

**VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER
LIMITED COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED FINANCIAL
STATEMENTS**

For the year ended 31 December 2015

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PetroVietnam Oil Corporation - One Member Limited Company (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2015.

THE MEMBERS' COUNCIL AND BOARD OF DIRECTORS

The members of the Members' Council and Board of Directors of the Corporation who held office during the year and to the date of this report are as follows:

Members' Council

Mr. Nguyen Hoang Tuan	Chairman
Mr. Cao Hoai Duong	Member (signed on 29 December 2015)
Mr. Doan Van Nhuom	Member (resigned on 29 December 2015)
Mr. Nguyen Huu Thanh	Member
Mr. Vo Tan Phong	Member (resigned on 01 June 2015)
Mr. Nguyen Xuan Quyen	Member

Board of Directors

Mr. Cao Hoai Duong	General Director (signed on 29 December 2015)
Mr. Doan Van Nhuom	General Director (resigned on 29 December 2015)
Mr. Trinh Kim Nhac	Deputy General Director
Mr. Pham Thanh Vinh	Deputy General Director
Mr. Le Xuan Trinh	Deputy General Director
Mr. Vo Khanh Hung	Deputy General Director
Ms. Pham Thi Loi	Deputy General Director
Mr. Vu Hoai Lam	Deputy General Director
Mr. Nguyen Tuan Tu	Deputy General Director
Mr. Nguyen Anh Toan	Deputy General Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Company and of its consolidated results and consolidated cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these consolidated financial statements, the Board of Directors is required to:

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

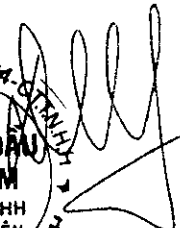

STATEMENT OF THE BOARD OF DIRECTORS (Continued)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)

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

The Board of Directors confirms that the Company has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Directors,



Cao Hoa Duong
General Director

The circular stamp contains the following text: SBKKD: 0305/95084, TÔNG CÔNG TY DẦU VIỆT NAM, CÔNG TY TNHH MỘT THÀNH VIÊN, QUẬN 1, TP. HỒ CHÍ MINH.

21 March 2016



INDEPENDENT AUDITORS' REPORT

**To: The Board of Directors of Vietnam Oil and Gas Group
The Board of Directors of PetroVietnam Oil Corporation - One Member Limited Company**

We have audited the accompanying consolidated financial statements of PetroVietnam Oil Corporation - One Member Limited Company (the "Corporation") prepared on 21 March 2016 as set out from page 05 to page 66 which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As stated in Note 09 of the Notes to the consolidated financial statements, the Corporation recognized an amount of VND 169,785,513,359 as other receivable from Vietnam Oil and Gas Group related to an accumulated loss as at 18 May 2011 when Petec Trading and Investment Corporation ("PETEC" – a subsidiary of the Corporation) was officially transformed into a joint stock company. Such receivable arose from the determination of the state capital portion at PETEC as at 18 May 2011 but without the approval of Vietnam Oil and Gas Group and competent authorities for the finalized amount. Therefore, we were unable to obtain sufficient information on the finalized amount and any difference between the finalized amount and the amount recognized in such other receivable. Accordingly, we were unable to determine whether it is necessary to adjust such amount.

INDEPENDENT AUDITORS' REPORT (Continued)

Qualified Opinion

In our opinion, except for necessary adjustments due to the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Emphasis of Matters

As disclosed in Note 01 of the Notes to the consolidated financial statements, as at 31 December 2015, the Corporation's equity investment in PETEC recognized and presented in its separate financial statements exceeded the capital amount recorded and accounted for by PETEC by VND 111,225,298,544. The Board of Directors believes that such difference will be cleared when PETEC has completed the procedures for equitization finalization. Accordingly, the Board of Directors decided to increase the charter capital of this subsidiary to eliminate the difference before performing consolidation of the Corporation's financial statements.

As disclosed in Note 12 of the Notes to the consolidated financial statements, PETEC has ceased allocating long-term prepayments related to the value of geographical location advantages arising from the equitization since 2014 and has been working with local tax authorities and competent authorities to consider applying regulations of Decree No. 189/2013/ND-CP dated 20 November 2013 amending and supplementing a number of Decree No. 59/2011/ND-CP of the Government dated 18 July 2011 on the transformation of wholly State-owned enterprises into joint stock companies and Circular No. 127/2014/TT-BTC dated 5 September 2014 issued by the Ministry of Finance.


Our opinion is not qualified in respect of these matters.



Khue Thi Lan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0036-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

21 March 2016
Hanoi, S.R Vietnam


Tran Quang Huy
Auditor
Audit Practising Registration Certificate
No. 1675-2013-001-1

VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY

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

Consolidated financial statements
 For the year ended 31 December 2015

CONSOLIDATED BALANCE SHEET

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014 (Restated)
A. CURRENT ASSETS	100		14,108,376,831,063	17,022,440,075,493
I. Cash and cash equivalents	110	6	6,304,307,760,210	5,249,113,998,649
1. Cash	111		2,886,311,663,211	4,436,386,654,209
2. Cash equivalents	112		3,417,996,096,999	812,727,344,440
II. Short-term financial investments	120	7	18,714,431,466	974,319,450,894
1. Held-to-maturity investments	121		25,413,618,704	25,580,554,632
2. Provision for impairment of trading securities	122		(8,518,187,238)	(6,261,103,738)
3. Held-to-maturity investments	123		1,819,000,000	955,000,000,000
III. Short-term receivables	130		5,382,214,257,632	7,940,726,807,512
1. Short-term trade receivables	131	8	2,742,250,261,078	3,963,115,880,502
2. Short-term advances to suppliers	132		79,227,108,128	197,628,821,556
3. Other short-term receivables	136	9	3,407,433,683,910	4,650,809,578,406
4. Provision for short-term doubtful debts	137		(848,447,875,677)	(872,212,156,768)
5. Deficits in assets awaiting solution	139		1,751,080,193	1,384,683,816
IV. Inventories	140	11	2,213,202,779,207	2,671,403,022,071
1. Inventories	141		2,382,514,687,451	3,226,940,286,142
2. Provision for devaluation of inventories	149		(169,311,908,244)	(555,537,264,071)
V. Other short-term assets	150		189,937,602,548	186,876,796,367
1. Short-term prepayments	151	12	26,946,365,143	21,154,385,378
2. Value added tax deductibles	152	13	104,992,769,997	95,660,013,162
3. Taxes and other receivables from the State budget	153	14	57,998,467,408	70,062,397,827

The notes set out on pages 12 to 66 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014 (Restated)
B. NON-CURRENT ASSETS	200		6,336,781,298,375	6,639,962,445,783
I. Long-term receivables	210		12,651,814,556	3,823,348,970
1. Long-term trade receivables	211	8	31,686,215,069	-
2. Long-term advances to suppliers	212		578,437,041	-
3. Other long-term receivables	216	9	5,619,646,985	3,823,348,970
4. Provision for long-term doubtful debts	219		(25,232,484,539)	-
II. Fixed assets	220		4,021,700,512,868	4,120,745,723,677
1. Tangible fixed assets	221	15	2,570,298,469,080	2,697,232,791,120
- Cost	222		5,113,208,478,761	4,948,598,671,790
- Accumulated depreciation	223		(2,542,910,009,681)	(2,251,365,880,670)
2. Financial lease assets	224	16	1,856,713,154	1,274,945,845
- Cost	225		2,318,637,273	1,395,886,364
- Accumulated amortisation	226		(461,924,119)	(120,940,519)
3. Intangible assets	227	17	1,449,545,330,634	1,422,237,986,712
- Cost	228		1,575,879,043,148	1,521,940,222,558
- Accumulated amortisation	229		(126,333,712,514)	(99,702,235,846)
III. Investment property	230	18	113,719,797,724	13,926,806,332
- Cost	231		123,856,825,010	21,937,998,866
- Accumulated depreciation	232		(10,137,027,286)	(8,011,192,534)
IV. Long-term assets in progress	240		218,828,977,625	363,195,300,605
1. Construction in progress	242	19	218,828,977,625	363,195,300,605
V. Long-term financial investments	250		1,136,889,773,344	1,244,240,416,150
1. Investments in joint-ventures, associates	252	20	962,887,995,062	1,069,198,665,593
2. Equity investments in other entities	253	21	198,198,836,282	211,273,874,227
3. Provision for impairment of long-term financial investments	254	21	(24,197,058,000)	(36,232,123,670)
VI. Other long-term assets	260		832,990,422,258	894,030,850,049
1. Long-term prepayments	261	12	704,651,261,850	741,834,410,353
2. Goodwills	269	22	128,339,160,408	152,196,439,696
TOTAL ASSETS (270=100+200)	270		20,445,158,129,438	23,662,402,521,276

The notes set out on pages 12 to 66 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014 (Restated)
C. LIABILITIES	300		10,533,591,747,999	14,329,880,191,118
I. Current liabilities	310		10,116,183,230,488	13,924,926,707,599
1. Short-term trade payables	311	23	2,722,321,794,779	4,646,901,191,209
2. Short-term advances from customers	312		62,954,581,825	141,242,481,997
3. Taxes and amounts payable to the State budget	313	14	606,009,045,751	448,839,967,541
4. Payables to employees	314		138,101,549,651	160,234,313,741
5. Short-term accrued expenses	315	24	81,493,656,295	72,782,576,440
6. Short-term unearned revenue	318		415,845,284	20,532,853,621
7. Other current payables	319	25	3,722,019,002,261	5,551,483,574,103
8. Short-term loans and obligations under finance leases	320	26	2,437,903,650,636	2,407,775,593,431
9. Short-term provisions	321		837,860,706	-
10. Bonus and welfare funds	322		18,970,068,397	25,225,391,849
11. Price stabilization fund	323	27	325,156,174,903	449,908,763,667
II. Long-term liabilities	330		417,408,517,511	404,953,483,519
1. Long-term trade payables	331		1,307,118,414	-
2. Long-term unearned revenue	336		8,139,736,502	-
3. Other long-term payables	337		884,073,113	6,922,680,567
4. Long-term loans and obligations under finance leases	338	28	355,119,488,099	377,353,201,727
5. Deferred tax liabilities	341	29	51,958,101,383	20,677,601,225

The notes set out on pages 12 to 66 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014 (Restated)
D. EQUITY	400		9,911,566,381,439	9,332,522,330,158
I. Owner's equity	410		9,911,566,381,439	9,332,522,330,158
1. Owner's contributed capital	411	30	10,884,251,000,000	10,884,251,000,000
2. Other owner's capital	414	30	7,587,978,678	1,255,798,363
3. Treasury shares	415	30	(5,573,247,018)	-
4. Foreign exchange reserve	417	31	17,267,987,077	(2,012,440,574)
5. Investment and development fund	418	30	276,563,051,540	266,490,734,383
6. Enterprise reorganisation support fund	419	30	6,507,882,113	6,507,882,113
7. Other reserves	420	30	16,109,286,532	24,504,033,743
8. Accumulated losses	421	30	(2,371,483,590,127)	(2,935,040,517,009)
- (Losses) accumulated to the prior year end	421a	30	(2,976,763,131,194)	(1,560,645,378,544)
- Retained earnings/(losses) of the current year	421b	30	605,279,541,067	(1,374,395,138,465)
9. Construction investment fund	422	30	5,959,092,576	5,970,699,688
10. Non-controlling interests	429	32	1,074,376,940,068	1,080,595,139,451
TOTAL RESOURCES (440=300+400)	440		20,445,158,129,438	23,662,402,521,276



Cao Hoài Dương
 General Director

21 March 2016

Nguyen Dang Trinh
 Chief Accountant

Phung To Van
 Preparer

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

FORM B 02-DN/HN
 Unit: VND

ITEMS	Codes	Notes	2015	
				(Restated)
1. Gross revenue from goods sold and services rendered	01	35	50,986,654,348,414	66,394,813,353,735
2. Deductions	02	35	76,160,549,394	88,635,775,328
3. Net revenue from goods sold and services rendered (10=01-02)	10	35	50,910,493,799,020	66,306,177,578,407
4. Cost of sales	11	36	47,998,668,832,207	65,046,506,964,653
5. Gross profit from goods sold and services rendered (20=10-11)	20		2,911,824,966,813	1,259,670,613,754
6. Financial income	21	38	209,511,938,659	144,462,461,447
7. Financial expenses	22	39	231,478,248,199	351,892,504,733
- In which: Interest expense	23		102,250,065,502	265,328,621,627
8. Share of losses of joint venture and associates	24		(33,441,273,038)	(105,360,072,120)
9. Selling expenses	25	40	1,445,026,108,735	1,513,025,508,322
10. General and administration expenses	26	40	702,032,370,189	750,894,574,473
11. Operating profit/(loss) (30=20+(21-22) + 24 - (25+26))	30		709,358,905,311	(1,317,039,584,447)
12. Other income	31	41	122,948,490,929	210,852,518,954
13. Other expenses	32	41	43,168,036,080	94,255,174,039
14. Profit from other activities (40=31-32)	40	41	79,780,454,849	116,597,344,915
15. Accounting profit/(loss) before tax (50=30+40)	50		789,139,360,160	(1,200,442,239,532)
16. Current corporate income tax expense	51	42	76,193,701,823	71,818,656,654
17. Deferred corporate tax expense	52		38,693,506,195	99,742,358,232
18. Net profit/ (loss) after corporate income tax (60=50-51-52)	60		674,252,152,142	(1,372,003,254,418)
In which:				
Profit/(Loss) after tax attributable to Parent Company	61		618,054,009,929	(1,393,380,416,519)
Profit after tax attributable to non-controlling shareholders	62		56,198,142,213	21,377,162,101



Trần Hải Dương
 General Director

Nguyễn Đăng Trinh
 Chief Accountant

Phung To Van
 Preparer

21 March, 2016

The notes set out on pages 12 to 66 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2015

FORM B 03-DN/HN
Unit: VND

ITEMS	Codes	2015	2014
			(Restated)
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit/ (loss) before tax	01	789,139,360,160	(1,200,442,239,532)
2. Adjustments for:		(83,406,942,397)	1,235,433,740,217
- Depreciation and amortisation	02	376,143,899,257	381,102,208,249
- Provisions	03	(393,697,273,843)	706,352,955,316
- Foreign exchange loss arising from translating foreign currency items	04	12,903,467,616	751,588,730
- (Gain) from investing activities	05	(181,007,100,929)	(118,101,633,705)
- Interest expense	06	102,250,065,502	265,328,621,627
3. Operating profit before movements in working capital	08	705,732,417,763	34,991,500,685
- Decreases in receivables	09	3,622,112,726,883	8,876,379,405,545
- Decreases in inventories	10	872,388,071,316	3,636,588,768,823
- Decreases in payables (excluding accrued loan interest and corporate income tax payable)	11	(5,111,133,244,583)	(7,937,142,751,982)
- Decreases in prepaid expenses and other assets	12	19,875,827,666	72,617,142,858
- Interest paid	14	(102,781,967,529)	(270,757,307,810)
- Corporate income tax paid	15	(87,033,903,251)	(184,832,681,129)
- Other cash outflows	17	(6,255,323,452)	(9,456,628,120)
Net cash (used in)/generated by operating activities	20	(87,095,395,187)	4,218,387,448,870
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(42,627,659,667)	(280,543,018,508)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	2,100,267,454	190,507,714,087
3. Cash outflow for lending, buying debt instruments of other entities	23	-	(832,581,542,760)
4. Cash recovered from lending, selling debt instruments of other entities	24	986,745,089,533	898,107,450,930
5. Equity investments in other entities	25	-	(6,756,306,645)
6. Cash recovered from investments in other entities	26	18,042,304,000	6,339,923,475
7. Interest earned, dividends and profits received	27	161,478,815,755	98,246,796,009
Net cash generated by investing activities	30	1,125,738,817,075	73,321,016,588

The notes set out on pages 12 to 66 are an integral part of these consolidated financial statements

**VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY**

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

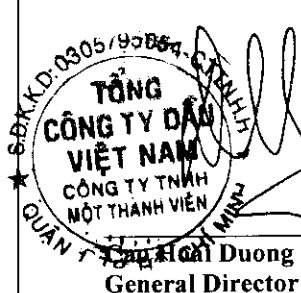
Consolidated financial statements
For the year ended 31 December 2015

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2015

FORM B 03-DN/HN
Unit: VND

ITEMS	Codes	2015	2014 (Restated)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	13,018,416,164,977	25,289,625,585,689
2. Repayment of borrowings	34	(12,988,007,127,222)	(29,692,743,238,681)
3. Repayment of obligations under finance leases	35	(229,799,700)	(258,800,000)
<i>Net cash generated from/(used in) financing activities</i>	40	30,179,238,055	(4,403,376,452,992)
Net increase/(decrease) in cash (50=20+30+40)	50	1,068,822,659,943	(111,667,987,534)
Cash and cash equivalents at the beginning of the year	60	5,249,113,998,649	5,356,416,593,105
Effects of changes in foreign exchange rates	61	(13,628,898,382)	4,365,393,078
Cash and cash equivalents at the end of the year (70=50+60+61)	70	6,304,307,760,210	5,249,113,998,649


 Ông Hoàng Dương
 General Director


 Nguyen Dang Trinh
 Chief Accountant


 Phung To Van
 Preparer

21 March, 2016

The notes set out on pages 12 to 66 are an integral part of these consolidated financial statements

**VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY**

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

Consolidated financial statements
For the year ended 31 December 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

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

1. GENERAL INFORMATION

Structure of ownership

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

The Corporation was granted Business Registration Certificate No. 4104005189 dated 26 June 2008 and the 16th amendment dated 16 January 2016. The Corporation officially started its operation from 01 July 2008 with the charter capital of VND 7,220,000,000,000. According to the 13th amended Business Registration Certificate dated 16 July 2013, the charter capital of the Corporation is VND 10,884,251,000,000.

The number of employees of the Corporation (excluding its subsidiaries) as at 31 December 2015 was 744 (as at 31 December 2014: 831).

Principal activities

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

Characteristics of the business activities in the financial year which have an effect on the consolidated financial statements

In the year, the Corporation merged its subsidiaries including Vinh Long Petroleum Joint Stock Company ("PV Oil Vinh Long") and An Giang Petroleum Joint Stock Company ("PV Oil An Giang") into Me Kong Petroleum Joint Stock Company ("PV Oil Mekong" – one subsidiary of the Corporation) as at 26 June 2015 using the stock swap method. Accordingly, PV Oil Vinh Long and PV Oil An Giang have terminated their operations since the date of the merger.

According to Resolution No. 59/NQ-DVN dated 21 July 2015 of the Members' Council of PetroVietnam Oil Corporation – One Member Limited Company approving the plan on increasing charter capital and decreasing the Corporation's ownership interest rate at PV Oil Ninh Binh Joint Stock Company ("PV Oil Ninh Binh"), in the year, the Corporation reduced its ownership interest rate at PV Oil Ninh Binh from 51% to 20.26%. Accordingly, the Corporation's investment in PV Oil Ninh Binh was classified as investment in associates after it no longer exercised control over PV Oil Ninh Binh.

According to Resolution No. 37/ND-DVN dated 8 May 2015 of the Members' Council of PetroVietnam Oil Corporation – One Member Limited Company approving the capital divestment of the Corporation from Binh Thuan Trading Joint Stock Company – an associate of the Corporation under the public auction method, the Corporation completed the capital divestment from Binh Thuan Trading Joint Stock Company in July 2015.

On 27 May 2015, the Members' Council of Vietnam Oil and Gas Group ("PVN") issued Decision No. 1197/QD-DKVN on the equitization of Vietnam Oil and Gas Group – One Member Limited Company, accordingly, the date of conducting enterprise valuation is 31 December 2015. Following this decision, the Corporation has been carrying out necessary procedures for the equitization as planned.

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1. GENERAL INFORMATION (Continued)

The Corporation's structure

The Company includes the parent company and 29 subsidiaries. Below is list of the subsidiaries:

Subsidiary	Location	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Me Kong Petroleum JSC	Can Tho	89.37%	89.37%	Build gas and oil depots. Manufacture and trade oil and gas related products, export and import petroleum related products
Vung Ang Petroleum JSC	Ha Tinh	56.50%	56.50%	Wholesale solid, liquid fuels and gas and relevant products. Store goods. Transport by interior waterway
PetroVietnam Oil Lube JSC (*)	Ho Chi Minh City	62.67%	62.67%	Exploit, manufacture, transport, wholesale and retail products related to petrol, oil, and gas
Thai Nguyen Petroleum JSC (*)	Thai Nguyen	51.00%	51.00%	Trade petrol and oil. Buy and sell gas. Trade through importing and exporting all types of metal ores, steel and iron for construction
Tra Vinh Petroleum JSC	Tra Vinh	96.27%	96.27%	Trade petrol and oil, and consuming goods
Bac Lieu Petroleum JSC	Bac Lieu	93.90%	96.09%	Wholesale food. Wholesale materials and others installation equipments for construction. Buy and sell
Binh Thuan Petroleum JSC	Binh Thuan	78.35%	79.68%	Wholesale solid, liquid and gas fuels. Wholesale materials, and other installation equipments for construction. Transport goods by road
Thanh Hoa Petroleum JSC	Thanh Hoa	56.86%	56.86%	Trade all types of petrol and oil; Do commercial business and commercial services; export and import; exploit and process mineral; and Real estate
Phu My Petroleum Processing and Manufacturing JSC	Vung Tau	67.64%	67.64%	Wholesale and retail petrol and oil and relevant products. Manufacture and process fuel and solven. Trade biofuels
Sai Gon Petroleum JSC	Ho Chi Minh City	66.05%	66.93%	Trade petrol and oil. Exploit raw oil. Provide supporting service of exploiting raw oil and natural gas. Produce basic chemicals
Vung Tau Petroleum JSC	Vung Tau	57.18%	57.18%	Wholesale and retail petrol and oil and relevant products. Produce and process fuels and solven. Trade biofuels
Ha Noi Petroleum JSC	Ha Noi	71.35%	71.35%	Trade petrol and oil and relevant products. Provide warehouse and port services. Transport goods
Thua Thien Hue Petroleum JSC	Thua Thien Hue	74.67%	74.67%	Wholesale oil and petrol and relevant products
Laos Petroleum Company Ltd	Laos	100.00%	100.00%	Wholesale oil and petrol and relevant products
Thai Binh Petroleum JSC (**)	Thai Binh	68.00%	68.00%	Wholesale solid and liquid fuels and gas, relevant products. Build all kinds of houses. Do other wholesale businesses such as mineral water,...
Nam Dinh Petroleum JSC	Nam Dinh	56,75%	56,75%	Trade petroleum products. Agents that trade petrol and oil. Trade biofuels.
Tay Ninh Petroleum JSC	Tay Ninh	78.62%	78.62%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by interior waterway

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1. GENERAL INFORMATION (Continued)

The Corporation's structure (Continued)

Subsidiary	Location	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
Cai Lan Petroleum JSC	Quang Ninh	80.19%	80.19%	Provide warehouse and storage services. Wholesale solid & liquid fuels and relevant products. Transport goods through waterway.
Quang Ninh Petroleum JSC (*)	Quang Ninh	58.60%	58.60%	Wholesale solid & liquid fuels and relevant products. Wholesale raw oil, gas and relevant products
Phu Yen Petroleum JSC	Phu Yen	67.13%	67.13%	Trade petrol and oil and other relevant products; trade gas. Transport goods
Phu Tho Petroleum JSC	Phu Tho	71.68%	71.68%	Wholesale solid & liquid fuels and relevant products. Transport products of oil and gas
Kien Giang Petroleum JSC	Kien Giang	86.96%	86.96%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by interior waterway
Singapore International Oil Trading Company Ltd (*)	Singapore	100.00%	100.00%	Trade raw oil and other international oil products. Participate in trading and providing raw oil in Vietnam
Central Petroleum JSC	Quang Ngai	71.43%	71.43%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by interior waterway
Hai Phong Petroleum JSC	Hai Phong	72.00%	72.00%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by interior waterway
Viet Nam Petroleum Transportation JSC	Ho Chi Minh City	71.00%	71.00%	Transport goods by road. Wholesale solid & liquid fuels and gas. Retail engine fuels for specialized shops
Ha Giang Petroleum Travel Commercial JSC (*)	Ha Giang	80.37%	80.37%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by interior waterway
Thu Duc Export & Import Commercial JSC	Ho Chi Minh City	50.85%	50.85%	Trade petrol, oil, engine oil, spike. Trade and transport petrol & oil. Wholesale car and motor vehicles. Trade steels, iron and other construction materials.
PETEC Trading and Investment Corporation (***)	Ho Chi Minh City	95.09%	95.19%	Export and import, organize channels of wholesaling petrol & oil; export and import entire equipments, machines and individual equipments; export and import fertilizer; provide maritime services.

(*) According to Decision No. 2250/QD-DKVN dated 13 October 2014 of Vietnam Oil and Gas Group approving the action plan on restructuring PetroVietnam Oil Corporation for the 2014-2015 period and Decision No. 1701/QD-DKVN dated 30 July 2014 approving the action plan on restructuring PetroVietnam Oil Corporation for the 2014-2015 period, in 2015 and 2016, the Corporation's Members' Council issued resolutions on capital divestment from subsidiaries. Contents of these resolutions are as follows:

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1. GENERAL INFORMATION (Continued)

The Company's structure (Continued)

Resolution No	Enforcement date	Content
Resolution 64/NQ-DVN	01-Sep-15	Reduction of the ownership interest rate of Petro Vietnam Oil Corporation at PV Oil Lube JSC in the form of a public auction of 1,038,000 shares, or 11.67% of charter capital.
Resolution 67/NQ-DVN	04-Sep-15	Resolution on approval for the plan for receiving the transfer of PETEC's capital at investees sharing the same investment with Petro Vietnam Oil Corporation .
Resolution 80/NQ-DVN	11-Nov-15	Resolution on approval for the Corporation's capital divestment plan from PV Oil Singapore International Oil Trading Company Ltd ('PV Oil Singapore'), transferring 49% of the capital actually contributed to Sebrina Holdings Ltd under a price agreement in which the transferred price is not lower than the par value.
Resolution 244/NQ-DKVN	01-Feb-16	Resolution on approval for the policy on restructuring of Thai Binh Petroleum JSC and entire capital divestment from Thai Nguyen Petroleum JSC, Quang Ninh Petroleum JSC, and Ha Giang General Trading JSC.

By the date of these consolidated financial statements, the Corporation has been planning for the implementation of the abovementioned resolutions of the Members' Council.

(**) According to Resolution No. 58/NQ-DVN dated 21 July 2015 and Resolution No. 244/NQ-DVN dated 1 February 2016, the Corporation's Members' Council approved the splitting of Thai Binh Petroleum JSC into two separate companies, including one company operating in manufacturing and trading of mineral water and/or beverage, and the other operating in the oil and gas industry. By the date of these consolidated financial statements, the Corporation has been planning for the implementation of the abovementioned resolutions of the Members' Council.

(***) As at 31 December 2015, the Corporation's equity investment in PETEC recognized and presented in its separate financial statements exceeded the capital amount recorded and accounted for by PETEC by VND 111,225,298,544. The Board of Directors believes that such difference will be cleared when PETEC has completed the procedures for equitization finalization. Accordingly, the Board of Directors decided to increase the charter capital of this subsidiary to eliminate the difference before performing consolidation of the Corporation's financial statements.

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1. GENERAL INFORMATION (Continued)

The Company's structure (Continued)

List of joint ventures:

Joint Venture	Location	Proportion of ownership interest (%)	Main business
PetroVietnam Oil Stockpile Company Limited	Ba Ria - Vung Tau	22.51%	Investment in buiding underground oil storage
LG-VINA Chemical Joint Venture Company (i)	Dong Nai	15.00%	Manufacturing and trading plastic oil DOP
Orient Petrochemical and Biofuels Company Limited	Binh Phuoc	31.12%	Manufacturing and trading chemical fuels

List of associates:

Associate	Location	Proportion of ownership interest	Proportion of voting power held	Main business
PetroVietnam Biofuels Joint Stock Company	Hanoi	39.76%	39.76%	Produce and trade biofuels
Petroleum Trading Joint Stock Company (Petechim)	Ho Chi Minh City	29.00%	29.00%	Buy and sell equipments, spare parts, materials and petrochemicals
Material - Petroleum Joint Stock Company (Comeco)	Ho Chi Minh City	44.87%	44.94%	Export and import petrol and oil. Transport goods
Thuan An General Trading Joint Stock Company (i)	Binh Duong	24.29%	24.29%	Trade petrol and oil, consuming goods
Quang Tri Service and Commerce JSC (i)	Quang Tri	45.00%	45.00%	Trade petrol and oil, technological products, agricultural goods and food
Central Petrochemical and Biofuel Joint Stock Company	Quang Ngai	33.96%	33.96%	Produce and trade biofuels
Me Kong Transportation JSC (i)	Can Tho	32.86%	34.96%	Transportation service
Sai Gon Phu Yen Petroleum JSC	Phu Yen	26.18%	39.00%	Trade petrol and oil
Dieu Phu Yen Joint Stock Company	Phu Yen	47.79%	47.79%	Produce and process agricultural products for exporting
Ca Mau Commercial Joint Stock Company	Ca Mau	24.53%	24.79%	Trade petrol and oil, technological products, agricultural goods and food
Dong Phuong Petroleum JSC	Ho Chi Minh City	23.24%	26.00%	Trade petrol and oil
PETEC Warehouse JSC	Binh Duong	29.95%	39.21%	Transport and store information
Ninh Binh Petroleum JSC	Ninh Binh	20.26%	20.26%	Wholesale solid & liquid fuels and gas and relevant products. Prepare premises. Warehouse and goods storage. Transport goods along coastline and by ocean-going
PETEC Binh Dinh JSC	Binh Dinh	29.99%	31.54%	Trade petrol & oil, cement.

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1. GENERAL INFORMATION (Continued)

The Company's structure (Continued)

- (i) According to Decision No. 2250/QD-DKVN dated 13 October 2014 of Vietnam Oil and Gas Group approving the action plan on restructuring PetroVietnam Oil Corporation for the 2014-2015 period and Decision No. 1701/QD-DKVN dated 30 July 2014 approving the action plan on restructuring PetroVietnam Oil Corporation for the 2014-2015 period, in 2015, the Corporation's Members' Council issued resolutions on capital divestment from joint ventures and associates. Contents of these resolutions are as follows:

Resolution No	Enforcement date	Content
Resolution 61/NQ-DVN	6-Aug-15	PV Oil's entire capital divestment from LG-VINA Chemical Joint Venture Company, equivalent to 15% of the contributed capital.
Resolution 65/NQ-DVN	1-Sep-15	Resolution on approval for the plan for capital divestment of Mekong Petroleum JSC from Dong Phuong Petroleum JSC.
Resolution 66/NQ-DVN	1-Sep-15	Resolution on approval for the plan for capital divestment from PetroVietnam Oil Corporation and Mekong Petroleum JSC from Mekong Transportation JSC in the form of a public auction of 5,200,000 shares.
Resolution 71/NQ-DVN	6-Oct-15	Resolution on approval for the plan for the capital divestment of PetroVietnam Oil Corporation from Thuan An General Trading JSC and Quang Tri Service and Commerce JSC so as to be in accordance with the plan for restructuring of PetroVietnam Oil Corporation approved by Vietnam Oil and Gas Group.
Resolution 81/NQ-DVN	11-Nov-15	Resolution on approval for the policy in which the authorized representative of PV OIL at PETEC shall be the person who performs the capital divestment from PETEC Warehouse JSC.

By the date of these consolidated financial statements, the Corporation has been planning for the implementation of the abovementioned resolutions of the Members' Council.

Disclosures of information comparability in the consolidated financial statements

As stated in Note 3, since 01 January 2015, the Corporation has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 202") guiding the preparation and presentation of consolidated financial statements. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QD-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". Accordingly, certain reclassifications have been made to figures of the consolidated balance sheet as at 31 December 2014 and those of the consolidated income statement and the consolidated cash flow statement for the year then ended to enhance their comparability with the current year's figures.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

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

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on accounting regime for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC (Circular 202) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Circular 202 will supersede section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". The Board of Directors has adopted Circular 200 and Circular 202 in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company (PetroVietnam Oil Corporation – One Member Limited Company) and enterprises controlled by the Parent Company (its subsidiaries) prepared for the year ended 31 December, 2015. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

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

Intragroup transactions and balances are eliminated in full on consolidation.

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

Business combinations

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

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

Investments in associates

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interests in joint ventures (Continued)

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Corporation reports its interests in jointly controlled entities using the equity method of accounting.

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

Goodwill

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

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

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

Financial instruments

Initial recognition

Financial assets:

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets.

Financial assets of the Corporation comprise cash, cash equivalents, trade and other receivables, short-term and long-term financial investments.

Financial liabilities:

At the date of initial recognition, financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities.

Financial liabilities of the Corporation comprise trade and other payables, loans and obligations under finance leases, and accrued expenses.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial investments

Trading securities

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

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

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

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

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

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

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

Equity investments in other entities

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

Equity investments in other entities are carried at cost less provision for impairment of such investments. Provisions for impairment of investments in other entities are made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance on "Guiding the appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 28 June 2013 by the Ministry of Finance amending and supplementing Circular No. 228/2009/TT-BTC and prevailing accounting regulations. Provision for impairment of investments in other entities is made based on figures of the consolidated financial statements, including non-controlling interests.

Receivables

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

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

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

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

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

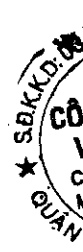
The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction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

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

	2015 (Years)
Buildings and structures	6 - 50
Machinery and equipment	5 - 10
Motor vehicles	5 - 6
Management equipment	3 - 5
Others	3 - 6

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

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

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

Intangible assets and amortisation

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

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

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

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

Construction in progress

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

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

Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives.

Prepayments

Prepayment comprise land rental, office rental, value of geographical location advantages of some petrol stations, value of business privileges arising from enterprise valuation for the equitization purpose according to minutes of enterprise valuation as at 30 June 2010, which was the official time of decision on equitization (including the value of geographical location advantages of rented land lots and value of brand name) and other long-term prepayments.

As disclosed in Note 12, PETEC has ceased allocating long-term prepayments related to the value of geographical location advantages arising from the equitization since 2014.

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

The value of geographical location advantages represent the difference in the purchase prices of petrol stations and charged to the consolidated income statement using the straight-line method over the remaining term, from 13 years to 50 years.

Other prepayments comprise costs of tools and supplies, advertising expenses and repair expenses that are allocated to the consolidated income statement using the straight-line method over the useful lives.

Equity and profit distribution

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

Funds are appropriated from profit after tax or granted by Vietnam Oil and Gas Group. Profits after tax of subsidiaries are distributed under Resolution passed at general shareholders' meetings and financial regulations of subsidiaries. The Parent Company's profit after tax is distributed as per Article 31 of Decree No. 91/2015/ND-CP dated 13 October 2015 on investment of state capital in enterprises and management and using of capital and assets in enterprises. The Corporation's remaining profit after being offset against the prior year's losses distributed to the Scientific and Technology Development Fund by law, and paid for corporate income tax is allocated as follows:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

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

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

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

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

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

Foreign currencies

The Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to owner.

For the purpose of consolidation of financial statements, assets and liabilities of the Corporation's foreign operation (including comparatives) are translated into reporting currency unit using exchange rates ruling at the balance sheet date. Incomes and expenses (including comparatives) are translated using the average exchange rate of the reporting period unless such rate experiences a significant fluctuation in the period. In such a case, exchange rates at the dates of transactions shall be applicable. Exchange differences (if any) shall be classified into owner's equity and recognized in the "Foreign exchange reserve" item. Exchange differences are recognized in the consolidated financial statements for the period in which the Corporation's foreign operation is terminated.

Goodwill and any fair value adjustments arising on the acquisition of a foreign operation are treated as part of assets and liabilities of the foreign operation and translated at exchange rates at the dates of foreign operation termination.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

All other borrowing costs are recognised in the consolidated income statement when incurred.

Payable provisions

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

Petroleum price stabilization fund

The Petroleum price stabilisation fund is appropriated and used as per Circular No. 39/2014/TTLT-BCT-BTC issued by the Ministry of Finance on 29 October 2014 (effective from 1 November 2014) concerning "Providing guidance on the method to calculate the basic price, the mechanism to form, manage and use the petroleum price stabilization fund under the Government's Decree No. 83/2014/ND-CP dated 3 September 2014 on oil and gas trading".

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

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

Taxation

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

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

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

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

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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

As at 31 December 2015, the Corporation has unused tax losses available for offset against future taxable profits. However, the Corporation has not been recognized deferred tax assets in respect of such loss due to the uncertainty of future taxable profit stream.

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

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

5. RETROSPECTIVE ADJUSTMENTS

Based on the Audit Minutes dated 02 October 2015 issued by the State Audit Office of Vietnam on the 2014 financial statements, the Corporation's Board of Directors made retrospective adjustments to the consolidated financial statements for the year ended 31 December 2014 based on the retrospective adjustments to the separate financial statements for the year ended 31 December 2014 in accordance with the State Audit Office of Vietnam's recommendations. Details are as follows:

Item	Code	As at 31/12/2014		
		Previously reported amount VND	Restated VND	Difference VND
Consolidated balance sheet				
Provision for short-term doubtful debts	139	(874,368,029,872)	(872,212,156,768)	2,155,873,104
Provision for devaluation of inventories	149	(664,214,816,634)	(555,537,264,071)	108,677,552,563
Cost of intangible assets	228	1,521,815,222,558	1,521,940,222,558	125,000,000
Investments in associates	252	978,237,329,144	1,003,132,267,356	24,894,938,212
Provision for impairment of long-term investments	259	(37,181,467,625)	(36,330,707,120)	850,760,505
Trade accounts payable	312	9,521,191,570,889	9,519,864,007,518	(1,327,563,371)
Taxes and amounts payable to the State budget	314	442,370,186,984	448,839,967,541	6,469,780,557
Accumulated losses	420	(3,072,518,863,437)	(2,940,676,870,943)	131,841,992,494
Minority interests	439	1,080,875,224,747	1,080,595,139,451	(280,085,296)
Consolidated income statement				
Deductions	02	2,517,829,560,324	2,522,649,940,371	4,820,380,047
Cost of goods sold and service rendered	11	65,155,184,517,216	65,046,506,964,653	(108,677,552,563)
Financial expenses	22	352,743,265,238	351,892,504,733	(850,760,505)
Share of losses of joint ventures and associates	45	(130,255,010,332)	(105,360,072,120)	24,894,938,212
Selling expenses	24	1,511,496,795,391	1,513,025,508,322	1,528,712,931
General and administration expenses	25	753,054,759,998	750,894,574,473	(2,160,185,525)
Other income	31	293,333,708,409	294,661,271,780	1,327,563,371
Loss after tax attributable to Parent Company	62	(1,525,222,409,013)	(1,393,380,416,519)	131,841,992,494
Profit after tax attributable to minority shareholders	62	21,657,247,397	21,377,162,101	(280,085,296)

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6. Cash and cash equivalents

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Cash on hand	13,795,234,244	15,117,057,654
Bank demand deposits (i)	2,870,524,247,367	4,421,039,396,755
<i>In which:</i>	-	-
<i>Price Stabilization Fund Balance (ii)</i>	266,949,073,829	449,271,923,772
Cash in transit	1,992,181,600	230,199,800
Cash equivalents (i), (iii)	3,417,996,096,999	812,727,344,440
	<u>6,304,307,760,210</u>	<u>5,249,113,998,649</u>

- (i) Cash and cash equivalents include VND 18,356,183,363, USD 3,776,071, demand deposits of Euro 24.01 and deposits of VND 240,598,042,802 with maturities of less than 03 months at Ocean Commercial Joint Stock Bank (currently known as Ocean Commercial One Member Limited Liability Bank). Such amounts are restricted for payment under Directive No. 600/2015/CT-TGD dated 13 February 2015 issued by Ocean Commercial Joint Stock Bank on suspension of payment services for the economic organizations of Vietnam Oil and Gas Group to review and evaluate the payment records of customers. Ocean Commercial One Member Limited Liability Bank was acquired by the State Bank of Vietnam; accordingly, the Board of Directors has assessed and believes that these deposits will be traded back in the coming time upon the decision of the State Bank of Vietnam.
- (ii) The balance of the Price Stabilisation Fund account is recorded separately in a bank account as guided by Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 issued by both the Ministry of Finance and the Ministry of Industry and Trade.
- (iii) Cash equivalents represent term deposits with original terms of less than 3 months at banks and with interest rates ranging from 4.3% p.a to 5.5% p.a. (2014: from 4.4% p.a. to 5.45% p.a.) for Vietnam Dong and 0.33% p.a. (2014: 0.38% p.a.) for US Dollar.

7. SHORT-TERM FINANCE INVESTMENTS

	<u>31/12/2015</u>			<u>31/12/2014</u>		
	VND Cost	VND Fair value	VND Provision	VND Cost	VND Fair value	VND Provision
a. Trading securities						
Total	<u>25,413,618,704</u>		<u>(8,518,187,238)</u>	<u>25,580,554,632</u>		<u>(6,261,103,738)</u>
Pomina Steel JSC (i)	5,191,965,240	1,283,400,000	(3,908,565,240)	5,191,965,240	1,562,400,000	(3,629,565,240)
Hau Giang Materials JSC (ii)	4,905,000,000		-	4,905,000,000		-
9 Real Estate JSC (ii)	3,990,000,000		-	3,990,000,000		-
Vietnam Steel JSC (ii)	2,020,000,000		-	2,020,000,000		-
Phong Phu JSC (ii)	846,000,000		-	846,000,000		-
Vinh Long Export & Import Company (ii)	339,000,000		(339,000,000)	339,000,000		-
Sai Gon Commercial Joint Stock Bank (i)	1,975,220,000	572,011,500	(1,403,208,500)	1,975,220,000	547,268,000	-
Bank for Investment and Development of Vietnam (i)	63,677,000	70,905,200	-	82,177,000	56,413,400	-
Bien Hoa Steel Company (i)	997,500,000	370,125,000	(627,375,000)	997,500,000	110,250,000	(887,250,000)
Cu Chi Industrial Commercial Investment and Development JSC (i)	74,217,966	90,900,000	-	222,653,894	332,100,000	-
SMC Commercial Investment JSC (i)	1,639,691,867	576,000,000	(1,063,691,867)	1,639,691,867	856,000,000	(783,691,867)
Nha Be Steel JSC (i)	1,185,000,000	460,000,000	(725,000,000)	1,185,000,000	235,750,000	(949,250,000)
Vinh Long Foods JSC (i)	611,346,631	160,000,000	(451,346,631)	611,346,631	600,000,000	(11,346,631)
Others (ii)	1,575,000,000		-	1,575,000,000		-

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	<u>31/12/2015</u>		<u>31/12/2014</u>	
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
	<u>Cost</u>	<u>Carrying amount</u>	<u>Cost</u>	<u>Carrying amount</u>
b. Held-to-maturity investments				
Term deposits (iii)	1,819,000,000	1,819,000,000	955,000,000,000	955,000,000,000

- (i) The fair value of these financial investments is determined based on the closing price of the shares listed on the Stock Exchange at the balance sheet date.
- (ii) As at the reporting date, the Board of Directors has no reliable information resources as a basis for the fair value determination of the shares of these companies. Hence, the fair value of these other short-term investments as at 31 December 2015 has not been presented in the Notes to the consolidated financial statements.
- (iii) The other short-term investments represent the amounts of time deposits at banks in VND with maturities from 3 months to 1 year and interest rate of 6.2% / p.a (2014: from 6.5% to 7% / p.a). The time deposits in the amount of 1,819,000,000 VND as mentioned above at Ocean Commercial Joint Stock Bank (currently known as Ocean Commercial One Member Limited Liability Bank) are restricted for payment under Directive No. 600/2015/CT-TGD dated 13 February 2015 issued by Ocean Commercial Joint Stock Bank on suspension of payment services for the economic organizations of Vietnam Oil and Gas Group to review and evaluate the payment records of customers. Ocean Commercial One Member Limited Liability Bank was acquired by the State Bank of Vietnam; accordingly, the Board of Directors has assessed and believes that these deposits will be traded back in the coming time upon the decision of the State Bank of Vietnam.

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8. RECEIVABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
a. Short-term trade receivables		
Gunvor Singapore Pte., Ltd.	545,329,308,256	41,632,795,094
Shell International Eastern Trading Co.	-	1,213,926,254
VietsovPetro Joint Venture	31,588,885,532	311,647,978,928
Tien Phong Petroleum Investment and Development JSC	124,251,939,885	124,251,939,885
Northern Petroleum and Gas JSC	124,164,578,894	124,164,578,894
Quang Dong Commercial Transportation JSC	87,946,610,123	87,946,610,123
Viet Nam International Petroleum JSC	70,088,298,311	78,234,498,311
Phu Lam Investment JSC	77,865,356,829	77,865,356,829
PetroVietnam Power Company (PVPower)	46,534,700,943	-
Materials Transport and Stevedoring - Vinacomim - Cam Pha	-	60,289,724,000
Supplies Enterprise	-	58,257,741,001
Vu Anh Commercial JSC	43,257,741,001	-
Ca Mau Commercial JSC	14,851,122,000	-
Song Phat JSC	26,371,285,621	31,843,949,021
Cam Giang Investment & Development JSC	20,010,740,366	20,010,740,366
Binh Son Refining and Petrochemical Company Limited (i)	14,270,090,035	823,563,426,001
Petec Petroleum Material JSC	-	21,440,277,121
PetroVietnam Technical Service JSC	14,365,133,260	3,344,250,262
PetroVietnam Exploration Production Corporation	40,045,407,090	22,933,824,137
Anh Thuy Petroleum Commercial Service Company Ltd	-	14,135,735,875
Ninh Binh Petroleum JSC	48,470,092,490	-
Project Management Board of Dung Quat Oil Refinery	1,362,230,984	1,362,230,984
Nam Song Hau Petroleum Investment JSC	10,729,840,000	10,729,840,000
Cai Lan Ship Building Industry Company Ltd	19,576,761,700	19,576,761,700
Nghi Son 1 Thermal Power Company	6,937,830,831	-
PetroVietnam Drilling JSC	3,224,426,000	736,738,000
Quang Ngai Petroleum Service JSC	3,014,846,975	2,561,297,470
Dinh Vu Petroleum Shipyard Service JSC	1,757,516,650	620,141,990
Vung Tau Petroleum Transportation JSC	2,282,305,900	2,028,648,570
Pacific Petroleum Transportation JSC	24,092,547,500	-
Song Hong Petroleum Company Ltd	8,192,783,168	-
Petroleum Trading JSC	-	187,471,591,430
Other short-term trade receivables	1,331,667,880,734	1,835,251,278,256
	<u>2,742,250,261,078</u>	<u>3,963,115,880,502</u>
b. Long-term trade receivables		
Huong Giang Company Ltd	6,315,000,000	-
Tan Dinh Phong Manufacturing and Commercial Export & Import Company Ltd	12,839,699,605	-
Itasco Lam Dong JSC	5,356,103,191	-
Viet Nam International Petroleum JSC	2,607,355,480	-
Other long-term trade receivables	4,568,056,793	-
	<u>31,686,215,069</u>	<u>-</u>
c. Short-term trade receivables from related parties (detail are presented in Note 45)	223,355,658,409	949,052,468,622

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

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9. OTHER RECEIVABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
a. Other short-term receivables		
Collection and payment on behalf relating to entrusted crude oil exports	2,576,350,201,248	3,792,913,940,635
Collection and payment on behalf relating to entrusted crude oil imports	201,280,947,132	-
Other receivables from Vietnam Oil and Gas Group:	219,666,710,523	219,666,710,523
<i>Other receivables from Vietnam Oil and Gas Group(i)</i>	172,650,526,381	172,650,526,381
<i>Profit distributed to Vietnam Oil and Gas Group</i>	47,016,184,142	47,016,184,142
Deductible special consumption tax (ii)	21,002,190,719	99,616,762,203
Crude oil export duties prepaid or awaiting deduction (iii)	73,536,711,358	76,435,004,408
Petroland Project Transferring	44,441,954,700	50,226,706,871
Petroleum exchange loan receivable	-	7,832,519,772
Tax prepayments for goods temporarily imported for re-export	-	136,049,096,134
Other short-term receivables	271,154,968,230	268,068,837,860
	<u>3,407,433,683,910</u>	<u>4,650,809,578,406</u>
b. Other long-term receivables		
Long-term deposits	2,558,450,000	2,792,300,000
Depreciable cost of assets used for business cooperation (iv)	684,301,025	721,626,545
Receivables from individuals	651,318,000	-
Other long-term receivables	1,725,577,960	309,422,425
	<u>5,619,646,985</u>	<u>3,823,348,970</u>
c. Other receivables from related parties		
(detail are presented in Note 45)	2,157,947,505,599	3,286,557,895,124

- (i) Other receivables from Vietnam Oil and Gas Group include an accumulated loss of VND 169,785,513,359 as at 18 May 2011 when Petec Trading and Investment Corporation ("PETEC" – the Corporation's subsidiary) was officially transformed into a joint stock company. Such receivable arose from the determination of the state capital portion at PETEC as at 18 May 2011 but without the approval of Vietnam Oil and Gas Group and competent authorities for the finalized amount.
- (ii) This amount represents special sales tax levied on Condensate materials and mixed oil products incurred in previous years and current year awaiting deduction.
- (iii) This amount represents crude oil export duties levied in 2014 and current year awaiting deduction. It will be offset against the amount of tax payable of the next year.
- (iv) This is the net book value of assets and materials used for business cooperation with Saigon Union of Trading Cooperatives under Business Cooperation Contract No. 32/HDDKTKD dated 8 February 2002 in the form of jointly controlled assets (without the establishment of a new legal entity). The Corporation's assets used for the Project include land use rights and assets on land at No. 191 Quang Trung Street, Hiep Phu Ward, District 9, Ho Chi Minh City with the project term of 30 years. Under the contract, the Corporation shall receive a monthly fixed amount of VND 174,554,545 and Saigon Union of Trading Cooperatives shall be in charge of operating and accounting for such transaction

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10. BAD DEBTS

Customers	31/12/2015		31/12/2014 (Restated)	
	Amount	Recoverable amount	Amount	Recoverable amount
	VND	VND	VND	VND
Anh Phat Trading and Construction Investment Joint Stock Corporation	6,805,443,846	6,805,204,346	9,305,443,846	9,305,443,846
Petro Binh Minh Cam Pha Company Limited	14,299,799,050	-	14,963,799,050	-
Bao Lam Investment and Trading Joint Stock Company	12,027,320,428	-	14,114,777,053	9,827,320,428
Dieu Phu Yen Joint Stock Company	40,604,952,041	-	50,604,952,041	6,053,559,256
Cai Lan Ship Industry Company Limited	19,576,761,700	306,032,700	19,576,761,700	714,076,300
Nam Song Hau Joint Stock Company	10,729,840,000	-	10,729,840,000	-
Bac Hai Company	19,020,479,118	-	19,020,479,118	-
Tien Phong Petrol Investment and Development Joint Stock Company	124,251,939,885	-	124,251,939,885	-
Northern Petroleum and Gas Joint Stock Company	124,164,578,894	-	124,164,578,894	-
Quang Dong Transportation Trading Joint Stock Company	87,946,610,123	-	87,946,610,123	-
Phu Lam Investment Joint Stock Company	77,865,356,829	-	77,865,356,829	-
Vietnam International Petroleum Joint Stock Company	70,088,298,311	-	70,088,298,311	-
Vu Anh Petroleum Trading Joint Stock Company	43,257,741,001	-	58,257,741,001	15,000,000,000
Song Phat Joint Stock Company	26,371,285,621	-	31,843,949,021	13,854,229,986
Cam Giang Investment and Development Joint Stock Company	20,010,740,366	-	20,010,740,366	-
Petec Petroleum Materials Joint Stock Company	14,440,277,121	14,440,277,121	21,440,277,121	21,440,277,121
Anh Thuy Petroleum Service Trading Company Limited	12,335,735,875	12,335,735,875	14,145,735,875	7,426,181,122
Ninh Binh Petroleum Service and Trading Company Limited	9,985,271,972	3,354,470,000	9,985,271,972	6,669,870,986
Tran Thanh Export and Import Investment Joint Stock Company	-	-	6,048,827,781	6,048,827,781
Itasco Lam Dong Joint Stock Company	5,356,103,191	1,821,943,191	7,816,103,191	5,563,463,191
Huong Giang Company Limited	6,315,000,000	1,988,175,352	6,315,000,000	1,894,500,000
Hong Viet Petroleum Trading and Investment Joint Stock Company	2,992,600,000	-	2,992,600,000	2,616,876,626
1932 Service and Trading Construction Company Limited	6,875,172,043	-	6,875,172,043	-
Trung Nam Joint Stock Company	2,516,000,000	-	2,516,000,000	-
Thanh Nien Construction Advisory Joint Stock Company	1,671,178,871	1,671,178,871	1,671,178,871	-
Hanoi Petroleum Real Estate Company	1,721,164,000	-	1,721,164,000	-
Hung Nghiep Service and Trading Company Limited	2,255,318,300	676,145,490	2,255,318,300	1,127,659,150
Orient Petrochemical and Biofuels Joint Stock Company	9,813,340,562	2,295,904,681	9,813,340,562	7,512,984,025
Viet Tin Petroleum Joint Stock Company	2,919,126,003	-	14,119,126,003	-
Dong Trieu Trading Investment Joint Stock Company	-	-	14,827,320,428	5,000,000,000
Tan Dinh Phong Export Import Trading and Manufacturing Company Limited	12,839,699,605	-	12,839,699,605	1,571,514,696
Clients of Me Kong Petroleum Joint Stock Company Branch	7,839,154,020	-	7,839,154,020	-
Mr. Do Van Truc	2,066,082,640	-	2,066,082,640	-
Other receivables	123,217,976,759	10,835,610,712	167,423,430,532	62,645,514,401
	922,180,348,175	56,530,678,339	1,045,456,070,182	184,272,298,915

Vietnamese Accounting Standards as well as current prevailing regulations provide no detailed guidance on the determination of the recoverable amount of receivables. Accordingly, as at 31 December 2015, the Board of Directors prudently assessed and determined the recoverable amount of receivables as follows:

- Bases on their book value less previously established provision for doubtful debts with regard to receivables without collateral.
- For receivables having collateral which is greater than the historical cost of the receivables, the recoverable amount is determined based on the historical cost of the receivables.

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11. INVENTORIES

	31/12/2015		31/12/2014	
	VND	VND	VND	VND
	Cost	Provision	Cost	Provision (Restated)
Goods in transit	392,419,321,794	-	208,020,380,571	(167,405,157)
Raw materials	256,655,036,578	(27,665,240,695)	384,080,000,035	(181,054,678,098)
Tools and supplies	13,783,605,740	-	9,242,248,470	-
Work in progress	2,595,193,830	-	684,544,514,438	(282,474,950,295)
Finished goods	152,346,261,388	(14,876,312,064)	164,038,533,485	(46,478,114,605)
Merchandise	1,558,935,310,446	(126,770,355,485)	1,774,242,378,529	(45,362,115,916)
Goods on consignment	5,779,957,675	-	2,772,230,614	-
	2,382,514,687,451	(169,311,908,244)	3,226,940,286,142	(555,537,264,071)

In the year, the Corporation reversed provision for devaluation of inventories with an amount of VND 386,225,355,827 (In 2014: The Corporation added an amount of VND 553,249,943,979 to provision for devaluation of inventories).

12. PREPAYMENTS

	31/12/2015	31/12/2014
	VND	VND
a. Short-term prepayments		
Fixed assets operating leases	1,068,925,033	630,498,626
Tools and supplies	5,296,792,279	2,041,377,281
Other current prepayments	20,580,647,831	18,482,509,471
	26,946,365,143	21,154,385,378
b. Long-term prepayments		
Operating leases	254,981,813,338	289,280,775,908
Value of geographical location advantages (*)	291,530,099,559	298,729,831,067
Land rentals	17,820,657,656	12,394,917,096
Tools and supplies	10,649,369,001	20,929,048,532
Repair and maintainance expenses	33,402,979,395	32,071,235,009
Other non-current prepayments	96,266,342,901	88,428,602,741
	704,651,261,850	741,834,410,353

(*) This amount includes the value of brand name and value of geographical location advantages for the annual land lease payments recognized in the value of Petec Trading and Investment Corporation ("PETEC" – a subsidiary of the Corporation) when being equitized on 18 May 2011 with an amount of VND 221,693,639,739 as at 31 December 2015 (as at 31 December 2014: VND 221,989,482,960). On 20 November 2013, the Government issued Decree No. 189/2013/ND-CP ("Decree 189") on amending and supplementing a number of articles of Decree No.59/2011/ND-CP dated 18 July 2011 issued by the Government guiding on the transformation of wholly state-owned enterprises into joint stock companies. It is stipulated in Decree 189 that "If the enterprises that have included the value of the geographical location advantages of rented land lots in the enterprise value and have recorded an increase in state capital in the enterprise when determining enterprise value for equitization, and the enterprise is announced by the competent authorities under regulations before the effective date of Decree 59/2011/ND-CP, such enterprises may deduct the value of the geographical location advantages from the land rental payable". Decree 189 took effect from 01 May 2014 and was guided in Circular No. 127/2014/TT-BTC issued by the Ministry of Finance on 05 September 2014 and took effect from 20 October 2014. Currently, PETEC has been working with local tax authorities and competent authorities to consider adopting regulations of Decree 189 in 2015. PETEC already paid rental fees and recorded corresponding expenses in 2015 and has ceased allocating long-term prepayments related to the value of geographical location advantages arising from the equitization since 2014. The Board of Directors believes that the value of geographical location advantages for the rented land lots as mentioned above will be deducted from the annual rental payable in the subsequent years in accordance with the regulation of Decree 189.

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13. VALUE ADDED TAX DEDUCTIBLES

Value-Added Tax Deductibles of the Corporation as at 31 December 2015 represent the portion of the Input Value Added Tax of the Corporation that has not been deducted. The deduction of this tax portion in the subsequent year will be subject to the declaration of the Corporation, the inspection and approval of the local tax authorities.

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

	01/01/2015 (Restated) <u>VND</u>	Tax payables <u>VND</u>	Tax paid <u>VND</u>	31/12/2015 <u>VND</u>
Tax receivables				
Value added tax on domestic goods	764,519,933	764,519,933	207,706,813	207,706,813
Special consumption tax	28,499,368,351	122,917,807,193	107,225,573,299	12,807,134,457
Corporate income tax	35,790,923,188	1,785,948,595	2,487,556,786	36,492,531,379
Personal income tax	141,795,698	167,093,186	70,114,394	44,816,906
Land & housing tax	553,792,657	1,467,955,015	1,518,479,711	604,317,353
Business license tax	-	45,500,000	51,500,000	6,000,000
Other taxes	4,311,998,000	4,311,998,000	7,835,960,500	7,835,960,500
	<u>70,062,397,827</u>	<u>131,460,821,922</u>	<u>119,396,891,503</u>	<u>57,998,467,408</u>
Tax payables	412,584,416,925	7,563,993,924,955	7,371,774,420,693	604,803,921,187
Value added tax on domestic goods	166,445,603,996	883,094,139,153	991,093,089,135	58,446,654,014
Value added tax on imported goods	1,524,012,212	951,029,055,806	952,502,032,108	51,035,910
Special consumption tax	4,820,380,047	-	-	4,820,380,047
Export and import duties	5,929,705,020	1,318,437,540,045	1,321,577,891,466	2,789,353,599
Corporate income tax	34,380,659,974	74,975,924,774	84,546,346,465	24,810,238,283
Personal income tax	3,498,141,669	21,510,943,451	20,036,279,326	4,972,805,794
Natural resource tax	137,438,292	2,039,420,047	1,341,483,528	835,374,811
Land & housing tax	399,320,781	20,219,459,838	18,728,385,806	1,890,394,813
Business license tax	-	476,000,000	471,000,000	5,000,000
Other taxes	195,449,154,934	4,347,859,561,787	3,981,477,912,859	561,830,803,862
Decrease due to loss of control of subsidiary		(55,648,119,946)	-	(55,648,119,946)
<i>In which</i>				
<i>Value added tax on domestic goods</i>		<i>(110,502,959)</i>	-	<i>(110,502,959)</i>
<i>Corporate income tax</i>		<i>(370,024,212)</i>	-	<i>(370,024,212)</i>
<i>Personal income tax</i>		<i>(154,754,775)</i>	-	<i>(154,754,775)</i>
<i>Other taxes</i>		<i>(55,012,838,000)</i>	-	<i>(55,012,838,000)</i>
Other payables	36,255,550,616	(33,509,443,398)	1,540,982,654	1,205,124,564
Charges and fees	1,315,204,528	(875,055,660)	30,728,000	409,420,868
Environment fees	18,798,780	172,242,397	187,806,637	3,234,540
Penalties	-	1,533,191,288	1,104,293,027	428,898,261
Others	34,921,547,308	(34,339,821,423)	218,154,990	363,570,895
Total taxes and payables to the State budget	<u>448,839,967,541</u>	<u>7,530,484,481,557</u>	<u>7,373,315,403,347</u>	<u>606,009,045,751</u>

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15. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings	Machinery	Motor vehicles	Management	Other	Total
	and structures	and equipment		equipment	fixed assets	
	VND	VND	VND	VND	VND	VND
COST						
As at 01/01/2015	3,340,809,841,111	1,116,970,607,367	342,282,349,609	84,875,152,602	63,660,721,101	4,948,598,671,790
Purchases	30,488,704,276	31,766,075,271	16,600,700,218	1,254,578,828	1,308,750,303	81,418,808,896
Transfer from construction in progress	117,877,737,122	65,109,448,546	20,972,617,808	2,815,761,505	465,581,300	207,241,146,281
Disposals	(45,698,346,242)	(23,593,239,704)	(5,761,984,068)	(2,525,303,426)	(18,094,386,220)	(95,673,259,660)
Reclassification	10,530,237,209	1,277,398,923	-	(11,297,866,463)	(509,769,669)	-
Other increases/decreases	24,515,378,044	(19,148,987,475)	(80,534,939)	4,148,888,245	16,423,371,276	25,858,115,151
Decreases due to loss of control of subsidiary	(32,020,685,019)	(3,847,348,787)	(18,245,619,891)	(70,950,000)	(50,400,000)	(54,235,003,697)
As at 31/12/2015	3,446,502,866,501	1,168,533,954,141	355,767,528,737	79,200,261,291	63,203,868,091	5,113,208,478,761
ACCUMULATED DEPRECIATION						
As at 01/01/2015	1,315,193,607,973	649,280,892,242	203,745,296,118	48,778,555,843	34,367,528,494	2,251,365,880,670
Charge for the year	190,211,651,749	106,834,952,891	33,719,233,196	9,188,242,274	5,191,995,522	345,146,075,632
Disposals	(26,755,236,179)	(13,378,105,480)	(5,075,341,299)	(2,985,876,646)	(18,094,386,007)	(66,288,945,611)
Reclassification	(1,922,474,372)	1,986,026,824	-	(61,091,770)	(2,460,682)	-
Decreases due to loss of control of subsidiary	(5,274,510,810)	(1,276,192,931)	(8,050,058,245)	(1,182,500)	-	(14,601,944,486)
Other increases/decreases	9,218,096,820	(2,327,059,231)	(217,849,422)	4,313,528,661	16,302,226,648	27,288,943,476
As at 31/12/2015	1,480,671,135,181	741,120,514,315	224,121,280,348	59,232,175,862	37,764,903,975	2,542,910,009,681
NET BOOK VALUE						
As at 31/12/2015	1,965,831,731,320	427,413,439,826	131,646,248,389	19,968,085,429	25,438,964,116	2,570,298,469,080
As at 31/12/2014	2,025,616,233,138	467,689,715,125	138,537,053,491	36,096,596,759	29,293,192,607	2,697,232,791,120

The cost of the Corporation's tangible fixed assets as at 31 December 2015 includes VND 674,504,154,136 (as at 31 December 2014: VND 627,596,658,003) of assets that have been fully depreciated but are still in use.

As stated in Note 26 and 28, the carrying amount of assets used as collateral for loans was VND 370,402,844,164 as at 31 December 2015 (as at 31 December 2014: VND 384,362,740,930).

16. INCREASES, DECREASES IN FINANCIAL LEASE ASSETS

	Motor vehicles	Total
	VND	VND
COST		
As at 01/01/2015	1,395,886,364	1,395,886,364
Additions	922,750,909	922,750,909
As at 31/12/2015	2,318,637,273	2,318,637,273
ACCUMULATED DEPRECIATION		
As at 01/01/2015	120,940,519	120,940,519
Charge for the year	340,983,600	340,983,600
As at 31/12/2015	461,924,119	461,924,119
NET BOOK VALUE		
As at 31/12/2015	1,856,713,154	1,856,713,154
As at 31/12/2014	1,274,945,845	1,274,945,845

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17. INCREASES, DECREASES IN INTANGIBLE FIXED ASSETS

	Land use right VND	Computer software VND	Others VND	Total VND
COST				
As at 01/01/2015	1,454,034,572,091	47,886,338,435	19,894,312,032	1,521,815,222,558
Restatement as recommended by SAV	-	-	125,000,000	125,000,000
As at 01/01/2015 (Restated)	1,454,034,572,091	47,886,338,435	20,019,312,032	1,521,940,222,558
Purchases	12,981,496,100	208,000,000	-	13,189,496,100
Transfer from construction in progress	70,002,492,993	390,000,000	-	70,392,492,993
Disposals	(2,616,171,100)	(35,000,000)	-	(2,651,171,100)
Reclassification	11,189,767,829	7,560,416,171	(18,750,184,000)	-
Reclassification to long-term prepayments	(6,566,980,000)	-	-	(6,566,980,000)
Decreases due to loss of control of subsidiary	(18,339,680,160)	(100,000,000)	-	(18,439,680,160)
Other increases/decreases	(1,803,072,043)	722,734,800	(905,000,000)	(1,985,337,243)
As at 31/12/2015	<u>1,518,882,425,710</u>	<u>56,632,489,406</u>	<u>364,128,032</u>	<u>1,575,879,043,148</u>
ACCUMULATED DEPRECIATION				
As at 01/01/2015	62,385,819,800	29,011,576,767	8,304,839,279	99,702,235,846
Charge for the year	20,566,290,149	7,952,481,796	12,233,328	28,531,005,273
Disposals	-	(35,000,000)	-	(35,000,000)
Reclassification	8,481,228,891	(805,275,155)	(7,675,953,736)	-
Decreases due to loss of control of subsidiary	(709,879,820)	(860,215)	-	(710,740,035)
Other increases/decreases	(1,011,437,303)	143,372,825	(285,724,092)	(1,153,788,570)
As at 31/12/2015	<u>89,712,021,717</u>	<u>36,266,296,018</u>	<u>355,394,779</u>	<u>126,333,712,514</u>
NET BOOK VALUE				
As at 31/12/2015	<u>1,429,170,403,993</u>	<u>20,366,193,388</u>	<u>8,733,253</u>	<u>1,449,545,330,634</u>
As at 31/12/2014 (Restated)	<u>1,391,648,752,291</u>	<u>18,874,761,668</u>	<u>11,714,472,753</u>	<u>1,422,237,986,712</u>

As stated in Note 26, the land use rights of Tra Vinh Petroleum JSC, Binh Thuan Petroleum JSC, and Thai Nguyen Petroleum JSC with the total carrying amount of VND 23,579,989,821 as at 31 December 2015 (31 December 2014: VND 25,037,420,341) have been pledged as security for bank loans.

18. INVESTMENT PROPERTIES

	Building VND	Others VND	Total VND
COST			
As at 01/01/2015	21,166,742,977	771,255,889	21,937,998,866
Additions	101,918,826,144	-	101,918,826,144
As at 31/12/2015	<u>123,085,569,121</u>	<u>771,255,889</u>	<u>123,856,825,010</u>
ACCUMULATED DEPRECIATION			
As at 01/01/2015	7,346,779,128	664,413,406	8,011,192,534
Charge for the year	2,046,513,637	79,321,115	2,125,834,752
As at 31/12/2015	<u>9,393,292,765</u>	<u>743,734,521</u>	<u>10,137,027,286</u>
NET BOOK VALUE			
As at 31/12/2015	<u>113,692,276,356</u>	<u>27,521,368</u>	<u>113,719,797,724</u>
As at 31/12/2014	<u>13,819,963,849</u>	<u>106,842,483</u>	<u>13,926,806,332</u>

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18. INVESTMENT PROPERTIES (Continued)

Investment properties include:

- (i) all of the buildings of Phu Tho Petroleum JSC (a subsidiary of the Corporation) at No. 148 Hoang Quoc Viet Street, Nghia Tan Ward, Cau Giay District, Hanoi, with the cost and net book value as at 31 December 2015 of VND 101,918,826,144 and VND 100,899,637,883 respectively (as at 31 December 2014: VND 0) and the depreciation period of 50 years corresponding to the area leased or held for lease by this subsidiary.
- (ii) a part of buildings, structures and infrastructures of the office building at No. 180 Tong Duy Tan Street, Lam Son Ward, Thanh Hoa Province of Thanh Hoa Petroleum JSC (a subsidiary of the Corporation) with the cost and net book value as at 31 December 2015 of VND 8,756,779,923 and VND 3,374,041,970 respectively (as at 31 December 2014: VND 8,756,779,923 and VND 3,906,410,234 respectively) and the depreciation period from 96 months to 180 months corresponding to the area leased or held for lease by this subsidiary.
- (iii) buildings and structures (i.e. trade centers, warehouses and showrooms) of Thu Duc Export & Import Commercial JSC (a subsidiary of the Corporation) with the cost and net book value as at 31 December 2015 of VND 13,181,218,943 and VND 9,418,596,503 respectively (as at 31 December 2014: VND 13,181,218,943 and VND 9,913,553,615 respectively) and the depreciation period from 6 years to 25 years corresponding to the area leased or held for lease by this subsidiary.

In 2015, the amount that the Corporation earned from the lease of investment properties (all of the investment properties were leased under operating lease contracts) was VND 11,161,429,586 (2014: VND 4,372,134,308). Directly attributable cost of operating activities arising from investment properties in the year was VND 8,538,157,817 (2014: VND 1,105,121,496).

The cost of the investment properties as at 31 December 2015 includes properties that have been fully depreciated but are still under leases in an amount of VND 9,733,189,020 (as at 31 December 2014: VND 9,733,189,020).

19. CONSTRUCTION IN PROGRESS

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
No 148 Hoang Quoc Viet project	-	104,945,719,155
Construction of petrol stations	64,595,008,533	72,081,474,129
Cai Mep Petrol Depot and Port - Ba Ria - Vung Tau province	56,164,171,321	56,164,171,321
Synchronous technology upgrading for PV Oil petroleum storage	-	38,430,344,873
Petrol entrepot in Hop Thinh - Ky Son, Hoa Binh province	12,599,556,079	12,599,556,079
E100 tanks and import depots in Nha Be General Depot	-	12,309,163,799
Construction of pipelines through PV Gas ports	23,807,209,884	12,235,142,826
Depots expansion in Condensate Processing Plant	7,258,066,196	10,229,106,754
Nha Be depot expansion	-	934,110,000
Phu Tho Petroleum tanks	9,411,316,820	6,111,869,091
Other constructions	44,993,648,792	37,154,642,578
	<u>218,828,977,625</u>	<u>363,195,300,605</u>

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20. INVESTMENTS IN ASSOCIATES, JOINT VENTURES

Investments in associates

	<u>12/31/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
Invesments in associates (*)	1,003,132,267,356	1,055,476,813,524
Loss incurred in the year	(13,559,645,072)	(37,003,158,195)
Dividend received in the year	(50,874,421,200)	(24,325,630,500)
Reserves distribution and other adjustments in the year	(34,085,527,400)	8,984,242,527
Gain on associate disposal in the year	16,912,533,537	-
	<u>921,525,207,221</u>	<u>1,003,132,267,356</u>

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

	<u>12/31/2015</u>	<u>31/12/2014</u>
	VND	VND
Total assets	6,819,848,855,210	6,978,297,628,281
Total liabilities	4,444,196,887,410	4,634,798,792,023
Net assets	2,375,651,967,800	2,343,498,836,258
Net assets of the Corporation in associates	<u>921,525,207,221</u>	<u>1,003,132,267,356</u>
	<u>2015</u>	<u>2014</u>
	VND	VND
Revenue	12,373,589,524,358	7,982,048,231,519
Loss after tax	(51,158,380,424)	(17,615,492,017)
Loss after tax of the Corporation in associates	<u>(13,559,645,072)</u>	<u>(37,003,158,195)</u>

Interest in joint ventures

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Investments in joint ventures (*)	66,066,398,237	140,462,413,794
Loss incurred in the year	(19,881,627,966)	(68,356,913,925)
Dividend received in the year	(7,465,860,000)	(7,305,120,000)
Reserves distribution and other adjustments in the year	2,643,877,570	1,266,018,368
	<u>41,362,787,841</u>	<u>66,066,398,237</u>

(*) As at the reporting date, the Board of Directors has no reliable information resources as a basis for the fair value determination of investments in joint ventures and associates as disclosed in Note 07. Hence, the fair value of these investments as at 31 December 2015 has not been presented in the Notes to the consolidated financial statements.

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20. INVESTMENTS IN ASSOCIATES, JOINT VENTURES (Continued)

Interest in joint ventures (Continued)

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

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Total assets	1,933,576,309,236	2,096,598,779,480
Total liabilities	1,778,673,746,607	1,783,959,339,974
Net assets	<u>154,902,562,629</u>	<u>312,639,439,506</u>
Net assets of the Corporation in joint ventures	41,362,787,841	66,066,398,237
	<u>2015</u>	<u>2014</u>
	VND	VND
Revenue	1,157,127,805,341	1,207,684,941
Loss after tax	<u>(188,307,838,186)</u>	<u>(102,895,276,622)</u>
Loss after tax of the Corporation in joint ventures	(19,881,627,966)	(68,356,913,925)

21. EQUITY INVESTMENTS IN OTHER ENTITIES

	<u>31/12/2015</u>		<u>31/12/2014</u>	
	Cost VND	Provision VND	Cost VND	Provision VND
PetroVietnam Infrastructure and Urban Investment JSC	90,000,000,000	-	90,000,000,000	11,596,172,276
Dong Duong Xanh Development JSC	26,090,000,000	595,321,379	26,090,000,000	341,833,540
Dong Duong Petroleum Transportation JSC	10,000,000,000	246,858,237	10,000,000,000	774,154,496
Telecommunications Technology and Automation Petroleum JSC	-	-	3,600,000,000	-
Lam Kinh Hotel JSC	28,000,000,000	17,401,777,984	28,000,000,000	14,531,443,526
Au Lac JSC	26,482,144,914	-	29,706,587,314	-
Sai Gon Fuel JSC	4,736,610,000	31,100,400	4,736,610,000	-
Viet Tin Transportation JSC	7,000,000,000	5,922,000,000	7,000,000,000	5,922,000,000
Other long-term investments	5,890,081,368	-	12,140,676,913	3,066,519,832
	<u>198,198,836,282</u>	<u>24,197,058,000</u>	<u>211,273,874,227</u>	<u>36,232,123,670</u>

As at the reporting date, the Board of Directors has no reliable information resources as a basis for the fair value determination of shares of these companies. Hence, the fair value of these other long-term investments as at 31 December 2015 has not been presented in the Notes to the consolidated financial statements.

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22. GOODWILL

	<u>VND</u>
COST	
As at 01/01/2015	234,456,037,799
Additions in the year	52,280,000
Decreases due to loss of control of subsidiary	(36,130,575)
As at 31/12/2015	<u>234,472,187,224</u>
ACCUMULATED DEPRECIATION	
As at 01/01/2015	82,259,598,103
Charge in year	23,902,333,175
Decreases due to loss of control of subsidiary	(28,904,462)
As at 31/12/2015	<u>106,133,026,816</u>
NET BOOK VALUE	
As at 31/12/2015	<u>128,339,160,408</u>
As at 31/12/2014	<u>152,196,439,696</u>

23. SHORT-TERM TRADE PAYABLES

	<u>12/31/2015</u>		<u>31/12/2014</u> (Restated)	
	VND Amount	VND Amount able to be paid off	VND Amount	VND Amount able to be paid off
a. Short-term trade payables				
Binh Son Refining and Petrochemical Company Limited	1,153,455,655,476	1,153,455,655,476	3,301,981,134,530	3,301,981,134,530
Brunei Shell	542,233,266,826	542,233,266,826	805,155,378,606	805,155,378,606
PetroVietnam Gas Joint Stock Corporation	103,102,634,617	103,102,634,617	38,632,772,099	38,632,772,099
Kairo Oil Trade Pte. Ltd	586,832,542,790	586,832,542,790	-	-
PetroVietnam Transportation Joint Stock Corporation	693,000,110	693,000,110	27,730,056,467	27,730,056,467
Vietnam Oil and Gas Group	-	-	113,434,144,250	113,434,144,250
Other trade payables	336,004,694,960	336,004,694,960	359,967,705,257	359,967,705,257
	<u>2,722,321,794,779</u>	<u>2,722,321,794,779</u>	<u>4,646,901,191,209</u>	<u>4,646,901,191,209</u>
b. Short-term trade payables to related parties				
(Details are presented in Note 45)	1,273,538,719,210	1,273,538,719,210	3,610,751,353,097	3,610,751,353,097

24. SHORT-TERM ACCRUED EXPENSES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Interest expense	3,589,444,714	4,122,271,386
Accrued cost of goods sold and operating expenses	41,224,492,985	40,624,877,218
Other accruals	36,679,718,596	28,035,427,836
	<u>81,493,656,295</u>	<u>72,782,576,440</u>

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25. OTHER CURRENT PAYABLES

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
a. Other short-term payables		
Collection and payment on behalf relating to crude oil authorized exports	3,431,744,545,254	4,872,962,816,309
Entrusted import duty paid on behalf	130,107,107,407	92,166,641,380
Collection and payment on behalf relating to crude oil export duty	57,846,462,770	244,745,808,191
Oil borrowings	3,575,979,962	253,799,208,277
Other short-term payables	98,744,906,868	87,809,099,946
	<u>3,722,019,002,261</u>	<u>5,551,483,574,103</u>
b. Other short-term payables to related parties (Details are presented in Note 45)	3,125,302,784,817	2,346,173,170,466

26. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	<u>31/12/2015</u>		<u>31/12/2014</u>	
	VND	VND	VND	VND
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
Short-term loans	2,314,444,474,656	2,314,444,474,656	2,271,282,283,134	2,271,282,283,134
Vietnam Joint Stock Commercial Bank for Industry and Trade	1,752,976,224,037	1,752,976,224,037	1,154,790,219,546	1,154,790,219,546
Joint Stock Commercial Bank for Foreign Trade of Vietnam	-	-	511,174,581,623	511,174,581,623
Vietnam Public Joint Stock Commercial Bank	-	-	509,349,734,920	509,349,734,920
Bank for Investment and Development of Vietnam	47,047,974,232	47,047,974,232	35,837,228,731	35,837,228,731
Southern Joint Stock Commercial Bank	-	-	25,000,000,000	25,000,000,000
Dong A Joint Stock Commercial Bank	12,142,284,000	12,142,284,000	19,885,538,000	19,885,538,000
HSBC Bank (Vietnam) Limited	374,758,876,127	374,758,876,127	-	-
Vietnam Bank for Agriculture and Rural Development	108,959,829,546	108,959,829,546	-	-
Ho Chi Minh City Housing Development Joint Stock Commercial Bank	13,563,513,200	13,563,513,200	-	-
Vietnam International Joint Stock Commercial Bank	2,418,861,800	2,418,861,800	-	-
Other short-term loans	2,576,911,714	2,576,911,714	15,244,980,314	15,244,980,314
Current portion of long-term loans (Note 28)	123,112,216,889	123,112,216,889	136,277,203,997	136,277,203,997
Current portion of long-term obligations under finance leases (Note 28)	346,959,091	346,959,091	216,106,300	216,106,300
	<u>2,437,903,650,636</u>	<u>2,437,903,650,636</u>	<u>2,407,775,593,431</u>	<u>2,407,775,593,431</u>

Short-term loans represent facilities obtained from banks and individuals to supplement working capital of the Corporation. Bank loans might be withdrawn in Vietnam Dong or United States Dollar based on each credit limit as signed with banks. Such loans bear fixed interest rates that are stated in each loan acknowledgement and range from 3% p.a. to 3.5% p.a. (2014: 1% p.a. to 4.2% p.a.) as for the US dollar and ranged from 3.7% p.a. to 6% p.a. (2014: from 3.9% p.a. to 11% p.a.) as for Vietnam Dong. Such loans had the balance of VND 36,585,601,314 as at 31 December 2015 (as at December 2014: VND 48,895,556,606) and are secured by fixed assets while the remaining loans are unsecured.

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27. PRICE STABILISATION FUND

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Opening balance	449,908,763,667	(319,079,448,396)
Appropriation to the fund	925,034,866,404	954,406,516,037
Interest incurred	2,071,824,300	305,840,479
Utilization in the year	<u>(1,051,859,279,468)</u>	<u>(185,724,144,453)</u>
Closing balance	<u>325,156,174,903</u>	<u>449,908,763,667</u>
<i>In which:</i>		
Price Stabilization Fund of Parent Company	435,364,261,225	594,858,618,897
Price Stabilization Fund of PETEC (i)	(144,949,855,230)	(144,949,855,230)
Price Stabilization Fund of Petro Mekong (i)	34,741,768,908	-

Appropriation and utilization of the petroleum price stabilization fund comply with the regulations of the Ministry of Finance at different times (as presented in Note 4 - Summary of Significant Accounting Policies, "Petroleum Price Stabilization Fund" item). In the year, the Corporation appropriated to and utilized the fund in accordance with prevailing current regulations. Any difference between the appropriation and utilization of the fund will comply with the guidance of the Ministry of Finance in the coming time.

(i) Representing the balance of the price stabilization fund of PETEC and Petro Mekong which was transferred to the Corporation according to the Price Stabilization Fund Inspection and Treatment Minutes at the Corporation dated 29 May 2015 made by the interdisciplinary inspection board of the Ministry of Finance and Ministry of Industry and Trade.

28. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	<u>31/12/2015</u>		<u>31/12/2014</u>	
	VND Amount	VND Amount able to be paid off	VND Amount	VND Amount able to be paid off
Long-term loans (i)	477,193,035,850	477,193,035,850	512,820,712,024	512,820,712,024
Long-term obligations under finance leases	1,385,628,229	1,385,628,229	1,025,800,000	1,025,800,000
Current portion of long-term loans (Note 26)	(123,112,216,889)	(123,112,216,889)	(136,277,203,997)	(136,277,203,997)
Current portion of long-term obligation under finance leases (Note 26)	(346,959,091)	(346,959,091)	(216,106,300)	(216,106,300)
	<u>355,119,488,099</u>	<u>355,119,488,099</u>	<u>377,353,201,727</u>	<u>377,353,201,727</u>

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28. LONG-TERM LOANS (Continued)

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

	31/12/2015		31/12/2014	
	VND Amount	VND Amount able to be paid off	VND Amount	VND Amount able to be paid off
Bank for Investment and Development of Vietnam	57,594,362,751	57,594,362,751	80,474,362,751	80,474,362,751
Vietnam Development Bank	-	-	20,070,210,924	20,070,210,924
Vietnam Joint Stock Commercial Bank for Industry and Trade	43,667,980,770	43,667,980,770	9,263,980,770	9,263,980,770
Vietnam Export and Import Joint Stock Commercial Bank	39,329,330,268	39,329,330,268	47,405,695,214	47,405,695,214
Joint Stock Commercial Bank for Foreign Trade of Vietnam	186,756,360,854	186,756,360,854	265,351,258,694	265,351,258,694
Vietnam Public Joint Stock Commercial Bank	54,985,903,671	54,985,903,671	80,775,903,671	80,775,903,671
Sai Gon Thuong Tin Commercial Joint Stock Bank	4,997,366,000	4,997,366,000	-	-
Asia Commercial Joint Stock Bank	22,436,250,600	22,436,250,600	-	-
Vietnam International Commercial Joint Stock Bank	50,000,000,000	50,000,000,000	-	-
Vietinbank Leasing Company Limited (ii)	329,000,000	329,000,000	441,800,000	-
Sacombank Leasing Company Limited (iii)	477,618,476	477,618,476	584,000,000	-
Vietcombank Leasing Company Limited (iv)	579,009,753	579,009,753	-	-
Others	17,425,480,936	17,425,480,936	9,479,300,000	9,479,300,000
	478,578,664,079	478,578,664,079	513,846,512,024	512,820,712,024

- (i) Represent long-term loans for the purpose of financing the investment projects to expand oil depots in the Corporation and its subsidiaries. The loans bear interest rates ranging from 5% to 13% p.a. (2014: from 6.9% p.a. to 12.5% p.a.) for loans in Vietnam Dong. These loans are secured by: (i) construction of Cu Lao Tao petroleum depots, Cu Lao Tao Port; (ii) assets formed from the Vung Ang depot project and other fixed assets; (iii) assets formed from Nam Dinh transit warehouse project; (iv) assets of Thanh Quang petrol stations; and (v) land use rights and assets on land.
- (ii) Represent long-term obligations under finance leases from Vietinbank Leasing Company Limited - Ho Chi Minh City Branch with leased assets being motor vehicles. The lease term is 60 months with interest rate announced by Vietinbank Leasing Company Limited plus margin of 2.4% p.a. At the end of the lease term, the lessee will purchase equipment at the amount equal to the value specified in the agreement.
- (iii) Represent an obligation under Finance Lease Contract No. SBL010220412002 dated 3 December 2014 signed with Sacombank Leasing Company Limited. The repayment term is 60 months from the date of disbursement. 10% interest rate is applicable from the date of debt acknowledgement to the end of 30 April 2015. From 1 May 2015, interest rates are adjusted according to the interest rates of 13-month savings deposits announced by Saigon Thuong Tin Commercial Joint Stock Bank plus a fixed fee of 4.5% p.a.
- (iv) Represent an obligation under Finance Lease Contract No. 74.15.04 / CTTC dated 9 April 2015 signed with Vietcombank Leasing Company Limited - Ho Chi Minh City Branch. The repayment term is 60 months from the date of disbursement. Interest rate is calculated by VND and announced by Vietcombank Leasing Company Limited plus a margin of 2.4% p.a.

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28. LONG-TERM LOANS (Continued)

Long-term loans are repayable as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Within one year	123,112,216,889	136,277,203,997
In the second year	141,157,177,616	119,467,475,377
In the third to fifth year inclusive	211,035,543,119	211,144,236,585
After five years	<u>1,888,098,226</u>	<u>45,931,796,065</u>
	477,193,035,850	512,820,712,024
Less: Amount due for settlement within 12 months (show under Short-term loans and obligations under finance leases- Note 26)	123,112,216,889	136,277,203,997
Amount due for settlement after 12 months	<u>354,080,818,961</u>	<u>376,543,508,027</u>

Long-term obligations under finance leases are repayable as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Within one year	346,959,091	216,106,300
In the second year	350,719,091	217,101,455
In the third to fifth year inclusive	687,950,047	592,592,245
After five years	<u>-</u>	<u>-</u>
	1,385,628,229	1,025,800,000
Less: Amount due for settlement within 12 months (show under Short-term loans and obligations under finance leases - Note 26)	346,959,091	216,106,300
Amount due for settlement after 12 months	<u>1,038,669,138</u>	<u>809,693,700</u>

29. DEFERRED TAX LIABILITIES

Below is deferred tax liabilities recognized by the Corporation in the current year and previous years.

Deferred tax liabilities

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Corporate income tax rate used for determination of deferred tax liabilities	20%	22%
Deferred tax liabilities arising from taxable temporary differences	51,958,101,383	20,677,601,225
Deferred tax liabilities	<u>51,958,101,383</u>	<u>20,677,601,225</u>

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30. OWNER'S EQUITY

Movement in owner's equity:

	Owner's contributed capital		Treasury shares		Investment and development fund		Financial reserve fund		Other reserves		Foreign exchange difference		Accumulated losses (Restated)		Enterprise reorganisation support fund		Construction investment fund		Other owner's capital		Non-controlling interests		Total		
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND	
As at 01/01/2014	10,884,251,000,000	-	-	194,102,323,575	27,752,441,240	20,250,283,233	(4,590,016,377)	(1,345,995,906,419)	30,182,314,713	5,970,699,688	1,255,798,363	1,100,201,633,195	10,913,380,571,211	-	-	-	-	-	-	-	-	-	-	-	-
Profit in the year	-	-	-	-	-	-	-	(1,503,565,161,616)	-	-	-	-	(1,503,565,161,616)	-	-	-	-	-	-	-	-	-	-	(1,503,565,161,616)	
Restatement as recommended by SAV	-	-	-	-	-	-	-	131,841,992,494	-	-	-	-	131,841,992,494	-	-	-	-	-	-	-	-	-	-	131,841,992,494	
Funds distribution	-	-	-	55,089,724,447	10,469,052,068	798,014,156	-	(101,328,994,358)	-	-	-	-	(101,328,994,358)	-	-	-	-	-	-	-	-	-	-	(34,972,205,887)	
Additional profit paid to Vietnam Oil and Gas Group	-	-	-	-	-	-	-	(62,759,428,056)	-	-	-	-	(62,759,428,056)	-	-	-	-	-	-	-	-	-	-	(62,759,428,056)	
Adjustment for profit distribution	-	-	-	-	-	-	-	(52,627,579,745)	-	-	-	-	(52,627,579,745)	-	-	-	-	-	-	-	-	-	-	(52,627,579,745)	
Profit attributable to non-controlling shareholders	-	-	-	-	-	-	-	(21,657,247,397)	-	-	-	-	(21,657,247,397)	-	-	-	-	-	-	-	-	-	-	(21,657,247,397)	
Funds adjustments	-	-	-	15,894,211,757	(3,604,915,753)	(288,300,778)	-	(15,894,211,757)	-	-	-	-	(15,894,211,757)	-	-	-	-	-	-	-	-	-	-	-	
Adjustment for non-controlling shareholders	-	-	-	(14,067,525,260)	-	-	-	17,960,741,791	-	-	-	-	17,960,741,791	-	-	-	-	-	-	-	-	-	-	-	
Subsidiary equitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	(17,570,051,756)	(1,574,525,935)	3,744,037,132	8,213,929,737	13,348,924,120	-	-	-	-	13,348,924,120	-	-	-	-	-	-	-	-	-	-	(23,674,432,600)	
As at 31/12/2014	10,884,251,000,000	-	-	233,448,682,763	33,042,051,620	24,504,033,743	3,633,913,360	(2,940,676,870,943)	6,507,882,113	5,970,699,688	1,255,798,363	1,080,595,139,451	9,332,522,330,158	-	-	-	-	-	-	-	-	-	-	(26,935,851,200)	
Reclassification according to Circular 200/TT-BTC	-	-	-	33,042,051,620	(33,042,051,620)	-	(5,636,353,934)	5,636,353,934	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at 01/01/2015 (Restated)	10,884,251,000,000	-	-	266,490,734,383	-	24,504,033,743	(2,012,440,574)	(2,935,040,517,009)	6,507,882,113	5,970,699,688	1,255,798,363	1,080,595,139,451	9,332,522,330,158	-	-	-	-	-	-	-	-	-	-	(7,885,491,347)	
Profit in the year	-	-	-	41,179,357,763	-	-	-	674,252,152,142	-	-	-	-	674,252,152,142	-	-	-	-	-	-	-	-	-	-	-	674,252,152,142
Funds distribution	-	-	-	-	-	-	-	(66,904,645,161)	-	-	-	-	(66,904,645,161)	-	-	-	-	-	-	-	-	-	-	-	
Profit attributable to non-controlling shareholders	-	-	-	-	-	-	-	(56,198,142,213)	-	-	-	-	(56,198,142,213)	-	-	-	-	-	-	-	-	-	-	-	
Treasury shares	-	-	(5,573,247,018)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Adjustment for non-controlling shareholders	-	-	-	-	-	-	-	25,182,030,976	-	-	-	-	25,182,030,976	-	-	-	-	-	-	-	-	-	-	-	
Difference due to financial statements conversion	-	-	-	(15,960,410,935)	-	-	19,280,427,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increases/Decreases due to subsidiary divestment	-	-	-	(1,455,709,801)	-	-	-	1,455,709,801	-	-	-	-	1,455,709,801	-	-	-	-	-	-	-	-	-	-	-	
Dividend distribution	-	-	-	-	-	-	-	(14,230,178,663)	-	-	-	-	(14,230,178,663)	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	-	(13,690,919,870)	-	(8,394,747,211)	-	(14,230,178,663)	-	-	-	-	(14,230,178,663)	-	-	-	-	-	-	-	-	-	-	-	
As at 31/12/2015	10,884,251,000,000	(5,573,247,018)	-	276,563,051,540	-	16,109,286,532	17,267,987,077	(2,371,483,590,127)	6,507,882,113	5,959,092,576	7,587,978,678	1,074,376,940,068	9,911,566,381,439	-	-	-	-	-	-	-	-	-	-	(42,066,820,116)	

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30. OWNER'S EQUITY (Continued)

(*) On 8 January 2015, Vietnam Oil and Gas Group ("PVN") issued Resolution No. 114/NQ-DKVN on amending Article 1 of Resolution No. 1524/NQ-DKVN dated 6 March 2013 by the Members' Council of Vietnam Oil and Gas Group, approving the share transfer value with regard to shares of Petec Trading and Investment Company ("PETEC") held by Vietnam Oil and Gas Group in accordance with Share Ownership Transfer Contract No. 2439/HD-DKVN dated 9 April 2013 between the Corporation and Vietnam Oil and Gas Group corresponding to the capital additionally contributed by Vietnam Oil and Gas Group to the Corporation based on the book value of the audited financial statements as at 31 March 2013. At the date of these consolidated financial statements, the involved parties are still working with relevant authorities to obtain official approval for reducing the Corporation's charter capital as a basis for adjusting the Share Ownership Transfer Contract No. 2439/HD-DKVN mentioned above.

31. FOREIGN EXCHANGE RESERVE

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Exchange differences from conversion of foreign currency financial statements into VND	17,267,987,077	(2,012,440,574)
	<u>17,267,987,077</u>	<u>(2,012,440,574)</u>

32. NON-CONTROLLING INTERESTS

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
Charter capital	1,069,406,865,741	1,055,884,029,644
Other owner's capital	-	1,178,601,775
Share premium	14,268,945,923	22,234,689,949
Investment and development fund	89,898,536,251	71,933,152,424
Other reserves	-	6,419,487,191
Accumulated losses	(100,652,888,588)	(78,305,621,048)
Restatement as recommended by SAV	-	(280,085,296)
Construction investment fund	1,455,480,741	1,530,884,812
	<u>1,074,376,940,068</u>	<u>1,080,595,139,451</u>

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32. NON-CONTROLLING INTERESTS (Continued)

Movement in non-controlling interests

	Charter capital	Share premium	Investment and	Financial reserve	Other reserves	Other owner's	Accumulated loss	Construction
	VND	VND	development fund	fund	VND	capital	(restated)	investment fund
	VND	VND	VND	VND	VND	VND	VND	VND
As at 01/01/2014	1,051,041,068,125	14,394,151,554	39,649,553,849	14,305,533,538	8,055,104,936	1,178,601,775	(29,953,265,394)	1,530,884,812
Profit/(Loss) in the year	-	-	-	-	-	-	21,657,247,397	-
Restatement as recommended by SAV	-	-	-	-	-	-	(280,085,296)	-
Reserves distribution in the year	-	-	14,067,525,260	3,604,915,753	288,300,778	-	(17,960,741,791)	-
Inceases due to merger	4,842,961,519	8,067,370,204	-	-	-	-	-	-
Adjustments for majority shareholders due to changes in ownership structure	-	-	-	-	-	-	(9,690,992,703)	-
Dividend distribution	-	-	-	-	-	-	(26,935,851,200)	-
Others	-	(226,831,809)	(498,862,059)	804,486,083	(1,923,918,523)	-	(15,422,017,357)	-
As at 31/12/2014	1,055,884,029,644	22,234,689,949	53,218,217,050	18,714,935,374	6,419,487,191	1,178,601,775	(78,585,706,344)	1,530,884,812
Restatement due to Circular 200/TT-BTC	-	-	18,714,935,374	(18,714,935,374)	-	-	-	-
As at 01/01/2015 (Restated)	1,055,884,029,644	22,234,689,949	71,933,152,424	-	6,419,487,191	1,178,601,775	(78,585,706,344)	1,530,884,812
Profit in the year	-	-	-	-	-	-	56,198,142,213	-
Reserves distribution	-	-	15,960,410,935	-	-	-	(25,182,030,976)	-
Reclassification	8,067,370,204	(8,067,370,204)	-	-	-	-	-	-
Increases/(Decreases) due to merger	(5,885,000,000)	115,083,288	(2,972,253,878)	-	-	-	8,742,170,590	-
Reclassification	17,637,629,796	-	-	-	-	-	(17,637,629,796)	-
Increases/(Decreases) due to subsidiary disposal	(10,137,343,921)	-	(1,398,623,143)	-	-	-	1,398,623,143	-
Dividend distribution	-	-	-	-	-	-	(37,318,010,374)	-
Others	3,840,180,018	(13,457,110)	6,375,849,913	-	(6,419,487,191)	(1,178,601,775)	(8,268,447,044)	(75,404,071)
As at 31/12/2015	1,069,406,865,741	14,268,945,923	89,898,536,251	-	-	-	(100,652,888,588)	1,455,480,741

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	<u>31/12/2015</u>	<u>31/12/2014</u>
1. Materials, goods held under trust or for processing (VND)	987,913,952,201	764,463,267,955
2. Foreign currencies		
- United State Dollar (USD)	21,219,697	43,426,654
- Euro (EUR)	604	-
- Singapore Dollar (SGD)	404	-

34. BUSINESS AND GEOGRAPHICAL SEGMENTS**Business segments**

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

Geographical segments

The Corporation is operating in both domestic and international regions.

Below is an analysis of the Corporation's revenue by geographical segment regardless of country of origin of goods and services.

	<u>2015</u>	<u>2014</u>
	<u>VND</u>	<u>(Restated)</u>
	<u>VND</u>	<u>VND</u>
Domestic	40,810,353,382,824	54,653,901,078,364
International	10,176,300,965,590	11,740,912,275,371
	<u>50,986,654,348,414</u>	<u>66,394,813,353,735</u>

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

	<u>Net book value of segment assets</u>		<u>Increase in Tangible/Intangible assets increasing</u>	
	<u>12/31/2015</u>	<u>31/12/2014</u>	<u>2015</u>	<u>2014</u>
	<u>VND</u>	<u>(Restated)</u>	<u>VND</u>	<u>(Restated)</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Domestic	3,904,720,557,980	4,045,417,964,053	340,952,786,995	424,970,597,345
International	115,123,241,734	74,052,813,779	55,161,935,183	14,682,870,147
	<u>4,019,843,799,714</u>	<u>4,119,470,777,832</u>	<u>396,114,722,178</u>	<u>439,653,467,492</u>

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	2015	2014 (Restated)
	VND	VND
Gross revenue	50,986,654,348,414	66,394,813,353,735
- Sales of finished goods/merchandise	50,483,005,708,307	65,979,883,307,760
- Sales of services and other activities	307,374,544,874	235,674,841,751
- Sales of entrusted crude oil exports	196,274,095,233	179,255,204,224
Deductions	(76,160,549,394)	(88,635,775,328)
- Trade discounts	(76,160,549,394)	(88,635,775,328)
	50,910,493,799,020	66,306,177,578,407
Sales to related parties (Details are presented in Note 45)	1,260,629,111,048	2,470,443,029,587

36. COST OF SALES

	2015	2014 (Restated)
	VND	VND
Cost of goods sold	47,810,495,034,965	64,906,840,460,715
Cost of services rendered	188,173,797,242	139,666,503,938
	47,998,668,832,207	65,046,506,964,653

37. PRODUCTION COST BY NATURE

	2015	2014 (Restated)
	VND	VND
Raw materials and consumables	8,359,374,610,469	8,168,191,603,220
Labour	779,649,920,661	712,362,308,849
Depreciation and amortisation	376,143,899,257	381,102,208,249
Out-sourced services	590,023,638,095	430,567,225,951
Other monetary expenses	431,062,205,134	744,723,152,454
	10,536,254,273,616	10,436,946,498,723

38. FINANCIAL INCOME

	2015	2014
	VND	VND
Bank interest	139,189,009,900	96,048,929,827
Foreign exchange gain	37,740,626,971	38,350,989,419
Dividends received	3,428,226,360	2,197,866,182
Interest on credit sales	4,324,259,762	2,790,826,313
Gain on disposal of financial investments	18,868,805,609	3,244,879,050
Other financial income	5,961,010,057	1,828,970,656
	209,511,938,659	144,462,461,447

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39. FINANCIAL EXPENSES

	2015	2014
	VND	(Restated)
	VND	VND
Interest expense	102,250,065,502	265,328,621,627
Foreign exchange loss	133,749,378,412	77,531,185,475
(Reversal of)/Provision for impairment of financial investments	(9,699,556,470)	9,027,839,210
Other financial expenses	5,178,360,755	4,858,421
	231,478,248,199	351,892,504,733

40. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	2015	2014
	VND	(Restated)
	VND	VND
Selling expenses		
Salesmen	509,759,269,762	473,001,875,638
Office appliances, furniture and materials	57,072,155,481	92,237,267,041
Transportation	122,331,451,968	119,525,213,645
Out-sourced services	81,771,106,531	153,232,579,435
Depreciation and amortisation	232,913,851,424	218,548,259,027
Others	441,178,273,569	456,480,313,536
	1,445,026,108,735	1,513,025,508,322
General and administration expenses		
Management staff	287,108,199,861	245,130,103,623
Office appliances, furniture and materials	19,592,898,537	31,110,292,610
Depreciation and amortisation	52,383,873,912	56,452,157,917
Provisions	13,809,331,758	127,088,481,123
Out-sourced services	136,545,891,439	101,550,575,249
Others	192,592,174,682	189,562,963,951
	702,032,370,189	750,894,574,473

41. PROFIT FROM OTHER ACTIVITIES

	2015	2014
	VND	(Restated)
	VND	VND
Proceeds from disposals of fixed assets	2,100,267,454	106,698,961,261
Indemnification received	5,366,301,898	5,509,169,303
Penalties returned from the State budget (*)	28,018,474,059	-
Income from excess inventory	18,800,248,263	-
Shipping loss	3,544,628,873	-
Income from sales bonuses	3,544,480,113	-
Other income	61,574,090,269	98,644,388,390
Other income	122,948,490,929	210,852,518,954
Penalties	5,577,329,222	37,010,317,467
Other expenses	37,590,706,858	57,244,856,572
Other expenses	43,168,036,080	94,255,174,039
Other profit	79,780,454,849	116,597,344,915

(*)Represent the returned amount of late tax payment penalties incurred in previous years by Mekong Petroleum JSC ("PV Oil Mekong" – a subsidiary of the Corporation), of which VND 28,431,339,675 was returned under Decision No. 81/QD-CT dated 21 January 2015 of the Tax Department of Can Tho City and VND 412,865,616 was offset against the penalties payable in the year to the tax authority.

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42. CORPORATE INCOME TAX EXPENSE

	<u>2015</u>	<u>2014</u>
	VND	VND
Current corporate income tax expense		
- Current corporate income tax expense based on taxable profit in the current year	74,304,725,562	71,235,362,705
- Adjustment for corporate income tax expenses in previous years into the current year	1,888,976,261	583,293,949
Total current corporate income tax expense	<u>76,193,701,823</u>	<u>71,818,656,654</u>

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

	<u>2015</u>	<u>2014</u>
	VND	(Restated) VND
Profit/(Loss) before tax	789,139,360,160	(1,200,442,239,532)
Adjustments for:	(608,662,331,404)	(96,245,340,799)
Losses carried forward	(666,420,256,789)	(7,990,197,696)
Decreasing adjustments made to taxable profit	(241,225,333,247)	(141,911,944,473)
In which	-	-
<i>Dividend received</i>	(2,379,048,360)	(1,872,000,000)
<i>Penalties returned from the State budget</i>	(28,018,474,059)	-
<i>Other decreasing adjustments made to taxable profit</i>	(237,107,129,332)	(167,057,652,884)
<i>Effect of gain on assets revaluation</i>	26,279,318,504	27,017,708,411
Increasing adjustments made to taxable profit	251,543,066,631	101,096,993,371
<i>Non-deductible expenses</i>	251,543,066,631	101,096,993,371
Special consumption tax arrears from 2008 and 2009	47,440,192,001	(47,440,192,001)
Taxable profit/(loss)	180,477,028,756	(1,296,687,580,331)
<i>In which:</i>		
Taxable profit/(loss) at 22% tax rate	70,659,962,850	(1,378,756,522,254)
Taxable profit at tax rate of 17%, 24% and 25% (*)	87,512,792,730	65,526,479,278
Taxable profit from real estate transfer	8,838,237,846	2,982,890,656
Taxable profit from principal operating activities subjected to tax incentive	13,466,035,330	13,559,571,989
Corporate income tax		
Taxable income at 22% tax rate	48,408,511,588	54,351,387,867
Taxable income at tax rate of 17%, 24% and 25% (*)	21,520,743,365	14,916,310,540
Taxable profit from principal operating activities subjected to tax incentive	673,301,767	656,235,944
Adjustment for prior year corporate income tax	1,888,976,261	583,293,949
Adjustment for corporate income tax deduction	3,702,168,842	1,311,428,354
Current corporate income tax expense	<u>76,193,701,823</u>	<u>71,818,656,654</u>

(*)Corporate income taxes at the rates of 17% and 24% of taxable profit are applicable to taxable profit of the Corporation's subsidiaries namely Singapore International Oil Trading Company Ltd. ("PV Oil Singapore") and Laos Petroleum Company Ltd. ("PV Oil Laos") respectively. The parent company and the rest subsidiaries pay corporate income tax at the rate of 22% of taxable profit.

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43. OPERATING LEASE COMMITMENTS

	<u>2015</u>	<u>2014</u>
	VND	(Restated) VND
Minimum lease payments under operating leases recognised in the consolidated income statement for the year	19,219,457,751	24,744,102,078

As at the balance sheet date, the Company had outstanding commitments under operating leases with non-cancelable payment schedule as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Within one year	13,517,269,962	16,701,261,234
In the second to fifth year inclusive	25,990,426,674	26,733,183,477
After five years	7,173,346,238	19,510,279,014
	<u>46,681,042,874</u>	<u>62,944,723,725</u>

44. FINANCIAL INSTRUMENTS

Capital risk management

The Corporation manages its capital to ensure that the Corporation will be able to continue as a going concern while maximising the return to owner through the optimisation of the debt and equity balance.

The capital structure of the Corporation consists of net debt (including loans and obligations under finance leases disclosed in Notes 26 and 28 offset by cash and cash equivalents) and equity attributable to Vietnam Oil and Gas Group (comprising charter capital and reserves less accumulated losses).

Gearing ratio

The Corporation's gearing ratio as at the balance sheet date was as follows:

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	VND
Loans and obligations under finance leases	2,793,023,138,735	2,785,128,795,158
Less: Cash and cash equivalents	6,304,307,760,210	5,249,113,998,649
Net debt	-3,511,284,621,475	-2,463,985,203,491
Equity	<u>9,911,566,381,439</u>	<u>9,332,522,330,158</u>
Net debt to equity ratio	-	-

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 4.

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44. FINANCIAL INSTRUMENTS (Continued)

Categories of financial instruments

	Carrying amount	
	31/12/2015	31/12/2014 (Restated)
	VND	VND
Financial assets		
Cash and cash equivalents	6,304,307,760,210	5,249,113,998,649
Trade and other receivables	5,307,196,439,137	7,733,379,908,510
Short-term investments	18,714,431,466	974,319,450,894
Long-term investments	174,001,778,282	175,041,750,557
Total	11,804,220,409,095	14,131,855,108,610
Financial liabilities		
Loans and obligations under finance leases	2,793,023,138,735	2,785,128,795,158
Trade and other payables	6,446,531,988,567	10,205,307,445,879
Accrued expenses	81,493,656,295	72,782,576,440
Total	9,321,048,783,597	13,063,218,817,477

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards (IFRS) on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Corporation has set up risk management system to identify and assess the risks exposed by the Corporation and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Corporation's operations.

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

The Corporation's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Corporation does not hedge these risk exposures because the Board of Directors assessed that the costs to be incurred to hedge these risks may exceed the inherent risks caused by the fluctuation of the foreign exchange rates, interest rates and prices in the future.

Foreign currency risk management

The Corporation undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

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44. FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk management (Continued)

	Asset		Liability	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	VND	VND	VND	VND
United State Dollar	1,051,672,702,088	992,137,025,187	1,148,735,019,321	1,474,403,555,777
Singapore Dollar	6,397,222	3,884,788,664	-	-
Laos Kip	156,813,422,932	208,225,490,888	100,361,392,348	122,928,013,034
Euro	15,367,473	16,157,268	-	-

Foreign currency sensitivity analysis

The Corporation was mainly exposed to the United States Dollar.

The rate applicable to the calculation of foreign currency sensitivity estimated by the Board of Directors is 5%. The Board of Directors then found that the difference will affect the foreign currency denominated items outstanding at the end of the year. For a 5% increase/decrease in below foreign currencies against Vietnam Dong, the profit before tax in the year would increase/decrease by the following amounts:

	31/12/2015	31/12/2014
	VND	VND
United State Dollar	(4,853,115,862)	(24,113,326,529)
Singapore Dollar	319,861	194,239,433
Laos Kip	2,822,601,529	4,264,873,893
Euro	768,374	807,863

Interest rate risk management

The Corporation has significant interest rate risks arising from interest bearing loans and obligations under finance leases which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of loans and obligations under finance leases and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Interest rate sensitivity analysis

The sensitivity of loans and obligations under finance leases to interest rate changes which may arise at an appropriate level is presented in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans and obligations under finance leases had been 200 basis points higher/lower, the Corporation's profit before tax for the year ended 31 December 2015 would have decreased/ increased by VND 55,860,462,775 (2014: VND 55,702,575,903).

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44. FINANCIAL INSTRUMENTS (Continued)

	<u>Increase/(decrease)</u> <u>in basis points</u>	<u>Impact on profit</u> <u>before tax</u> <u>VND</u>
For the year ended 31 December 2015		
VND	+200	(55,860,462,775)
VND	-200	55,860,462,775
For the year ended 31 December 2014		
VND	+200	(55,702,575,903)
VND	-200	55,702,575,903

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Corporation has assessed that credit risk is at a controllable level as its customers mainly are related parties.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that period. The Corporation policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table details the Corporation's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.

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44. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk management (Continued)

	Less than 1 year	From 1 - 5 years	More than 5 years	Total
31/12/2015	VND	VND	VND	VND
Cash and cash equivalents	6,304,307,760,210	-	-	6,304,307,760,210
Trade and other receivables	5,295,123,061,622	12,073,377,515	-	5,307,196,439,137
Short-term investments	18,714,431,466	-	-	18,714,431,466
Long-term investments	-	174,001,778,282	-	174,001,778,282
	11,618,145,253,298	186,075,155,797	-	11,804,220,409,095
Trade and other payables	6,444,340,797,040	2,191,191,527	-	6,446,531,988,567
Accrued expenses	81,493,656,295	-	-	81,493,656,295
Loans and obligations under finance leases	2,437,903,650,636	353,231,389,873	1,888,098,226	2,793,023,138,735
	8,963,738,103,971	355,422,581,400	1,888,098,226	9,321,048,783,597
Net liquidity gap	2,654,407,149,327	(169,347,425,603)	(1,888,098,226)	2,483,171,625,498

	Less than 1 year	From 1 - 5 years	More than 5 years	Total
31/12/2014	VND	VND	VND	VND
Cash and cash equivalents	5,249,113,998,649	-	-	5,249,113,998,649
Trade and other receivables	7,729,556,559,540	3,823,348,970	-	7,733,379,908,510
Short-term investments	974,319,450,894	-	-	974,319,450,894
Long-term investments	-	175,041,750,557	-	175,041,750,557
	13,952,990,009,083	178,865,099,527	-	14,131,855,108,610
Trade and other payables	10,198,384,765,312	6,922,680,567	-	10,205,307,445,879
Accrued expenses	72,782,576,440	-	-	72,782,576,440
Loans and obligations under finance leases	2,407,775,593,431	331,421,405,662	45,931,796,065	2,785,128,795,158
	12,678,942,935,183	338,344,086,229	45,931,796,065	13,063,218,817,477
Net liquidity gap	1,274,047,073,900	(159,478,986,702)	(45,931,796,065)	1,068,636,291,133

The Board of Directors assessed the liquidity risk at medium level. The Board of Directors believes that in order to compensate for deficiency in working capital, the Corporation can raise funds from lenders as well as Vietnam Oil and Gas Group. Accordingly, the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

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45. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties :

<u>Related parties</u>	<u>Relationship</u>
Vietnam Oil and Gas Group	Owner
PetroVietnam Exploration Production Corporation	Other entity in PVN
Vietnam Petroleum Oil Transport Joint Stock Company	Other entity in PVN
PetroVietnam Gas Joint Stock Corporation	Other entity in PVN
Petrovietnam Constructon Joint Stock Corporation	Other entity in PVN
Petrolium Technical Services Corporation	Other entity in PVN
PetroVietnam Power Corporation	Other entity in PVN
General Services Oil and Gas Corporation	Other entity in PVN
VietsovPetro Joint Venture	Other entity in PVN
PetroVietnam Southern Gas Joint Stock Company	Other entity in PVN
Binh Son Refining and Petrochemical Company Limited	Other entity in PVN
PetroVietnam Vung Tau Joint Stock Company	Other entity in PVN
Indochina Petroleum Transportation Joint Stock Company	Other entity in PVN
Phuong Dong Viet Transportation Oil Joint Stock Company	Other entity in PVN
Quang Ngai Petroleum Transport Joint Stock Company	Other entity in PVN
Cuu Long Petro Gas Transportation Joint Stock Company	Other entity in PVN
Ha Noi Petroleum Transport Joint Stock Company	Other entity in PVN
PTSC Quang Ngai Petroleum Services Joint Stock Company	Other entity in PVN
Dung Quat Oil Refinery Project Management Board	Other entity in PVN
Northern Petroleum Chemicals Joint Stock Company	Other entity in PVN
Petroleum Mechanical Executing & Essembly Joint Stock Company	Other entity in PVN
PVTrans Pacific Joint Stock Company	Other entity in PVN
Ca Mau Trade Joint Stock Company	Associate
Central Petrochemical and Biofuel Joint Stock Company	Associate

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45. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)*List of related parties (continued):*

<u>Related parties</u>	<u>Relationship</u>
Ninh Binh Petroleum Joint Stock Company	Associate
PTSC CGGV Geophysical Survey Company Limited	Other entity in PVN
PTSC Quang Ngai Petroleum Services Joint Stock Company	Other entity in PVN
Vietnam Energy Inspection	Other entity in PVN
Vietnam Public Joint Stock Commercial Bank	Other entity in PVN
Petro Hotel Company Limited	Other entity in PVN
Petroleum Offshore Trading and Services	Other entity in PVN
PetroVietnam Insurance Joint Stock Corporation	Other entity in PVN
PVD Offshore Services Limited Company	Other entity in PVN
PVI Holdings	Other entity in PVN
Oil and Gas Trade Joint Stock Company (Petechim)	Associate
PetroVietnam Drilling and Well Service Corporation	Other entity in PVN
Dinh Vu Petroleum Service Port Joint Stock Company	Other entity in PVN
PVEP Song Hong Company Limited	Other entity in PVN
PetroVietnam Infrastructure and Urban Investment Joint Stock Company	Other entity in PVN

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	<u>2015</u>	<u>2014</u>
	VND	VND
Sales to related parties		
PetroVietnam Power Corporation	297,197,612,890	282,349,334,199
PetroVietnam Exploration Production Corporation	295,748,914,905	382,181,140,810
Pacific Petroleum Transportation Company	173,666,335,275	-
PetroVietnam Technical Service Joint Stock Corporation	87,638,050,317	23,238,615,028
Binh Son Refining and Petrochemical Compant Limited	77,551,370,240	858,215,575,005
PetroVietnam Gas Joint Stock Corporation	61,406,723,184	56,503,109,299
Song Hong Petroleum Company Limited	46,104,771,176	-
PTSC CGGV Geography and Physical Examining Company Limited	43,547,509,091	-
Hanoi Petroleum Transportation Joint Stock Company	42,150,584,861	73,189,122,282
Quang Ngai Petroleum Service Joint Stock Company	32,686,013,345	45,537,675,478
PetroVietnam Transportation Corporation	27,035,975,182	180,352,664,234
Vung Tau Petroleum Transportation Joint Stock Company	21,910,339,469	21,303,245,276
PetroVietnam Drilling and Well Service Corporation	15,152,551,254	-
Dinh Vu Petroleum Service Port Joint Stock Company	9,592,165,407	13,123,929,820
PetroVietnam Asset Management and Exploiting JSC	7,856,266,511	12,063,295,452
PetroVietnam International Gas Shipping JSC	6,712,425,936	-
PetroVietnam Underground and Examining Service Company Limited	6,106,864,314	-
Petroleum Equipment Assembly and Metal Structure JSC	6,025,193,186	13,663,617,871
Phuong Dong Viet Petroleum Transportation JSC	1,765,904,204	51,731,368
PetroVietnam Southern Gas Joint Stock Company	773,540,301	1,023,375,815
Vung Ang - Quang Trach Power Project Management Board	-	496,148,141,805
PTSC Thanh Hoa Petroleum Service Port Joint Stock Company	-	9,603,779,864
Quang Ngai Petroleum Transportation Joint Stock Company	-	1,487,763,337
Cuu Long Petroleum Transportation Service JSC	-	406,912,644
	<u>1,260,629,111,048</u>	<u>2,470,443,029,587</u>



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	<u>2015</u>	<u>2014</u>
	VND	VND
Purchases from related parties		
Binh Son Refining and Petrochemical Company Limited	20,031,510,466,897	35,014,463,795,049
PetroVietnam Gas Corporation	345,963,769,130	816,186,429,235
Vietnam Oil and Gas Group	165,480,600,344	506,603,010,032
PetroVietnam Transportation Joint Stock Corporation	219,878,496,841	289,873,951,646
Petechim Commercial Joint Stock Company	9,126,115,650	85,278,640,398
Phuong Dong Viet Petroleum Transportation JSC	64,146,948,338	77,513,639,472
PetroVietnam Exploration Production Corporation	145,602,101,456	37,028,529,406
Central Petrochemical and Biofuel Joint Stock Company	95,965,796,026	36,018,226,287
PVI Joint Stock Company	17,801,435,447	14,889,205,022
Vietnam Energy Inspection Joint Stock Company	13,052,642,252	13,688,156,941
PVD Offshore Services Limited Company	2,040,000,001	11,270,993,190
PetroVietnam Insurance Joint Stock Corporation	6,015,469,801	9,591,064,424
Petroleum Offshore Trading and Services Company Limited	9,251,828,341	9,586,871,399
PetroVietnam Capital and Infrastructure Investment JSC	1,537,692,376	-
PTSC Petro Hotel Company Limited	993,365,745	-
	<u>21,128,366,728,645</u>	<u>36,921,992,512,501</u>

Remuneration of the Members' Council and Board of Directors

Remuneration paid to the Corporation's Members' Council and Board of Directors during the year was as follows:

	<u>2015</u>	<u>2014</u>
	VND	VND
Salaries, bonus and benefits in kind	12,301,821,566	11,262,075,627

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	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
Trade receivables from related parties		
Binh Son Refining and Petrochemical Company Limited	14,270,090,035	823,563,426,001
Dung Quat Oil Refinery Project Management Board	1,362,230,984	1,362,230,984
PetroVietnam Technical Service Joint Stock Corporation	14,365,133,260	3,344,250,262
PetroVietnam Exploration Production Corporation	40,045,407,090	22,933,824,137
PetroVietnam Transportation Joint Stock Corporation	892,455,414	243,782,750
PetroVietnam Power Corporation	46,534,700,943	1,213,926,254
Ca Mau Trading Joint Stock Company	14,851,122,000	-
PetroVietnam Construction Joint Stock Corporation	-	1,800,000,000
Pacific Petroleum Transportation Joint Stock Company	24,092,547,500	-
PetroVietnam Drilling and Well Service Corporation	3,224,426,000	736,738,000
Ninh Binh Petroleum Joint Stock Company	48,470,092,490	88,644,202,204
PTSC Quang Ngai Petroleum Service Joint Stock Company	3,014,846,975	2,561,297,470
Dinh Vu Petroleum Service Port Joint Stock Company	1,757,516,650	620,141,990
Vung Tau Petroleum Transportation Joint Stock Company	2,282,305,900	2,028,648,570
Song Hong Petroleum Company Limited	8,192,783,168	-
	<u>223,355,658,409</u>	<u>949,052,468,622</u>
Other receivables from related parties		
Binh Son Refining and Petrochemical Company Limited	1,936,480,795,076	3,065,091,184,601
PetroVietnam Infrastructure and Urban Investment Joint Stock Company	1,800,000,000	1,800,000,000
Vietnam Oil and Gas Group	219,666,710,523	219,666,710,523
	<u>2,157,947,505,599</u>	<u>3,286,557,895,124</u>
Trade payables to related parties		
Binh Son Refining and Petrochemical Company Limited	1,153,455,655,476	3,301,981,134,530
PetroVietnam Exploration Production Corporation	-	226,041,553,883
Dung Quat Oil Refinery Project Management Board	1,954,237,323	1,954,237,323
PetroVietnam Transportation Joint Stock Corporation	693,000,110	27,730,056,467
PetroVietnam Gas Joint Stock Corporation	103,102,634,617	38,632,772,099
PetroVietnam Infrastructure and Urban Investment Joint Stock Company	4,567,157,400	4,581,311,400
PVI Joint Stock Company	1,962,581,655	-
Vietnam Energy Inspection Joint Stock Company	775,463,651	2,878,236,709
Phuong Dong Viet Petroleum Transportation Joint Stock Company	7,027,988,978	6,952,050,686
	<u>1,273,538,719,210</u>	<u>3,610,751,353,097</u>

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45. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	<u>31/12/2015</u>	<u>31/12/2014</u>
	VND	(Restated) VND
Other payables to related parties		
VietsovPetro Joint Venture	2,934,665,743,894	2,039,360,527,588
VietsovPetro Joint Venture (Authorized import)	78,477,161,657	188,411,485,606
Vietnam Oil and Gas Group	111,967,754,164	118,401,157,272
Binh Son Refining and Petrochemical Company Limited	192,125,102	-
	<u>3,125,302,784,817</u>	<u>2,346,173,170,466</u>
Loans from Vietnam Public Commercial Joint Stock Bank		
Short-term loans	-	509,349,734,920
Long-term loans	54,985,903,671	80,775,903,671
	<u>54,985,903,671</u>	<u>590,125,638,591</u>

46. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**Supplemental non-cash disclosures**

Cash outflows for purchase of fixed assets and construction in progress during the year exclude an amount of VND 23,080,465,259 (for the year ended 31 December 2014: VND 28,847,708,443), representing the amount used to purchase fixed assets and construction in progress during the year that have not yet paid. Consequently, changes in payables have been adjusted by the same amount.

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47. COMPARATIVE FIGURES

As presented in Note 3, since 01 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance dated 22 December 2014 (“Circular 200”) guiding the accounting regime for enterprises. Accordingly, certain comparative figures (i.e the figures as at 31 December 2014 and for the year 2014), of the consolidated balance sheet, consolidated income statement and consolidated cash flow statement for the year then ended after retrospective adjustment has been reclassified to enhance their comparability with the current year’s figures. Details are as follows:

Unit: VND

Item	According to Decision 15/2006/QĐ-BTC		According to Circular 200/2014/TT-BTC		Changes
	Code	31/12/2014 (After retrospective adjustments)	Code	31/12/2014 (After retrospective adjustments)	
Consolidated balance sheet					
Assets					
No corresponding item		-		25,580,554,632	New item
Short-term investments	121	964,737,324,182	123	955,000,000,000	Reclassify, rename and change code
Provision for impairment of short-term investments	129	(6,162,520,288)	122	(6,261,103,738)	Reclassify, rename and change code
Trade accounts receivable	131	7,756,273,603,887	131	3,963,115,880,502	Reclassify and rename
Other receivables	135	822,148,178,247	136	4,650,809,578,406	Reclassify, rename and change code
Provision for short-term doubtful debts	139	(872,212,156,768)	137	(872,212,156,768)	Reclassify and change code
No corresponding item		-	139	1,384,683,816	New item
Taxes and other receivables from the State budget	154	70,062,397,827	153	70,062,397,827	Change code
Other short-term assets	158	36,888,360,590	155	-	Reclassify and change code
Construction in progress	230	363,195,300,605	242	363,195,300,605	Change code
Investments in associates	252	1,003,132,267,356	0	-	Reclassify, rename and change code
Investments in joint-ventures	253	66,066,398,237	0	-	Reclassify, rename and change code
No corresponding item		-	252	1,069,198,665,593	New item
Other long-term investments	258	227,117,104,677	253	211,273,874,227	Reclassify, rename and change code
Provision for impairment of long-term financial investments	259	(36,330,707,120)	254	(36,232,123,670)	Reclassify and rename
No corresponding item		-	216	3,823,348,970	New item
Other long-term assets	268	3,823,348,970	268	-	Reclassify

**VIETNAM OIL AND GAS GROUP
PETROVIETNAM OIL CORPORATION - ONE MEMBER LIMITED COMPANY**

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

Consolidated financial statements
For the year ended 31 December 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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47. COMPARATIVE FIGURES (Continued)

Name	According to Decision 15/2006/QĐ-BTC		According to Circular 200/2014/TT-BTC		Changes
	Code	31/12/2014 (After retrospective adjustments)	Code	31/12/2014 (After retrospective adjustments & reclassification)	
Consolidated balance sheet (continue)					
Resource					
Short-term loans and liabilities	311	2,407,775,593,431	320	2,407,775,593,431	Rename and change code
Trade account payables	312	9,519,864,007,518	311	4,646,901,191,209	Reclassify, rename and change code
Advances from customers	313	141,242,481,997	312	141,242,481,997	Rename and change code
Taxes and payable to State budget	314	448,839,967,541	313	448,839,967,541	Change code
Payable to employees	315	160,234,313,741	314	160,234,313,741	Change code
Accrued expenses	316	72,782,576,440	315	72,782,576,440	Rename and change code
Deferred tax liabilities	335	20,677,601,225	341	20,677,601,225	Change code
Unearned revenue	338	20,532,853,621	318	20,532,853,621	Rename and change code
Other current payables	319	678,520,757,794	319	5,551,483,574,103	Reclassify and rename
Bonus and Welfare fund	323	25,225,391,849	322	25,225,391,849	Change code
Price stabilization fund	340	449,908,763,667	323	449,908,763,667	Rename and change code
Charter capital	411	10,884,251,000,000	411	10,884,251,000,000	Rename
Other owner's capital	413	1,255,798,363	414	1,255,798,363	Change code
Foreign exchange differences	416	3,623,913,360	417	(2,012,440,574)	Reclassify and change code
Investment and Development fund	417	233,448,682,763	418	266,490,734,383	Reclassify and change code
Financial reserve fund	418	33,042,051,620	418	-	Reclassify
Enterprise reorganisation support fund	422	6,507,882,113	419	6,507,882,113	Change code
Accumulated losses	420	(2,940,676,870,943)	421	(2,935,040,517,009)	Reclassify and change code
Construction investment fund	421	5,970,699,688	422	5,970,699,688	Change code
Non-controlling interest	439	1,080,595,139,451	429	1,080,595,139,451	Change code

Unit: VND

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

47. COMPARATIVE FIGURES (Continued)

Item	According to Decision 15/2006/QĐ-BTC		According to Circular 200/2014/TT-BTC		Changes
	31/12/2014		31/12/2014		
	Code	(After retrospective adjustments)	Code	(After retrospective adjustments)	
Consolidated income statement					
Gross revenue from goods sold and services rendered	01	68,828,827,518,778	01	66,394,813,353,735	Reclassify
Deductions	02	2,522,649,940,371	02	88,635,775,328	Reclassify
Selling expenses	24	1,513,025,508,322	25	1,513,025,508,322	Change code
General and administration expenses	25	750,894,574,473	26	750,894,574,473	Change code
(Loss) in joint ventures, associates	45	(105,360,072,120)	24	(105,360,072,120)	Change code
Other income	31	294,661,271,780	31	210,852,518,954	Reclassify
Other expenses	32	178,063,926,865	32	94,255,174,039	Reclassify
Loss after tax of Parent corporation	62	(1,393,940,587,111)	61	(1,393,940,587,111)	Change code
Loss after tax of minority shareholders	61	21,937,332,693	62	21,937,332,693	Change code

Unit: VND

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

47. COMPARATIVE FIGURES (Continued)

Item	According to Decision 15/2006/QĐ-BTC		According to Circular 200/2014/TT-BTC		Changes	Unit: VND
	Code	31/12/2014 (After retrospective adjustments)	Code	31/12/2014 (After retrospective adjustments)		
Consolidated cash flow statement						
Loss before tax	01	(1,332,004,146,730)				
Adjustment for:						
- Provisions	03	818,037,141,488				
- (Gain) from investment activities	05	(93,206,695,493)	01	(1,200,442,239,532)	Restate	
- Unrealized foreign exchange loss	04	751,588,730				
- (Decreases) in payables (excluding accrued loan interest and corporate income tax payable)	11	(7,942,284,969,168)	03	706,352,955,316	Restate	
Net cash (used in)/generated by operating activities	20	4,218,262,448,870	05	(118,101,633,705)	Restate	
Acquisition and construction of fixed assets and other long-term assets	21	(280,418,018,508)	04	751,588,730	Rename	
Repayment of borrowings	34	(29,693,002,038,681)	11	(7,937,142,751,982)	Restate	
Payment of financial leases	35	-	20	4,218,387,448,870	Restate	
			21	(280,543,018,508)	Restate	

Cao Hoài Dương
 General Director
 21 March 2016

Phung To Van
 Preparer

