111,887,920,810
	<hr/> 4,268,155,865,328	<hr/> 4,162,280,757,495 <hr/>

**Vietnam National Petroleum Group**

**Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)**

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**34. Production and business costs by element**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
Raw material costs	1,542,100,419,031	1,688,951,614,152
Labour costs and staff costs	2,304,819,505,274	2,250,637,014,178
Depreciation and amortisation	1,015,608,374,152	1,038,343,026,128
Outside services	3,059,051,514,851	2,634,882,136,915
Other expenses	1,309,172,631,670	947,088,838,139

**35. Income tax**

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
	<b>Restated – Note 39</b>	
Petroleum trading	474,870,425,926	435,019,982,209
Petrochemical products	24,011,741,915	22,568,897,001
Gas products	19,630,568,729	22,133,097,242
Transportation services	32,234,964,803	42,760,527,810
Other goods and services	4,840,505,291	6,163,412,274
	<b>555,588,206,664</b>	<b>528,645,916,536</b>

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
	<b>Restated – Note 39</b>	
<b>Current tax expense</b>		
Current period	542,295,229,012	524,671,787,193
Under provision in prior years	83,597,399	1,797,558,426
	<b>542,378,826,411</b>	<b>526,469,345,619</b>
<b>Deferred tax expense</b>		
Reversal of temporary differences	13,209,380,253	2,176,570,917
	<b>555,588,206,664</b>	<b>528,645,916,536</b>

**Vietnam National Petroleum Group****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***(c) Reconciliation of effective tax rate**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>VND</b>	<b>VND</b>
	<b>Restated – Note 39</b>	
Accounting profit before tax	3,191,475,760,733	2,822,459,004,209
Tax at the Parent Company's tax rate	638,295,152,147	564,491,800,841
Effect of different tax rates applicable to subsidiaries	(17,117,335,916)	(11,015,277,253)
Non-deductible expenses	7,149,251,024	3,872,693,737
Deferred tax assets not recognised	9,653,112,074	48,843,835,243
Tax exempt income	(67,621,468,560)	(69,167,194,298)
Movements in deductible temporary differences not recognised in prior years	(30,053,268,602)	-
Under provision in prior years	83,597,399	1,797,558,426
Tax losses utilised for which no deferred tax assets were recognised previously	-	(11,258,315,300)
Reversal of temporary differences recognised in prior years	15,056,334,613	-
Other movements	142,832,485	1,080,815,140
	<b>555,588,206,664</b>	<b>528,645,916,536</b>

**(d) Applicable tax rates**

Under the terms of the current Law on Corporate Income Tax, the tax rate applicable to the Parent Company and its subsidiaries is 20%, except for Petrolimex Singapore Pte. Ltd and Van Phong Bonded Petroleum Terminal Joint Venture Company Limited whose applicable tax rate is 10%.

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

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**36. Earnings per share**

The calculation of basic earnings per share for the six-month period ended 30 June 2019 was based on the profit attributable to ordinary shareholders after deducting the estimated amounts to be appropriated to bonus and welfare fund for the six-month period ended 30 June 2019 and a weighted average number of ordinary shares outstanding, calculated as follows:

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

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
Issued ordinary shares at the beginning of the period	1,158,813,235	1,158,813,235
Effect of issuance of treasury shares during the period	7,200,000	-
Weighted average number of ordinary shares during the period	1,166,013,235	1,158,813,235

**(ii) Basic earnings per share**

	<b>Six-month period ended</b>	
	<b>30/6/2019</b>	<b>30/6/2018</b>
	<b>Restated – Note 39</b>	
Consolidated net profit attributable to ordinary shareholders (VND)	2,381,719,628,199	2,076,696,336,645
Estimated amount to be appropriated to bonus and welfare fund (VND) (*)	(283,596,685,337)	-
	2,098,122,942,862	2,076,696,336,645
Weighted average number of ordinary shares during the period (number of shares)	1,166,013,235	1,158,813,235
Basic earnings per share (VND)	1,799	1,792

- (\*) As at 30 June 2018, the Group did not estimate the amount to be appropriated to bonus and welfare fund for 2018. Had the Group made adjustment to decrease the consolidated net profit attributable to ordinary shareholders for the six-month period ended 30 June 2018 by the amount equal to 1/2 of the appropriation to bonus and welfare fund for 2018 made in 2019 amounting to VND197,855 million, basic earnings per share for the six-month period ended 30 June 2018 would have decreased by VND171.

**Vietnam National Petroleum Group****Notes to the consolidated interim financial statements for the six-month period ended 30 June 2019 (continued)****Form B 09a – DN/HN***(Issued under Circular No. 202/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance)***37. Significant transactions with related parties**

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

	Transaction value	
	30/6/2019	30/6/2018
	VND	VND
<b>Associates, joint ventures</b>		
<i>Castrol BP PETCO Co. Ltd.</i>		
Dividends received	341,170,161,436	198,854,084,406
Purchase of goods	12,677,497,165	20,276,358,891
<i>Petrolimex Group Commercial Joint Stock Bank</i>		
Purchase of foreign currencies	1,667,532,734,469	16,241,132,778,206
Interest income from deposits	80,360,025,628	69,917,654,552
Receipt of management and warranty fees	7,484,221,843	7,356,543,809
Short-term and long-term loans	2,330,277,882,468	2,604,465,141,188
Interest expense	41,648,711,474	29,523,737,190
<i>Petrolimex Joint Stock Insurance Corporation</i>		
Purchases of services	246,314,859,924	241,587,096,084
Dividends received	-	43,593,984,000
<b>Board of Management and Supervisory Board</b>		
Remuneration and other benefits	8,214,811,033	9,396,145,718
<b>Board of General Directors</b>		
Salaries, bonuses and other benefits	6,568,124,814	7,280,210,574

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**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

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**38. Corresponding figures**

Corresponding figures as at 1 January 2019 in the consolidated balance sheet as at 30 June 2019 were derived from the balances and amounts reported in the Company's consolidated balance sheet as at 31 December 2018 and related notes thereto. Corresponding figures in the consolidated statements of income and the consolidated statement of cash flows for the six-month period ended 30 June 2019 were based on balances and amounts reported in the Company's consolidated statements of income and the consolidated statement of cash flows for the six-month period ended 30 June 2018 and related notes thereto.

**39. Reissuance of the consolidated interim financial statements**

On 29 August 2019, the Group's Board of General Directors authorised the issuance of the consolidated interim financial statements for the six-month period ended 30 June 2019 on which the Auditor issued a qualified review conclusion in the review report No. 19-02-00109-19-2 on the same date.

In order to correct the errors in the consolidated financial statements on which the auditors issued a qualified review conclusion in the review report No. 19-02-00109-19-2, the Group's Board of General Directors decided to restate certain related accounts and reissue the consolidated interim financial statements for the six-month period ended 30 June 2019.

The table below presents a comparison of the current period's figures between before and after being adjusted:

**(a) Consolidated balance sheet**

	Code	30/6/2019		
		As previously reported VND	Adjustment VND	As restated VND
Allowance for inventories	149	(256,359,813,888)	135,000,000,000	(121,359,813,888)
Taxes and others payable to State Treasury	313	2,911,331,248,409	27,000,000,000	2,938,331,248,409
Lợi nhuận sau thuế chưa phân phối	421	2,965,071,172,879	63,720,000,000	3,028,791,172,879
- Retained profit for the current period/year	421b	2,317,999,628,199	63,720,000,000	2,381,719,628,199
Non-controlling interest	429	2,668,273,520,651	44,280,000,000	2,712,553,520,651

**Vietnam National Petroleum Group**  
**Notes to the consolidated interim financial statements for the six-month period ended**  
**30 June 2019 (continued)**

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*(Issued under Circular No. 202/2014/TT-BTC*  
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**(b) Consolidated statement of income**

<b>Six-month period ended 30/6/2019</b>				
	<b>Code</b>	<b>As previously reported VND</b>	<b>Adjustment VND</b>	<b>As restated VND</b>
Cost of sales	11	84,340,839,626,369	(135,000,000,000)	84,205,839,626,369
Accounting profit before tax	50	3,056,475,760,733	135,000,000,000	3,191,475,760,733
Income tax expense – current	51	515,378,826,411	27,000,000,000	542,378,826,411
Net profit after tax	60	2,527,887,554,069	108,000,000,000	2,635,887,554,069
<b>Attributable to:</b>				
Equity holders of the Parent Company	61	2,317,999,628,199	63,720,000,000	2,381,719,628,199
Non-controlling interest	62	209,887,925,870	44,280,000,000	254,167,925,870
<b>Earnings per share</b>				
Basic earnings per share	70	1,754	45	1,799

**(c) Consolidated statement of cash flows**

<b>Six-month period ended 30/6/2019</b>				
	<b>Code</b>	<b>As previously reported VND</b>	<b>Adjustment VND</b>	<b>As restated VND</b>
Accounting profit before tax	01	3,056,475,760,733	135,000,000,000	3,191,475,760,733
Allowances and provisions	03	(336,881,689,555)	(135,000,000,000)	(471,881,689,555)

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:

Approved by:

Ngo My Nhung  
*Accountant*

Nguyen Ba Tung  
*Chief Accountant*

Luu Van Tuyen  
*Deputy General Director*



**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2019**

	Code	30/6/2019 USD Restated	1/1/2019 USD
<b>ASSETS</b>			
<b>Current assets</b> (100 = 110 + 120 + 130 + 140 + 150)	<b>100</b>	<b>1,600,813,145</b>	<b>1,488,509,513</b>
<b>Cash and cash equivalents</b>	<b>110</b>	<b>416,399,300</b>	<b>439,984,311</b>
Cash	111	149,401,030	178,786,683
Cash equivalents	112	266,998,270	261,197,628
<b>Short-term financial investments</b>	<b>120</b>	<b>244,612,567</b>	<b>202,944,782</b>
Trading securities	121	580,880	226,270
Allowance for diminution in the value of trading securities	122	(127,920)	(123,044)
Held-to-maturity investments	123	244,159,607	202,841,556
<b>Accounts receivable – short-term</b>	<b>130</b>	<b>387,765,490</b>	<b>321,076,241</b>
Accounts receivable from customers	131	358,927,342	301,587,263
Prepayments to suppliers	132	23,645,270	14,860,403
Other receivables	136	23,211,206	22,267,094
Allowance for doubtful debts	137	(18,106,374)	(17,703,837)
Shortage of assets awaiting resolution	139	88,046	65,318
<b>Inventories</b>	<b>140</b>	<b>474,494,286</b>	<b>443,172,370</b>
Inventories	141	479,718,557	468,598,976
Allowance for inventories	149	(5,224,271)	(25,426,606)
<b>Other current assets</b>	<b>150</b>	<b>77,541,502</b>	<b>81,331,809</b>
Short-term prepaid expenses	151	7,668,820	9,220,435
Deductible value added tax	152	27,527,846	14,121,426
Taxes and others receivable from State Treasury	153	41,363,310	57,019,190
Other current assets	155	981,526	970,758

**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2019 (continued)**

	Code	30/6/2019 USD	1/1/2019 USD
<b>Long-term assets (200 = 210 + 220 + 230 + 240 + 250 + 260)</b>	<b>200</b>	<b>922,022,532</b>	<b>929,535,392</b>
<b>Accounts receivable – long-term</b>	<b>210</b>	<b>956,014</b>	<b>888,705</b>
Accounts receivable from customers – long-term	211	28,147	32,890
Other long-term receivables	216	2,247,770	1,673,695
Allowance for doubtful long-term debts	219	(1,319,903)	(817,880)
<b>Fixed assets</b>	<b>220</b>	<b>649,172,425</b>	<b>650,932,700</b>
Tangible fixed assets	221	560,853,439	563,411,390
Cost	222	1,347,882,339	1,315,101,807
Accumulated depreciation	223	(787,028,900)	(751,690,417)
Intangible fixed assets	227	88,318,986	87,521,310
Cost	228	116,048,863	114,207,874
Accumulated amortisation	229	(27,729,877)	(26,686,564)
<b>Investment property</b>	<b>230</b>	<b>8,274,788</b>	<b>8,582,833</b>
Cost	231	11,492,573	11,604,476
Accumulated depreciation	232	(3,217,785)	(3,021,643)
<b>Long-term work in progress</b>	<b>240</b>	<b>36,805,435</b>	<b>37,667,387</b>
Construction in progress	242	36,805,435	37,667,387
<b>Long-term financial investments</b>	<b>250</b>	<b>131,121,802</b>	<b>134,124,885</b>
Investments in associates, joint-ventures	252	122,548,572	126,449,749
Equity investments in other entities	253	13,074,009	12,962,855
Allowance for diminution in the value of long-term financial investments	254	(4,909,733)	(5,416,862)
Held-to-maturity investments	255	408,954	129,143
<b>Other long-term assets</b>	<b>260</b>	<b>95,692,068</b>	<b>97,338,882</b>
Long-term prepaid expenses	261	94,374,232	96,140,977
Deferred tax assets	262	1,176,676	1,057,643
Long-term tools, supplies and spare parts	263	952	952
Other long-term assets	268	140,208	139,310
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>	<b>2,522,835,677</b>	<b>2,418,044,905</b>

**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2019 (continued)**

	Code	30/6/2019 USD Restated	1/1/2019 USD
<b>RESOURCES</b>			
<b>LIABILITIES (300 = 310 + 330)</b>	<b>300</b>	<b>1,548,574,269</b>	<b>1,428,622,475</b>
<b>Current liabilities</b>	<b>310</b>	<b>1,477,291,923</b>	<b>1,359,256,367</b>
Accounts payable to suppliers	311	565,836,111	537,657,758
Advances from customers	312	9,679,382	5,193,465
Taxes and others payable to State Treasury	313	126,488,646	81,196,184
Payables to employees	314	28,258,526	36,479,101
Accrued expenses	315	20,970,189	13,748,790
Unearned revenue – short-term	318	194,657	304,213
Other payables – short-term	319	150,395,151	10,141,775
Short-term borrowings	320	546,195,142	575,009,984
Provisions – short-term	321	3,732,716	2,779,941
Bonus and welfare fund	322	23,236,784	13,640,492
Petroleum price stabilisation fund	323	2,304,619	83,104,664
<b>Long-term liabilities</b>	<b>330</b>	<b>71,282,346</b>	<b>69,366,108</b>
Long-term advances from customers	332	600,648	490,618
Long-term unearned revenue	336	36,268	40,113
Other payables – long-term	337	6,384,330	6,877,188
Long-term borrowings	338	61,740,636	58,130,480
Deferred tax liabilities	341	494,635	335,673
Provisions – long-term	342	2,025,829	3,492,036

**Vietnam National Petroleum Group**  
**Appendix 1: Converted consolidated balance sheet as at 30 June 2019 (continued)**

	Code	30/6/2019 USD Restated	1/1/2019 USD
<b>EQUITY (400 = 410)</b>	<b>400</b>	<b>974,261,408</b>	<b>989,422,430</b>
<b>Owners' equity</b>	<b>410</b>	<b>974,261,408</b>	<b>989,422,430</b>
Share capital	411	556,985,829	556,985,829
- <i>Ordinary shares with voting rights</i>	<i>411a</i>	556,985,829	556,985,829
Share premium	412	122,259,547	96,728,263
Other capital	414	47,305,279	47,085,397
Treasury shares	415	(52,976,688)	(58,142,422)
Differences upon asset revaluation	416	(55,735,063)	(55,735,063)
Foreign exchange differences	417	669,990	526,998
Investment and development fund	418	51,049,002	41,805,302
Other equity funds	420	57,551,351	57,556,710
Retained profits	421	130,382,745	184,701,702
- <i>Retained profits brought forward</i>	<i>421a</i>	27,854,995	184,701,702
- <i>Retained profit for the current period/year</i>	<i>421b</i>	102,527,750	-
Non-controlling interest	429	116,769,416	117,909,714
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>	<b>2,522,835,677</b>	<b>2,418,044,905</b>

The converted consolidated balance sheet as at 30 June 2019, including amounts presented for the corresponding figures, has been translated from the reviewed consolidated balance sheet as at 30 June 2019 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND23,230 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted consolidated balance sheet as at 30 June 2019 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted consolidated balance sheet should be read in conjunction with the reviewed consolidated balance sheet in VND.

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:

Approved by:

Ngo My Nhung  
Accountant

Nguyen Ba Tung  
Chief Accountant

Luu Van Tuyen  
Deputy General Director

**Vietnam National Petroleum Group**

**Appendix 2: Converted consolidated statement of income for the six-month period ended 30 June 2019**

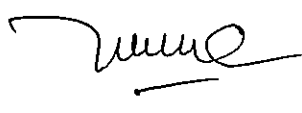
	Code	Six-month period ended	
		30/6/2019 USD Restated	30/6/2018 USD
<b>Revenue from sales of goods and provision of services</b>	<b>01</b>	<b>3,946,817,015</b>	<b>4,160,814,408</b>
<b>Revenue deductions</b>	<b>02</b>	<b>967,110</b>	<b>1,081,164</b>
<b>Net revenue (10 = 01 - 02)</b>	<b>10</b>	<b>3,945,849,905</b>	<b>4,159,733,244</b>
<b>Cost of sales</b>	<b>11</b>	<b>3,624,874,715</b>	<b>3,847,913,763</b>
<b>Gross profit (20 = 10 - 11)</b>	<b>20</b>	<b>320,975,190</b>	<b>311,819,481</b>
Financial income	21	17,760,859	17,016,896
Financial expenses	22	23,220,152	28,244,337
<i>In which: Interest expense</i>	23	<i>18,246,086</i>	<i>17,689,686</i>
Share of profit in associates and joint ventures	24	14,103,805	14,443,286
Selling expenses	25	183,734,648	179,176,959
General and administration expenses	26	12,201,217	13,542,233
<b>Net operating profit</b> <b>{30 = 20 + (21 - 22) + 24 - (25 + 26)}</b>	<b>30</b>	<b>133,683,837</b>	<b>122,316,134</b>
Other income	31	4,470,280	2,833,672
Other expenses	32	768,160	3,649,204
<b>Results of other activities</b> <b>(40 = 31 - 32)</b>	<b>40</b>	<b>3,702,120</b>	<b>(815,532)</b>
<b>Accounting profit before tax</b> <b>(50 = 30 + 40)</b>	<b>50</b>	<b>137,385,957</b>	<b>121,500,602</b>
<b>Income tax expense – current</b>	<b>51</b>	<b>23,348,205</b>	<b>22,663,338</b>
<b>Income tax expense – deferred</b>	<b>52</b>	<b>568,635</b>	<b>93,697</b>
<b>Net profit after tax</b> <b>(60 = 50 - 51 - 52)</b> <b>(to be repeated in next page)</b>	<b>60</b>	<b>113,469,117</b>	<b>98,743,567</b>


**Vietnam National Petroleum Group**  
**Appendix 2: Converted consolidated statement of income for the six-month period**  
**ended 30 June 2019 (continued)**


	Code	Six-month period ended	
		30/6/2019 USD Restated	30/6/2018 USD
<b>Net profit after tax</b> (60 = 50 - 51 - 52) (repeated from previous page)	60	113,469,117	98,743,567
<b>Attributable to:</b>			
Equity holders of the Parent Company	61	102,527,750	89,397,172
Non-controlling interest	62	10,941,367	9,346,395
<b>Earnings per share</b>			
Basic earnings per share	70	0.0774	0.0771


The converted consolidated statement of income for the six-month period ended 30 June 2019, including amounts presented for the corresponding figures, has been translated from the reviewed consolidated statement of income for the six-month period ended 30 June 2019 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND23,230 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted consolidated statement of income for the six-month period ended 30 June 2019 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted consolidated statement of income should be read in conjunction with the reviewed consolidated statement of income in VND.

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:  
  
 Ngo My Nhung  
 Accountant

Approved by:  
  
 Nguyen Ba Tung  
 Chief Accountant

  
 Tran Van Tuyen  
 Deputy General Director



**Vietnam National Petroleum Group**  
**Appendix 3: Converted consolidated statement of cash flows for the six-month period**  
**ended 30 June 2019 (Indirect method)**

	Code	Six-month period ended	
		30/6/2019 USD Restated	30/6/2018 USD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Accounting profit before tax</b>	<b>01</b>	<b>137,385,957</b>	<b>121,500,602</b>
<b>Adjustments for</b>			
Depreciation and amortisation	02	43,719,689	44,698,365
Allowances and provisions	03	(20,313,461)	2,589,118
Exchange losses arising from revaluation of monetary items denominated in foreign currencies	04	586,123	4,267,759
Profits from investing activities	05	(28,242,333)	(27,184,433)
Interest expense	06	18,246,086	17,689,686
Other adjustments (Movement in petroleum price stabilisation fund)	07	(80,916,670)	(33,454,668)
<b>Operating profit before changes in working capital</b>	<b>08</b>	<b>70,465,391</b>	<b>130,106,429</b>
Change in receivables	09	(80,019,248)	(89,223,946)
Change in inventories	10	(11,119,580)	(147,962,593)
Change in payables and other liabilities	11	102,129,285	195,294,894
Change in prepaid expenses	12	7,346,008	5,019,684
Change in trading securities	13	-	(125,108)
		<b>88,801,856</b>	<b>93,109,360</b>
Interest paid	14	(18,246,086)	(17,477,524)
Income tax paid	15	(21,974,422)	(18,487,101)
Other receipts from operating activities	16	116,627	298,382
Other payments for operating activities	17	(8,513,249)	(7,311,417)
<b>Net cash flows from operating activities</b>	<b>20</b>	<b>40,184,726</b>	<b>50,131,700</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for additions to fixed assets and other long-term assets	21	(49,078,633)	(43,638,218)
Proceeds from disposals of fixed assets and other long-term assets	22	1,944,441	1,504,225
Payments for granting loans, purchase of debt instruments of other entities	23	(287,668,790)	(206,241,929)
Receipts from collecting loans, sales of debt instruments of other entities	24	246,070,929	72,211,735
Payments for investments in other entities	25	(399,584)	-
Collections on investments in other entities	26	691,806	4,096,255
Receipts of interests, dividends and shares of profits	27	28,115,845	26,087,865
<b>Net cash flows from investing activities</b>	<b>30</b>	<b>(60,323,986)</b>	<b>(145,980,067)</b>

**Vietnam National Petroleum Group**

**Appendix 3: Converted consolidated statement of cash flows for the six-month period ended 30 June 2019 (Indirect method- continued)**

	Code	Six-month period ended	
		30/6/2019 USD	30/6/2018 USD
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from capital contributed by owners, transfer of treasury shares	31	31,203,097	-
Proceeds from borrowings	33	1,546,545,628	2,503,150,664
Payments to settle loan principals	34	(1,573,042,812)	(2,451,876,978)
Payments of dividends	36	(8,359,065)	(7,730,678)
<b>Net cash flows from financing activities</b>	<b>40</b>	<b>(3,653,152)</b>	<b>43,543,008</b>
<b>Net cash flows during the period (50 = 20 + 30 + 40)</b>	<b>50</b>	<b>(23,792,412)</b>	<b>(52,305,359)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>439,984,311</b>	<b>612,286,763</b>
<b>Effect of exchange rate fluctuations on cash and cash equivalents</b>	<b>61</b>	<b>207,401</b>	<b>182,696</b>
<b>Cash and cash equivalents at the end of the period (70 = 50 + 60 + 61)</b>	<b>70</b>	<b>416,399,300</b>	<b>560,164,100</b>

The converted consolidated statement of cash flows for the six-month period ended 30 June 2019, including amounts presented for the corresponding figures, has been translated from the reviewed consolidated statement of cash flows for the six-month period ended 30 June 2019 expressed in VND at the foreign currency transfer rate ruling at the reporting date as quoted by the Joint Stock Commercial Bank for Foreign Trade of Vietnam of VND23,230 for USD1. This method of translation does not comply with Vietnamese Accounting Standard No. 10 – “The Effect of Changes in Foreign Exchange Rates” and accordingly, the converted consolidated statement of cash flows for the six-month period ended 30 June 2019 is not intended to be a presentation in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant regulatory requirements applicable to interim financial reporting. The converted consolidated statement of cash flows should be read in conjunction with the reviewed consolidated statement of cash flows in VND.

29 August 2019, except for the effects of the adjustments described in Note 39 for which the date is 10 October 2019

Prepared by:

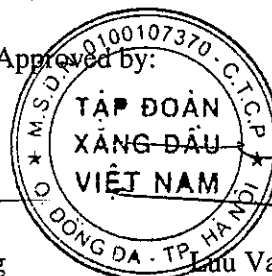


Ngo My Nhung  
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Nguyen Ba Tung  
Chief Accountant




Lau Van Tuyen  
Deputy General Director