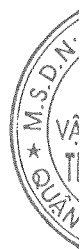


**PACIFIC PETROLEUM TRANSPORTATION
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2016



PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY

No. 43 Mac Dinh Chi Street, Da kao Ward, District 1

Ho Chi Minh City, Vietnam

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PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY

No. 43 Mac Dinh Chi Street, Da kao Ward, District 1
Ho Chi Minh City, Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Pacific Petroleum Transportation Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2016.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Mai The Toan	Chairman (apponited on 29 June 2016)
Mr. Nguyen Anh Minh	Chairman (resigned on 29 June 2016)
Mr. Le Manh Tuan	Member
Mr. Doan Dinh Hieu	Member (apponited on 29 June 2016)
Mr. Nguyen Ngoc Linh	Member (resigned on 29 June 2016)
Mr. Truong Minh Giam	Member (apponited on 8 April 2016)
Mr. Duong Quang Tao	Member (resigned on 8 April 2016)
Mr. Vu Quang Dong	Member

Board of Directors

Mr. Le Manh Tuan	Director
Mr. Nguyen Trong Quy	Vice Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2016, and of its results and cash flows for the year then end, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these 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 financial statements;
- Prepare the 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 financial statements so as to minimize errors and frauds.

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 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 financial statements.

For and on behalf of the Board of Directors,



Le Manh Tuan
Director

16 March 2017

No.: *H82*/VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

To: **The shareholders**
The Board of Management and Board of Directors
Pacific Petroleum Transportation Joint Stock Company

We have audited the accompanying financial statements of Pacific Petroleum Transportation Joint Stock Company (the "Company"), prepared on 16 March 2017 as set out from page 3 to page 23, which comprise the balance sheet as at 31 December 2016, the statement of income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility

Board of Directors is responsible for the preparation and fair presentation of these 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 management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Auditors' Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and 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.



Nguyen Quang Trung
Audit Partner

Audit Practising Registration Certificate
No. 0733-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
16 March 2017
Ho Chi Minh City, Vietnam

Tran Thi Kim Khanh
Auditor

Audit Practising Registration Certificate
No. 0395-2013-001-1

PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY**FORM B 01-DN**

No. 43 Mac Dinh Chi Street, Da kao Ward, District 1

Issued under Circular No. 200/2014/TT-BTC

Ho Chi Minh City, Vietnam

dated 22 December 2014 of the Ministry of Finance

BALANCE SHEET*As at 31 December 2016*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		1,042,534,923,015	1,008,356,431,327
I. Cash and cash equivalents	110	5	497,026,744,484	273,190,223,808
1. Cash	111		23,027,924,791	3,363,605,679
2. Cash equivalents	112		473,998,819,693	269,826,618,129
II. Short-term financial investments	120		317,000,000,000	331,341,695,000
1. Held-to-maturity investments	123	6	317,000,000,000	331,341,695,000
III. Short-term receivables	130		221,284,207,643	390,924,494,237
1. Short-term trade receivables	131	7	212,081,684,962	341,917,344,461
2. Short-term advances to suppliers	132		1,998,451	1,982,618
3. Other short-term receivables	136	8	89,200,524,230	129,005,167,158
4. Provision for short-term doubtful debts	139	9	(80,000,000,000)	(80,000,000,000)
IV. Inventories	140		1,729,324,882	5,386,624,021
1. Inventories	141	10	1,729,324,882	5,386,624,021
V. Other short-term assets	150		5,494,646,006	7,513,394,261
1. Short-term prepayments	151		1,074,818,183	483,978,137
2. Value added tax deductibles	152		-	7,029,416,124
3. Taxes and other receivables from the State budget	153	13a	4,419,827,823	-
B. NON-CURRENT ASSETS	200		2,116,662,883,315	2,308,411,086,727
I. Long-term receivables	210		395,000,000	390,000,000
1. Other long-term receivables	216		395,000,000	390,000,000
II. Fixed assets	220		2,111,945,710,613	2,301,595,901,306
1. Tangible fixed assets	221	12	2,111,945,710,613	2,301,595,901,306
- Cost	222		2,856,292,805,545	2,857,015,936,531
- Accumulated depreciation	223		(744,347,094,932)	(555,420,035,225)
2. Intangible assets	227		-	-
- Cost	228		65,000,000	65,000,000
- Accumulated amortisation	229		(65,000,000)	(65,000,000)
V. Other long-term assets	260		4,322,172,702	6,425,185,421
1. Long-term prepayments	261	11	4,322,172,702	6,425,185,421
TOTAL ASSETS (270=100+200)	270		3,159,197,806,330	3,316,767,518,054

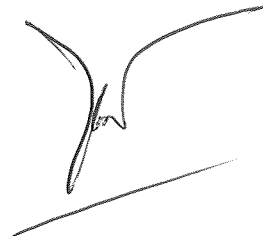
The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)

As at 31 December 2016

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
A. LIABILITIES	300		2,135,233,931,498	2,352,098,932,918
I. Current liabilities	310		659,014,167,075	588,108,738,272
1. Short-term trade payables	311	14	241,082,486,193	256,573,087,818
2. Short-term advances from customers	312		-	8,958,812,239
3. Taxes and amounts payable to the State budget	313	13b	5,224,925,603	2,241,273,563
4. Payables to employees	314		5,292,891,211	2,261,496,575
5. Short-term accrued expenses	315	15	18,365,854,636	17,348,372,867
6. Other current payables	319	16	22,233,738,466	10,653,678,688
7. Short-term loans	320	17	279,959,145,233	287,404,520,204
8. Short-term provisions	321	19	83,784,168,750	-
9. Bonus and welfare funds	322		3,070,956,983	2,667,496,318
II. Long-term liabilities	330		1,476,219,764,423	1,763,990,194,646
1. Long-term loans	338	18	1,476,219,764,423	1,753,752,526,646
2. Long-term provisions	342	19	-	10,237,668,000
B. EQUITY	400		1,023,963,874,832	964,668,585,136
I. Owner's equity	410	20	1,023,963,874,832	964,668,585,136
1. Owner's contributed capital	411		942,750,280,000	942,750,280,000
- Ordinary shares carrying voting rights	411a		942,750,280,000	942,750,280,000
2. Investment and development fund	418		5,401,849,150	5,401,849,150
3. Other reserves	420		1,874,782,311	1,874,782,311
4. Retained earnings	421		73,936,963,371	14,641,673,675
- Retained earnings/(Loss) accumulated to the prior year end	421a		13,486,852,299	(2,454,753,852)
- Retained earnings of the current year	421b		60,450,111,072	17,096,427,527
TOTAL RESOURCES (440 = 300+400)	440		3,159,197,806,330	3,316,767,518,054



Nguyen Thi Phuong Lan
Preparer



Nguyen Thai Dao
Chief Accountant




Le Manh Tuan
Director
16 March 2017

PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY**FORM B 02-DN**No. 43 Mac Dinh Chi Street, Da kao Ward, District 1
Ho Chi Minh City, VietnamIssued under Circular No. 200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance**INCOME STATEMENT***For the year ended 31 December 2016*

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from services rendered	01		1,101,488,871,100	940,286,630,436
2. Net revenue from services rendered (10=01)	10	23	1,101,488,871,100	940,286,630,436
3. Cost of services rendered	11	24	947,059,860,829	804,807,642,279
4. Gross profit from services rendered (20=10-11)	20		154,429,010,271	135,478,988,157
5. Financial income	21	26	43,802,782,674	39,741,458,099
6. Financial expenses	22	27	101,859,634,267	147,077,163,330
- In which: Interest expense	23		84,091,116,382	69,303,557,529
7. General and administration expenses	25	28	17,944,980,360	12,871,654,499
8. Operating profit (30=20+(21-22)-26)	30		78,427,178,318	15,271,628,427
9. Other income	31		-	8,476,408,801
10. Other expenses	32		-	90,926,608
11. Profit from other activities (40=31-32)	40		-	8,385,482,193
12. Accounting Profit before tax (50=30+40)	50		78,427,178,318	23,657,110,620
13. Current corporate income tax expense	51	29	17,977,067,246	6,560,683,093
14. Profit after corporate income tax (60=50-51)	60		60,450,111,072	17,096,427,527
15. Basic earnings per share	70	30	609	172

Nguyen Thi Phuong Lan
Preparer

Nguyen Thai Dao
Chief Accountant



Le Manh Tuan
Director
16 March 2017

CASH FLOW STATEMENT

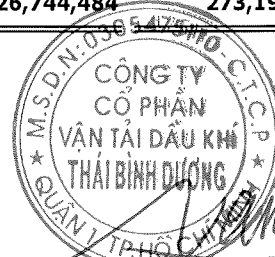
For the year ended 31 December 2016

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	78,427,178,318	23,657,110,620
2. Adjustments for:			
Depreciation and amortisation	02	188,927,059,707	141,967,256,195
Foreign exchange loss arising from translating foreign currency items	04	15,255,311,400	75,509,396,506
Gain from investing activities	05	(41,108,839,465)	(39,493,342,499)
Interest expense	06	84,091,116,382	69,303,557,529
3. Operating profit before movements in working capital	08	325,591,826,342	270,943,978,351
Decrease/(Increase) in receivables	09	159,599,164,454	(171,916,321,142)
Decrease in inventories	10	3,657,299,139	16,309,568,838
Increase in payables (excluding accrued loan interest and corporate income tax payable)	11	65,619,173,636	31,221,518,126
Decrease/(Increase) in prepaid expenses	12	1,512,172,673	(3,451,884,456)
Interest paid	14	(84,739,210,559)	(70,501,347,450)
Corporate income tax paid	15	(16,516,799,839)	(4,105,374,017)
Net cash generated by operating activities	20	454,723,625,846	68,500,138,250
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	-	(192,898,238,565)
2. Cash outflow for lending, buying debt instruments of other entities	23	(478,000,000,000)	(221,341,695,000)
3. Cash recovered from lending, selling debt instruments of other entities	24	492,341,695,000	484,000,000,000
4. Interest earned	27	53,754,549,906	25,943,173,915
Net cash generated by investing activities	30	68,096,244,906	95,703,240,350
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	9,091,451,104	150,463,681,755
2. Repayment of borrowings	34	(307,481,466,433)	(238,519,931,719)
3. Dividend paid	36	(4,963,750)	-
Net cash used in financing activities	40	(298,394,979,079)	(88,056,249,964)
Net increase in cash (50=20+30+40)	50	224,424,891,673	76,147,128,636
Cash and cash equivalents at the beginning of the year	60	273,190,223,808	197,033,770,377
Effects of changes in foreign exchange rates	61	(588,370,997)	9,324,795
Cash and cash equivalents at the end of the year (70=50+60+61)	70	497,026,744,484	273,190,223,808


Nguyen Thi Phuong Lan
 Preparer


Nguyen Thai Dao
 Chief Accountant


Le Manh Tuan
 Director
 16 March 2017


NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

Pacific Petroleum Transportation Joint Stock Company (the "Company") was incorporated in Vietnam under Enterprise Registration Certificate No. 0305475110 issued by Department of Planning and Investment of Ho Chi Minh City issued first time on 25 July 2009 and sixth amendment on 15 July 2014. This Enterprise Registration Certificate replaced Business Registration Certificate No. 4103009251 issued by Department of Planning and Investment of Ho Chi Minh City issued on 28 January 2008.

The number of employees as at 31 December 2016 was 19 (as at 31 December 2015: 21).

Principal activities

The principal activities of the Company are to transport crude oil products, Vocational training, job placement services, provide vessels and other vehicles for lease, vessel broker services, maritime agent, ship supply, ship repair, domestic waterway transport, wholesale of machinery, equipment and other machine parts, cargo storage, direct support services for water transport Loading and unloading of goods, wholesaling of solid, liquid and gaseous fuels and related products, other specialized wholesalers, crude oil and natural gas exploration and extraction services, multinational transportation business fall.

Normal production and business cycle

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

Disclosure of information comparability in the financial statements

Comparative figures are the figures of the audited financial statements for the year ended 31 December 2015. Certain figures of the balance sheet as at 31 December 2015 have been reclassified to be comparable with current year's presentation as stated in Note 35.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

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

Financial year

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

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 21 March 2016, the Ministry of Finance issued Circular No. 53/2016/TT-BTC ("Circular 53") amending and supplementing certain articles of Circular 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the accounting regime for enterprises. Circular 53 is effective for the financial years beginning on or after 01 January 2016. The Board of Directors has adopted Circular 53 in the preparation and presentation of the Company's financial statements for the year ended 31 December 2016. However, the adoption of this circular does not have material impact to comparative figures of the financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, trade and other receivables and financial investments.

Financial liabilities: At the date of initial recognition, financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, accrued expenses, borrowings.

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 change in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, including term deposits to earn periodic interest.

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.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises purchase price and related expenses that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO method. Net realizable 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 condition and location for their intended use. Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Means of transportation	15

Leasing

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 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.

Intangible assets and amortization

Intangible assets represent computer software and are stated at cost less accumulated amortization. Computer software is amortized using the straight-line method over its useful life of 03 years.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple financial years.

Long-term prepayments comprise costs of loan guarantee, office equipments, office repairing expenses, supplies issued for using on vessels. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

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

Revenue recognition

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

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

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Foreign currencies

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

Borrowing costs

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit before tax as reported in the 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 recognized on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized 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.

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 taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

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

5. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	26,661,179	173,681,589
Demand deposits	23,001,263,612	3,189,924,090
Cash equivalents (*)	473,998,819,693	269,826,618,129
	497,026,744,484	273,190,223,808

(*) Cash equivalents represent term deposits in Vietnam Dong with maturity term is from 01 to 03 months at commercial banks, and earned interest rate is from 4.3% to 4.8% (as at 31 December 2015: Term deposits with maturity term is 01 month and earned interest rate is from 4.6% to 4.9%).

Cash equivalents included term deposits at Ocean Commercial One Member Limited Liability Bank and Vietnam Bank for Agriculture and Rural Development or Agribank with the amount of VND 108,927,627,829 and VND 70,945,777 respectively in the co-owner account with Dung Quat Ship Building Industry Company Limited ("DQS"). This account was used for the management of the disbursement amount of building project of the 105,000 DWT oil vessels. The Company transferred the disbursement amount into this account to joint-manage and joint-control with DQS only when obtaining the documentation signed by all of the legal representative or all of the authorized persons and stamped by both account owners together with the disbursement papers. The Company is entitled to all rights and use of all the interest amounts earned during the period of opening the co-owner account.

6. HELD-TO-MATURITY INVESTMENTS

Short-term term deposits represent term deposits in Vietnam Dong with remaining maturity term no more than 12 months at commercial banks and earned interest rate is from 4.9% to 6.0% (as at 31 December 2015: from 5.5% to 6.5%).

7. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
a. Trade receivables from related parties		
Petrovietnam Transportation Corporation	178,974,098,211	339,066,200,567
Binh Son Refining & Petrochemical Company Limited	33,088,986,042	2,799,766,185
Dung Quat Ship Building Industry Company Limited	18,600,709	18,600,709
b. Trade receivables from third parties		
Other trade receivables	-	32,777,000
	212,081,684,962	341,917,344,461

8. OTHER SHORT-TERM RECEIVABLES

	Closing balance VND	Opening balance VND
a. Other receivables from related parties		
Southern Petroleum Transportation JSC	-	23,003,200,000
Petrovietnam Transportation Corporation	-	577,197,876
Branch of Petrovietnam Transportation Corporation - Ships Management Company	21,800,000	2,030,815,933
b. Other receivables		
Receivables from compensation (*)	80,000,000,000	80,000,000,000
Accured interests from term deposits	9,168,724,230	21,814,434,671
Receivable from employees	-	20,000,000
Deposits and mortgages	10,000,000	10,000,000
Other receivables	-	1,549,518,678
	89,200,524,230	129,005,167,158

(*) Compensation represent receivables regarding to deposit contract at Vietnam Joint Stock Commercial Bank for Industry and Trade - Nha Be Branch. According to judgement court No. 02/2015/HSPT dated 07 January 2015 (People's supreme Court of Ho Chi Minh City), Huynh Thi Huyen Nhu and Vo Tuan Anh (accused members) have joint responsibility for reimbursement to the Company. However, the Board of Directors had assessed the recoverability of the amount and made full provision in 2012.

9. BAD DEBTS

As presented in Notes 8 - Other short-term receivables, as at 31 December 2015, the Company have other receivables regarding to deposit contract at Vietnam Joint Stock Commercial Bank for Industry and Trade - Nha Be Branch with an amount of VND 80,000,000,000. The Board of Directors had assessed the recoverability of the amount is low and made full provision in 2012.

10. INVENTORIES

Inventories represent value of fuel stored on vessels at the balance sheet date.

11. LONG-TERM PREPAYMENTS

	Closing balance VND	Opening balance VND
Loan gurantee fees	3,911,111,114	4,711,111,111
Tools, supplies of Dai Hung Queen vessel	366,513,385	1,343,882,413
Office repairing	44,548,203	370,191,897
	4,322,172,702	6,425,185,421

12. INCREASE, DECREASE IN TANGIBLE FIXED ASSETS

	Means of transportation VND
COST	
Opening balance	2,857,015,936,531
Other decrease (*)	(723,130,986)
Closing balance	2,856,292,805,545
ACCUMULATED DEPRECIATION	
Opening balance	555,420,035,225
Charge for the year	188,927,059,707
Closing balance	744,347,094,932
NET BOOK VALUE	
Opening balance	2,301,595,901,306
Closing balance	2,111,945,710,613

(*) Other decrease represent the decrease in value of the 105,000 DWT oil vessels which was conducted by Dung Quat Ship Building Industry Company Limited after liquidation.

13. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

	Opening balance VND	Receivables/ payables amount VND	Refunded amount VND	Net-off amount VND	Collected/paid amount VND	Closing balance VND
a. Receivables						
Value added tax of Imported good	-	4,418,464,168	287,997,207	-	5,647,947,294	1,517,480,333
Export/import duties	-	2,246,334,428	209,820,870	-	2,895,585,468	859,071,910
Other taxes	-	5,804,290,080	571,942,500	-	7,275,623,160	2,043,275,580
	-	12,469,088,676	1,069,760,577	-	15,819,155,922	4,419,827,823
b. Payables						
Value added tax	-	87,997,775,410	-	63,981,606,845	22,404,465,948	1,611,702,617
Corporate income tax	2,076,201,455	17,977,067,246	-	-	16,516,799,839	3,536,468,862
Personal income tax	115,440,997	319,177,097	-	-	357,863,970	76,754,124
Withholding tax	49,631,111	5,270,859,172	-	-	5,320,490,283	-
	2,241,273,563	111,564,878,925	-	63,981,606,845	44,599,620,040	5,224,925,603

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14. SHORT-TERM TRADE PAYABLES

	Closing balance VND	Opening balance VND
a. Trade payables to related parties		
Dung Quat Ship Building Industry Company Limited (*)	134,360,433,000	134,360,433,000
Branch of Petrovietnam Transportation Corporation - Ships Management Company	8,124,874,850	44,870,971,869
Saigon Petro Vietnam Oil Joint Stock Company	16,417,024,980	-
Southern Petroleum Transportation JSC	13,787,281,140	-
Petrovietnam Transportation Vung Tau JSC	34,000,344,620	29,593,048,818
Petrovietnam Oil Vung Tau Joint Stock Company	14,823,791,220	24,092,547,500
Quang Ngai Petro Transportation JSC	15,544,842,053	13,694,657,527
Branch of Petrovietnam Transportation Corporation - Oilfield services Company	393,997,278	614,539,002
Indochina Petroleum Transportation JSC	18,986,000	19,134,500
PV Sounthern Building Development & Management JSC	16,206,971	-
Branch of Indochina Petroleum Transportation JSC in Ho Chi Minh City	4,840,000	-
Petrovietnam Engineering Consultancy JSC	-	403,925,588
Cuu Long Petro Gas Services Transportation JSC	-	71,126,000
b. Trade payables to third parties		
Teekay chartering ltd - Aframax RSA	2,444,456,540	-
Pacific Energy Inc	525,484,983	-
GlobalTech Systems Engineering Pte. Ltd.	-	6,204,149,426
Det Norske Veritas AS	-	1,465,100,000
Others	619,922,558	1,183,454,588
	241,082,486,193	256,573,087,818

(*) This is remaining payable amount of newly building project of the 105,000 DWT oil vessels which was conducted by Dung Quat Ship Building Industry Company Limited. As at 31/12/2016, the Company and Dung Quat Ship Building Industry Company Limited has not finalized payable amount due to the delay in delivery of the project compared with the contract. Therefore, the Company has not paid for this payable amount.

15. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Renting vessel expenses	8,685,128,571	-
Repairing expenses of Dai Hung Queen vessel	2,345,414,914	-
Interest expenses	6,302,661,192	6,950,755,369
Vessel building and finishing costs	-	7,506,733,049
Vessel saving costs	-	2,431,924,449
Other expenses	1,032,649,959	458,960,000
	18,365,854,636	17,348,372,867

16. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance VND
a. Other payables to related parties		
Petrovietnam Transportation Corporation	3,586,044,955	10,092,391,476
b. Other payables		
Dividend payables	299,218,650	304,182,400
Triliance Petrochemical Company (Hong Kong)	1,216,694,288	-
ST Shipping and Transport Pte Ltd	17,113,483,893	-
Others	18,296,680	257,104,812
	22,233,738,466	10,653,678,688

17. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

		During the year			
	Opening balance VND	Tranfer from long- term loans VND	Increase from exchange differences VND	Payments VND	Closing balance VND
Citibank Vietnam	220,396,706,086	220,396,569,876	2,444,505,673	220,396,637,922	222,841,143,713
Vietnam Oil and Gas Group	53,641,970,786	61,626,146,481	-	72,708,158,015	42,559,959,252
Vietnam Public Joint Stock Commerical Bank	13,365,843,332	15,332,724,029	236,145,403	14,376,670,496	14,558,042,268
	287,404,520,204	297,355,440,386	2,680,651,076	307,481,466,433	279,959,145,233

18. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

		During the year			
	Opening balance VND	Increase VND	Increase from exchange differences VND	Tranfer from current portion VND	Closing balance VND
Citibank Vietnam	1,077,736,105,187		9,509,089,009	220,396,569,876	866,848,624,320
Vietnam Oil and Gas Group	569,089,742,924		-	61,626,146,481	507,463,596,443
Vietnam Public Joint Stock Commerical Bank	106,926,678,535	9,091,451,104	1,222,138,050	15,332,724,029	101,907,543,660
	1,753,752,526,646	9,091,451,104	10,731,227,059	297,355,440,386	1,476,219,764,423

Loans from Citibank Vietnam through PetroVietnam Transportation Corporation ("Corporation") with total credit limit of USD 98,004,105 to fund for the purchase of the Athena vessel and the building of the Aframax crude oil tanker. These loans is secured by the Company's transporation revenue, contributed capital of PetroVietnam Transportation Corporation in the Company and gurantee of Vietnam Oil and Gas Group, bears interest at the rate of 5.01% per annum with the purchase of the Athena vessel and 5.1% per annum with the buliding of the Aframax crude oil tanker. The loan is repayable in 20 instalments each semi-annual from 30 June 2011 to 28 June 2020.

Liabilities from gurantee of Vietnam Oil and Gas Group through Corporation with an amount of VND 672 billion to support the Company for making payment the loan from Citibank due in 2011. This loan is unsecured, bears interest at the rate of 2.5% per annum and will be paid in 10 instalments from 30 September 2015.

Loans from Vietnam Public Joint Stock Commerical Bank with total credit limit of USD 10 million to implement 105,000 DWT crude oil tanker conversion project into a floating depot. This loan is unsecured, bears interest at the rate of 3% per annum in first year and will be due within 10 years from the date of first withdrawal (11 December 2014). As at 31 December 2016, the Company withdrawn with an amount of USD 4,467,673 (as at 31 December 2015: USD 1,512,699).

Long-term loans and borrowings are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	279,959,145,233	287,404,520,204
In the second year	303,561,861,128	295,388,695,853
In the third to fifth year inclusive	891,380,420,857	1,099,437,248,631
After five years	281,277,482,438	358,926,582,162
	1,756,178,909,656	2,041,157,046,850
Less: Amount due for settlement within 12 months (shown under short-term loans)	279,959,145,233	287,404,520,204
Amount due for settlement after 12 months	1,476,219,764,423	1,753,752,526,646

19. PAYABLE PROVISIONS

Long-term provisions represent accrued expenses for periodic repairing PVT Athena vessel. The periodic repairing will be conducted in July 2017 as planned.

20. OWNERS' EQUITY

Shareholders' equity issued

	Closing balance VND	Opening balance VND
Number of shares allowed to issue	94,275,028	94,275,028
Par value (VND/share)	10,000	10,000
Value (VND)	942,750,280,000	942,750,280,000
<u>Shares issued and fully contributed</u>		
Number of shares issued and fully contributed	94,275,028	94,275,028
Par value (VND/share)	10,000	10,000
Value (VND)	942,750,280,000	942,750,280,000

The Company only issues ordinary shares which carry no right to fixed dividends with pair value of VND 10,000 per share. Ordinary shareholders are entitled to receive dividends as declared and are entitled to one vote per share at the shareholders' meetings. Each share has an equal right to the Company's net asset value.

Movement in owners' equity

	Owners' contributed capital VND	Investment and development fund VND	Other reserves VND	Retained earnings/ (accumulated loss) VND	Total VND
Prior year's opening balance	942,750,280,000	5,401,849,150	1,874,782,311	(1,254,705,538)	948,772,205,923
Profit for the year	-	-	-	17,096,427,527	17,096,427,527
Bonus and Welfare fund appropriation	-	-	-	(900,048,314)	(900,048,314)
Managment board bonus fund appropriation	-	-	-	(300,000,000)	(300,000,000)
Prior year's closing balance	942,750,280,000	5,401,849,150	1,874,782,311	14,641,673,675	964,668,585,136
Current year's opening balance	942,750,280,000	5,401,849,150	1,874,782,311	14,641,673,675	964,668,585,136
Profit for the year	-	-	-	60,450,111,072	60,450,111,072
Bonus and Welfare fund appropriation (*)	-	-	-	(854,821,376)	(854,821,376)
Managment board bonus fund appropriation (*)	-	-	-	(300,000,000)	(300,000,000)
Current year's closing balance	942,750,280,000	5,401,849,150	1,874,782,311	73,936,963,371	1,023,963,874,832

(*) Fund appropriations during the year included appropriation to bonus and welfare funds, bonus fund for the Company's management from retained earnings of year 2015 according to Resolution No. 01/NQ-TBD/ĐHĐCĐ of of the Annual General Meeting of Shareholders dated 31 May 2016.

Details of shareholders who owned shares as at the balance sheet date are as follows:

	Opening balance and closing balance VND	%
Petrovietnam Transportation Corporation	612,000,000,000	64.92%
Vietcombank Securities Limited Company	120,000,000,000	12.73%
PVI Asset Management Joint Stock Company	95,503,470,000	10.13%
PVFC Capital	84,496,530,000	8.96%
Other shareholders	30,750,280,000	3.26%
	942,750,280,000	100%

21. OFF BALANCE SHEET ITEMS

Operating lease assets

Minimum lease payments in the future of non-cancellable operating leases as at 31 December 2016 is VND 2,118,624,000 (As at 31 Decemer 2015: VND 3,600,998,400) (see Note 31).

Foreign currencies:	Closing balance	Opening balance
- United States Dollar (USD)	10,312	11,303
- Euro (EUR)	857,620	-
- Japanese Yen (JPY)	100	100
- Singapore Dollar (SGD)	-	782

22. BUSINESS AND GEOGRAPHICAL SEGMENTS

Principal activities of Pacific Petroleum Transportation Joint Stock Company are to provide crude oil transportation services, lending FSO Oilfield and vessel management services. Accordingly, Board of Directors made assessment and believed that preparing and presenting segment financial statements by business sector for net revenue from services rendered (Note 23) and Cost of sales (Note 24) for the year ended 31 December 2016 is in accordance with Vietnamese Accounting Standard No. 28 - "Segment reports" and in accordance with the current business status of the Company. The financial statements did not present segment report by assets and liabilities because Board of Directors do not have information about these segments.

23. NET REVENUE FROM SERVICES RENDERED

	Current year VND	Prior year VND
Revenue from crude oil transportation services	466,964,214,203	350,272,832,167
Revenue from lending FSO	262,434,257,270	161,471,395,944
Revenue from vessel management services	372,090,399,627	428,542,402,325
	<u>1,101,488,871,100</u>	<u>940,286,630,436</u>
<i>In which: Revenue from related parties</i> <i>(see Note 33)</i>	<u>915,416,622,571</u>	<u>920,710,028,032</u>

24. COST OF SALES

	Current year VND	Prior year VND
Cost of crude oil transportation services	446,388,736,270	298,798,341,708
Cost of lending FSO	129,497,614,836	79,336,582,937
Cost of vessel management services	371,173,509,723	426,672,717,634
	<u>947,059,860,829</u>	<u>804,807,642,279</u>

25. OPERATION COST BY NATURE

	Current year VND	Prior year VND
Materials and consumables	31,583,438,057	106,684,476,901
Labour	27,910,025,438	20,130,686,571
Depreciation and amortization	188,927,059,707	141,967,256,195
Out-sourced services	419,951,683,338	104,386,446,905
Other expenses	298,878,461,811	445,151,973,563
	<u>967,250,668,351</u>	<u>818,320,840,135</u>

26. FINANCIAL INCOME

	Current year VND	Prior year VND
Interest income	41,108,839,465	39,493,342,499
Foreign exchange gain	2,548,053,957	56,617,732
Other financial income	145,889,252	191,497,868
	43,802,782,674	39,741,458,099

27. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expenses	84,091,116,382	69,303,557,529
Foreign exchange loss	17,768,517,885	77,675,228,595
Other financial expenses	-	98,377,206
	101,859,634,267	147,077,163,330

28. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Labour cost	10,606,443,600	4,893,594,711
Out-sourced services	2,448,702,696	1,502,743,930
Other expenses	4,889,834,064	6,475,315,858
	17,944,980,360	12,871,654,499

29. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expenses		
- Corporate income tax expense based on taxable profit in the current year	17,748,979,774	4,167,120,889
- Corporate income tax expense based on taxable profit in the current year	228,087,472	2,393,562,204
Total current corporate income tax expense	17,977,067,246	6,560,683,093

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

	Current year VND	Prior year VND
Profit before tax	78,427,178,318	23,657,110,620
Adjustments for assessable income		
Less: non-assessable income	-	(5,211,375,000)
Add back: non-deductible expenses	10,317,720,556	495,722,964
Taxable income	88,744,898,874	18,941,458,584
Tax rate	20%	22%
Current corporate income tax expenses	17,748,979,774	4,167,120,889

The Company is obliged to pay corporate income tax at the rate of 22% of its taxable income (prior year: 22%).

No deferred tax assets or liabilities are recognised as there are no significant temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

30. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Current year	Prior year
Profit after corporate income tax (VND)	60,450,111,072	17,096,427,527
Excluded bonus and welfare funds (VND) (*)	<u>(3,022,505,552)</u>	<u>(854,821,376)</u>
Profit used to calculate earnings per share (VND)	57,427,605,520	16,241,606,151
Weighted average number of ordinary shares during the year (Share)	<u>94,275,028</u>	<u>94,275,028</u>
Basic earnings per share (VND/share)	<u>609</u>	<u>172</u>

(*) Excluded bonus and welfare fund was estimated by using appropriation rate of bonus and welfare fund which approved in prior year (5% of retained earnings).

31. OPERATING LEASE COMMITMENTS

	Current year VND	Prior year VND
Minimum lease payments under operating leases recognised in the income statement for the year	<u>1,971,579,200</u>	<u>2,183,020,533</u>

As at the balance sheet date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Current year VND	Prior year VND
Within one year	1,728,499,200	1,920,499,200
In the second to fifth year inclusive	<u>390,124,800</u>	<u>1,680,499,200</u>
	<u>2,118,624,000</u>	<u>3,600,998,400</u>

Operating lease payments represent total rental payable for renting the Company's office and car. The office lease contract were signed with the term of 43.5 months from 15 May 2014. The car rental contract were signed with the term of 2 years from 01 January 2016.

32. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Company consists of net debt (borrowings as disclosed in Notes 17 and 18, offset by cash and cash equivalents) and shareholders' equity (comprising capital, reserves and retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	Closing balance VND	Opening balance VND
Borrowings	1,756,178,909,656	2,041,157,046,850
Less: Cash and cash equivalent	497,026,744,484	273,190,223,808
Net debt	1,259,152,165,172	1,767,966,823,042
Equity	1,023,963,874,832	964,668,585,136
Net debt to equity ratio	<u>1.23</u>	<u>1.83</u>

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 are disclosed in Note 4.

Categories of financial instruments

	Carrying amount	
	Closing balance VND	Opening balance VND
Financial assets		
Cash and cash equivalent	497,026,744,484	273,190,223,808
Financial investment	317,000,000,000	331,341,695,000
Trade and other receivables	221,677,209,192	391,292,511,619
	<u>1,035,703,953,676</u>	<u>995,824,430,427</u>
Financial liabilities		
Borrowings	1,756,178,909,656	2,041,157,046,850
Trade and other payables	263,316,224,659	267,226,766,506
Accrued expenses	18,365,854,636	17,348,372,867
	<u>2,037,860,988,951</u>	<u>2,325,732,186,223</u>

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 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 Company has set up risk management system to identify and assess the risks exposed by the Company 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 Company's operations.

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

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND
USD	234,295,897	253,563,354	1,215,502,593,927	1,442,447,995,433
JPY	19,442	18,518	-	-
EUR	20,357,878,648	-	-	-
SGD	-	12,957,943	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar.

The following table details the Company's sensitivity to a 3% increase and decrease in Vietnam Dong against United States Dollar. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Board of Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 3% change in foreign currency rates. For a 3% increase/decrease in United States Dollar against Vietnam Dong, the profit before tax in the year would have decreased/increased by the following amounts:

	Current year VND	Prior year VND
USD	(36,458,048,941)	(43,265,832,962)
EUR	610,736,359	-
	<u>(35,847,312,581)</u>	<u>(43,265,832,962)</u>

The change in exchange rate of Singapore Dollar and Japanese Yen did not have material effect to accounting profit before tax of the Company.

Interest rate risk management

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

Interest rate sensitivity analysis

The sensitivity of the Company's loans to interest rate changes which may arise at an appropriate level. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 100 basis points higher/lower, the Company's profit before tax for the year ended 31 December 2015 would have decreased/increased by VND 17,561,789,097 (Prior year: profit before tax decreased/increased by VND 20,411,570,469).

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. At the balance sheet date, Board of Director assessed that the Company does not have any significant credit risk exposure to any counterparty except for the compensation regarding to deposit contract at at Vietnam Joint Stock Commercial Bank for Industry and Trade - Nha Be Branch as present in Note 8.

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 year is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Company'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 Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Closing balance	Less than 1 year VND	From 1 - 5 years VND	After 5 years VND	Total VND
Cash and cash equivalent	497,026,744,484	-	-	497,026,744,484
Financial investment	317,000,000,000	-	-	317,000,000,000
Trade and other receivables	221,282,209,192	395,000,000	-	221,677,209,192
	1,035,308,953,676	395,000,000	-	1,035,703,953,676
Borrowings	279,959,145,233	1,194,942,281,985	281,277,482,438	1,756,178,909,656
Trade and other payables	263,316,224,659	-	-	263,316,224,659
Accrued expenses	18,365,854,636	-	-	18,365,854,636
	561,641,224,528	1,194,942,281,985	281,277,482,438	2,037,860,988,951
Net liquidity gap	473,667,729,148	(1,194,547,281,985)	(281,277,482,438)	(1,002,157,035,275)
Opening balance	Less than 1 year VND	From 1 - 5 years VND	After 5 years VND	Total VND
Cash and cash equivalent	273,190,223,808	-	-	273,190,223,808
Financial investment	331,341,695,000	-	-	331,341,695,000
Trade and other receivables	390,902,511,619	390,000,000	-	391,292,511,619
	995,434,430,427	390,000,000	-	995,824,430,427
Borrowings	287,404,520,204	1,394,825,944,484	358,926,582,162	2,041,157,046,850
Trade and other payables	267,226,766,506	-	-	267,226,766,506
Accrued expenses	17,348,372,867	-	-	17,348,372,867
	571,979,659,577	1,394,825,944,484	358,926,582,162	2,325,732,186,223
Net liquidity gap	423,454,770,850	(1,394,435,944,484)	(358,926,582,162)	(1,329,907,755,796)

Board of Directors assessed the liquidity risk at controllable level and believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

33. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties:

<u>Related party</u>	<u>Relationship</u>
Petrovietnam Transportation Corporation	Parent company
Branch of Petrovietnam Transportation Corporation – Ships Management Company	Same parent company
Branch of Petrovietnam Transportation Corporation – Oilfield Services Company	Same parent company
Petrovietnam Transportation Vung Tau JSC	Same parent company
Quang Ngai Petro Transportation JSC	Same parent company

PACIFIC PETROLEUM TRANSPORTATION JOINT STOCK COMPANY
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<u>Related party</u>	<u>Relationship</u>
Phuong Dong Viet Transportation Oil Joint Stock Company	Same parent company
Southern Petroleum Transportation Joint Stock Company	Same parent company
Indochina Petroleum Transportation Joint Stock Company	Same parent company
Cuu Long Petro Gas Services Transportation JSC	Same parent company
Binh Son Refining and Petrochemical Company Limited	Subsidiary of Vietnam Oil and Gas Group
POTS Company Limited	Subsidiary of Vietnam Oil and Gas Group
PetroVietnam Insurance Corporation	Subsidiary of Vietnam Oil and Gas Group
Dung Quat Ship Building Industry Company Limited	Subsidiary of Vietnam Oil and Gas Group
PVI Ben Thanh	Subsidiary of Vietnam Oil and Gas Group
Petrovietnam Southern Building Development and Management JSC	Subsidiary of Vietnam Oil and Gas Group
Vietnam Energy Inspection Corporation	Subsidiary of Vietnam Oil and Gas Group
Saigon Petro Vietnam Oil JSC	Subsidiary of Vietnam Oil and Gas Group
Petrovietnam Oil Vung Tau JSC	Subsidiary of Vietnam Oil and Gas Group

During the year, the Company entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
Revenue from services rendered		
Petrovietnam Transportation Corporation	825,571,059,553	842,082,551,204
Binh Son Refining and Petrochemical Company Limited	87,628,259,281	78,627,476,828
Southern Petroleum Transportation Joint Stock Company	<u>2,217,303,737</u>	<u>-</u>
Purchases of goods and services		
Petrovietnam Transportation Vung Tau JSC	134,780,962,316	105,490,102,355
Southern Petroleum Transportation Joint Stock Company	107,265,590,221	-
Branch of Petrovietnam Transportation Corporation – Ships Management Company	49,615,965,673	93,593,005,148
Saigon Petro Vietnam Oil Joint Stock Company	105,241,700,211	109,402,772,019
Quang Ngai Petro Transportation Joint Stock Company	85,803,776,059	92,771,835,313
Petrovietnam Oil Vung Tau Joint Stock Company	63,109,378,327	173,906,748,275
PetroVietnam Insurance Corporation	5,482,327,625	9,651,718,938
PV Southern Building Development & Management JSC	1,762,731,089	1,777,610,603
Branch of Petrovietnam Transportation Corporation – Oilfield services Company	695,924,553	6,556,604,307
Cuu Long Petro Gas Services Transportation JSC	469,380,000	-
Branch of Indochina Petroleum Transportation JSC at Ho Chi Minh City	158,250,000	-
Indochina Petroleum Transportation JSC	133,502,600	87,435,660
PVI Ben Thanh	49,780,000	-
Dung Quat Ship Building Industry Company Limited	-	226,233,262,863
Phuong Dong Viet Transportation Oil Joint Stock Company	-	6,357,644,552
Petrovietnam Transportation Corporation	-	5,588,597,506
Petrovietnam Engineering Consultancy Joint Stock Company	-	4,725,733,682
Interest expenses		
Petrovietnam Transportation Corporation	<u>80,848,128,662</u>	<u>50,513,094,951</u>

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

	Closing balance VND	Opening balance VND
Short-term accrued expenses		
Southern Petroleum Transportation Joint Stock Company	<u>8,685,128,571</u>	<u>-</u>

Other balances with related parties are present in Note 7, Note 8, Note 14, Note 16, Note 17 and Note 18.

Remuneration paid to the Company's Board of Management and Board of Directors during the year was as follows:

	Current year VND	Prior year VND
Salary	1,300,561,786	1,092,727,502
Bonus	<u>129,000,000</u>	<u>123,000,000</u>

34. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest earned during the year exclude an amount of VND 9,168,724,230 (Prior year: VND 21,814,434,672), representing bank interest incurred during the year that has not yet been received. Consequently, changes in accounts receivables have been adjusted by the same amount.

Interest paid during the year exclude an amount of VND 6,302,661,192 (Prior year: VND 6,950,755,369), representing interest expenses incurred during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

35. COMPARATIVE FIGURES

Certain figures of prior year's figures have been reclassified to be comparable with current year's presentation, details as follow:

Items	Codes	Reported figures VND	Reclassification VND	Figures after reclassification VND
Balance sheet				
Current assets	100	(179,998,017,382)	180,000,000,000	1,982,618
Short-term financial investments	149	151,341,695,000	180,000,000,000	331,341,695,000
Non-current assets	200	2,481,595,901,306	(180,000,000,000)	2,301,595,901,306
Long-term financial investments	250	<u>180,000,000,000</u>	<u>(180,000,000,000)</u>	<u>-</u>


Nguyen Thi Phuong Lan
Preparer


Nguyen Thai Dao
Chief Accountant


Le Manh Tuan
Director
16 March 2017

