

INVESTORS SHOULD CAREFULLY READ THIS INFORMATION MEMORANDUM AND
THE AUCTION REGULATION BEFORE MAKING A DECISION TO PURCHASE

INFORMATION MEMORANDUM

INITIAL PUBLIC OFFERING

PETROVIETNAM OIL CORPORATION - ONE MEMBER COMPANY LIMITED

Auction agent



Ho Chi Minh Stock Exchange

Head office: 16 Vo Van Kiet, District 1, Ho Chi Minh City

Phone: (84-28) 3821 7713 Fax: (84-28) 3821 7452

Website: www.hsx.vn

Issuing organization



Petrovietnam Oil Corporation - One Member Company Limited

Head office: Floor 14-18, Petro Vietnam Tower, 1 - 5 Le Duan, Ben Nghe Ward, District 1, HCMC, Vietnam

Phone: (84-28) 39106990 Fax: (84-28) 39106980

Website: www.pvoil.com.vn

Advisor



Viet Capital Securities Joint Stock Company

Head office: Bitexco Financial Tower, 15th Floor, 2 Hai Trieu, District 1, HCMC

Phone: (84-28) 3914 3588 Fax: (84-28) 3914 3209

Website: www.vcsc.com.vn



PETROVIETNAM OIL CORPORATION - ONE MEMBER COMPANY LIMITED

Business Registration Certificate No 0305795054 dated 26/06/2008, with 16th amendment dated 16/01/2016, issued by Department of Planning and Investment of Ho Chi Minh City.

INITIAL PUBLIC OFFERING

Name of shares:	PETROVIETNAM OIL CORPORATION - ONE MEMBER COMPANY LIMITED
Type of shares:	Common shares
Par value:	VND 10,000 / share (Ten thousand Vietnamese dong per share)
Starting price:	VND 13,400 / share (Thirteen thousand and four hundred Vietnamese dong per share)
Number of shares to be offered:	206,845,900 shares (Two hundred and six million, eight hundred and forty five thousand, nine hundred shares)
Deposit:	10% of total value of subscribed shares at starting price
Participants:	Organizations, individuals satisfying conditions as stipulated in regulations on the public share auction of Petrovietnam Oil Corporation - One Member Company Limited
Auction agent:	Ho Chi Minh Stock Exchange
Auction time:	At 8:30 AM on 25 January 2018
Auction place:	Ho Chi Minh Stock Exchange, 16 Vo Van Kiet, District 1, Ho Chi Minh City

INFORMATION ABOUT THE IPO

1. Issuing organization

- Name of organization	: PETROVIETNAM OIL CORPORATION - ONE MEMBER COMPANY LIMITED
- Address	: Floor 14-18 Petro Vietnam Tower, 1 - 5 Le Duan, Ben Nghe Ward, District 1, HCMC, Vietnam
- Phone	: (84-28) 3910 6990;
- Fax	: (84-28) 3910 6980;
- Expected charter capital post equitization	: VND 10,342,295,000,000
- Par value	: VND 10,000 / share
- Total number of shares	: 1,034,229,500 shares

Of which

- Shares owned by PVN	: 363,014,555 shares, accounting for 35.10% charter capital
- Shares sold to employees	: 1,864,300 shares, accounting for 0.18% charter capital
- Shares sold through IPO	: 206,845,900 shares, accounting for 20.00% charter capital
- Shares sold to strategic investors	: 462,504,745 shares, accounting for 44.72% charter capital

2. Shares sold through IPO

- Number of shares sold through IPO	: 206,845,900 shares, accounting for 20.00% charter capital
- Type of shares	: Common shares
- Type of offering	: IPO for equitization of 100% state-owned enterprises through auction
- Method of auction	: According to the "IPO regulation of Petrovietnam Oil Corporation - One Member Company Limited" issued by the Ho Chi Minh City Stock Exchange (the "IPO Regulation")
- Starting price	: VND 13,400 / share
- Deposit	: 10% of total value of the subscribed shares for purchase based on starting price

3. Information announcement in regard to the auctioning organization and registration to buy shares

3.1. Venue to announce information, receive registration applications to participate in the auction, receive deposits and distribute forms to participate in the auction:

The investors who would like to participate can register, make deposit payment and receive participation forms at auction agents listed in the "IPO regulation of Petrovietnam Oil Corporation - One Member Company Limited" issued by the Ho Chi Minh City Stock Exchange (hereinafter referred to as IPO Regulation).

The information of the company is uploaded on the websites <http://www.pvoil.com.vn>; <http://www.hsx.vn>, <http://www.vcsc.com.vn> and the websites of auction agents specified in the IPO regulation.

3.2. Deadline to submit application to participate in the auction, make deposits and receive auction forms:

At 16h00 on 17 January 2018

3.3. Conditions for registering to participate in the auction

- Submit the provided application form for bidding.
- Pay a deposit that is 10% of total value of subscribed shares based on the starting price before deadline.
- Meet all conditions for participating in the auction prescribed in Decree No 59/2011/NĐ-CP dated 18 July 2011 of the Government relating to conversion of 100% state-owned enterprises into joint-stock companies and Circular No 196/2011/TT-BTC dated 26 December 2011 of the Ministry of Finance guiding the initial sale of shares, management and use of proceeds from conversion of 100% state-owned enterprises and other related legal documents.
- Other related documents.
- + *For Vietnamese individuals:*
 - ID card or passport or other valid ID paper for checking.
 - Declare a specific, clear and accurate address.
- + *For Vietnamese institutions:*
 - The legal representative, who is not able to register directly, must grant a valid Power of Attorney for authorized person. The authorized person must bring ID card or passport or other valid ID paper to register for participating in the auction.
 - Certified copies of the documents proving the legal status of institutions (Business Registration Certificate, Establishment Decision...)
- + *For foreign individuals and institutions:*
 - Copy of Passport/ ID card (in case of authorizing for Vietnamese individuals to participate in the auction).
 - Valid power of attorney (if any).
 - Written letter of opening an account at an institution that provides payment services in Vietnam.
 - For institutions: in addition to above documents, foreign institutions must submit

certified copies of the documents proving the legal status of institutions (Business Registration Certificate, Establishment License, etc.), Power of Attorney for authorized person/ representative to participate in the auction (in case they are not legal representatives of institutions).

3.4. Procedures for deposit and payment for the share purchase:

Investors can pay in cash or via bank transfer to the account of the auction agents listed in the IPO Regulation.

3.5. Regulation on number of subscribed shares

Each investor can purchase shares at minimum number of 100 shares and maximum number of 206,845,900 shares. Hold an auction, payment collection and refund of deposit

4.1. Time of the auction:

At 8h30 on 25 January 2018

4.2. Auction place: HO CHI MINH STOCK EXCHANGE

Head office: 16 Vo Van Kiet Street, District 1, Ho Chi Minh City
Phone: 028 3821 7713 Fax: 028 3821 7452
Website: www.hsx.vn

4.3. Making payment and refunding of deposit:

- The period for making payment is from 26 January 2018 to 03 February 2018. The investors can pay by cash or bank transfer to the accounts of the auction agents where the investors register to participate
- Refunding of deposit period is from 26 January 2018 to 01 February 2018 at the auction agents where the investors register to participate.

4.4. Advisor: VIET CAPITAL SECURITIES JOINT STOCK COMPANY

Head office: Bitexco Financial Tower, 15th Floor, 2 Hai Trieu Street, District 1, HCMC
Phone: 028 3914 3588 Fax: 028 3914 3209
Website: www.vcsc.com.vn

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TERMS AND ABBREVIATIONS

The terms and abbreviations listed below shall have the following meaning in this information Memorandum

Terms, abbreviations	Meaning
CAPEX	Capital expenditure
Dividend	A payment in cash or other assets to shareholders from retained earnings (paid out of cash remaining after fulfilling all financial obligations) of a company
DO	Diesel Oil
ERP	Enterprise resource planning
FO	Fuel Oil
Information Memorandum	Information detailing the Company's financial performance and business operation intended to enable investors to evaluate and make investment decisions in relation to the Company
IPO	Initial public offering
KO	Kerosene Oil
PVN, PetroVietnam, the Group	Vietnam Oil and Gas Group
SCADA	Supervisory control and data acquisition
Shares	The charter capital of a company as divided equally, with each share representing an ownership of such equal portion of charter capital. Par value of each share is VND 10,000
TAS	Terminal Automation Systems
The Company, PVOIL, the Holding Company	PetroVietnam Oil Corporation
VCSC	Viet Capital Securities Joint Stock Company

PART 1: GENERAL INFORMATION RELATING TO PUBLIC AUCTION

I. LEGAL BASIS OF PUBLIC AUCTION

- Enterprises Law dated 26 November 2014;
- Decree 59/2011/ND-CP dated 18 July 2011 of the Government relating to conversion of 100% state-owned enterprises into joint stock companies;
- Decree 189/2013/ND-CP dated 20 November 2013 of the Government relating to amendments to certain articles of Decree 59 (Decree 189);
- Decree 116/2015/ND-CP dated 11 November 2015 of the Government relating to amendments to certain articles of Decree 59;
- Circular 196/2011/TT-BTC dated 26 December 2011 of the Ministry of Finance guiding auction for initial public offering, management and use of proceeds from conversion of 100% state-owned enterprises into joint stock companies;
- Decision 58/2016/QĐ-TTg dated 28 December 2016 of the Prime Minister relating to classification of state-owned enterprises during 2016 – 2020 period;
- Decree 63/2015/ND-CP dated 22 July 2015 of the Government guiding policies for redundant employees arising from reorganizing one-member limited liability companies owned by the State
- Circular 44/2015/TT-BLĐTBXH dated 22 October 2015 of the Ministry of Labour – Invalids and Social Affairs guiding implementation of certain articles of Decree 63/2015/ND-CP dated 22 July 2015 of the Government guiding policies for redundant employees arising from reorganizing one-member limited liability companies owned by the State;
- Circular 33/2012/TT-BLĐTBXH dated 20 December 2012 of the Ministry of Labour – Invalids and Social Affairs guiding implementation of labour policies under Decree 59/2011/ND-CP dated 18 July 2011 of the Government relating to conversion of 100% state-owned enterprises into joint stock companies;
- Circular 127/2014/TT-BTC dated 5 September 2014 of the Ministry of Finance guiding financial treatment and enterprise valuation relating to conversion of 100% state-owned enterprises into joint stock companies;
- Decision 1197/QĐ-DKVN dated 27 May 2015 relating to the equitization of Petrovietnam Oil Corporation - One Member Company Limited
- Decision 2387/QĐ-DKVN dated 31 October 2014 of Petro Vietnam Corporation relating to the establishment of the Equitization Steering Committee of Petrovietnam Oil Corporation - One Member Company Limited;
- Decision 2751/QĐ-DKVN dated 17 December 2014 and 1391/QĐ-DKVN dated 15 July 2016 of the Head of Equitization Steering Committee relating to the establishment of the assistant team for the Equitization Steering Committee of Petrovietnam Oil Corporation - One Member Company Limited;
- Decision 05/QĐ-KTNN on 06 January 2017 of State Audit Office of Vietnam relating to the audit of the valuation advisory results and the treatment of financial issues before the announcement of enterprise value;
- Decision 1220/QĐ-BCT on 10 April 2017 of Ministry of Industry and Trade relating to the determination of enterprise value of Petrovietnam Oil Corporation - One Member Company Limited for equitization;
- Decision 1979/QĐ-TTg on 08 December 2017 by the Prime Minister relating to the approval of the equitization plan of Petrovietnam Oil Corporation - One Member Company Limited; and

- Other related legal documents.

II. EQUITIZATION STEERING COMMITTEE AND THE ASSISTANT TEAM

Equitization Steering Committee and its assistant team were established according to Decision 2387/QĐ-DKVN dated 31 October 2014, 2751/QĐ-DKVN dated 17 December 2014 and 1391/QĐ-DKVN dated 15 July 2016, including the following members:

1. Equitization Steering Committee

No.	Full name	Title	Organization	Role
1	Dinh Van Son	Member of Board of Member	PVN	Head of committee
2	Nguyen Sinh Khang	Deputy General Director	PVN	Vice Head of committee
3	Pham Tuan Anh	Deputy Director Department of Business Innovation	Government Office	Member
4	Ngo Thuy Quynh	Department Oil & Gas and Coal	Ministry of Industry and Trade	Member
5	Tran Van Duy	Manager of Organization, Department of Personnel and Organisation	Ministry of Industry and Trade	Member
6	Tran Dieu Oanh	Manager of Financial Practice II, Department of Finance and Business Innovation	Ministry of Industry and Trade	Member
7	Nguyen Thi Thuy Tien	Director of Internal control Division	PVN	Member
8	Tran Viet Dung	Deputy Director of Organisation and HR Division	PVN	Member
9	Tran Quoc Viet	Director of Planning Division	PVN	Member
10	Phan Anh Minh	Director of Legal Division	PVN	Member
11	Ho Ngoc Yen Phuong	Director of Finance Division	PVN	Member
12	Nguyen Hoang Tuan	Chairman of Board of Member	PVOIL	Member
13	Cao Hoai Duong	General Director	PVOIL	Member
14	Vu Hoai Lam	Deputy General Director	PVOIL	Member

2. Assistant team for Equitization Steering Committee

No.	Full name	Title	Organization	Role
1	Cao Hoai Duong	General Director	PVOIL	Head
2	Pham Thanh Vinh	Deputy General Director	PVOIL	Standing Vice Head
3	Le Thu Ha	Deputy Director of Internal Control Division	PVN	Vice Head
4	Phan Thi Lan	Officer of Internal Control Division	PVN	Member
5	Nguyen Thi Thu Trang	Officer Market and Commercial Division	PVN	Member
6	Le Tai Duc	Officer Financial and accounting Division	PVN	Member
7	Nguyen Thi Phuong Lan	Officer Planning Division	PVN	Member
8	Chu Cam Uyen	Officer Organization and HR Division	PVN	Member
9	Nguyen Dang Trinh	Chief Accountant	PVOIL	Member
10	Do Manh Binh	Director of Planning Division	PVOIL	Member
11	Nguyen Hai Nam	Director of Organization and HR Division	PVOIL	Member
12	Hoang Dinh Tung	Director of Petroleum products Trading Division	PVOIL	Member
13	Truong Dai Hoang	Director of Investment and Construction Division	PVOIL	Member

III. RESPONSIBLE INDIVIDUALS FOR THE INFORMATION CONTAINED IN THIS INFORMATION MEMORANDUM
1. Equitization Steering Committee

- **Mr. Nguyen Hoang Tuan** Title: Chairman of Board of Members
- **Mr. Cao Hoai Duong** Title: General Director
- **Mr. Nguyen Dang Trinh** Title: Chief Accountant

The above mentioned people shall ensure that the information and data contained in this Information Memorandum is accurate and truthful and pledge to be responsible for the accuracy and truthfulness representation of such information and data.

2. Advisor

- **Mr. To Hai**

Title: Chief Executive Officer of Viet Capital Securities Joint Stock Company ("VCSC")

This Information Memorandum is part of the IPO dossier prepared by Viet Capital Securities Joint Stock Company under an advisory contract signed by VCSC and PVOIL. VCSC confirms that the wording of this Information Memorandum was carefully and reasonably selected on the basis of information provided by PVOIL. VCSC notes that the content of this Information Memorandum complies with provisions of current law and does not represent any guarantee for the value of shares of PVOIL.

IV. COMPANY OVERVIEW

- Full name in Vietnamese: TỔNG CÔNG TY DẦU VIỆT NAM – CÔNG TY TNHH MTV
- Full name in English: PETROVIETNAM OIL CORPORATION
- Abbreviated English name: PVOIL CORP
- Logo:



- Head office: Floor 14-18 Petro Vietnam Tower, 1 - 5 Le Duan, Ben Nghe Ward, District 1, HCMC, Vietnam
- Telephone: (84-28) 3910 6990 Fax: (84-28) 3910 6980
- Tax code: 0305795054
- Website: www.pvoil.com.vn Email: contact@pvoil.com.vn
- Charter capital: 10,884,251,000,000 VND (Ten trillion, eight hundred and eighty four billion, two hundred and fifty one million Vietnamese dong)

1. Business Model

PETROVIETNAM OIL CORPORATION ("PVOIL") was granted the business license by Ho Chi Minh City Department of Planning and Investment number 0305795054 on 26 June 2008, with 16th amendment on 16 January 2016, including the following business lines:

- Importing, exporting and trade of crude oil domestically and internationally;
- Production of Petroleum and Ethanol (E100) products;
- Importing, exporting and distributing of Petroleum products; and
- Other business such as oil transportation, storage leasing; brokerage and supply shipping service.

2. Development History

PVOIL is a subsidiary of Vietnam Oil and Gas Group ("PetroVietnam", "PVN"), established pursuant to Decision No. 1250/QĐ-DKVN dated 6 June 2008 of the Board of Members of PetroVietnam, by the merger of PetroVietnam Trading Company (Petechem) and PetroVietnam Oil Processing and Distribution Company (PDC). After receiving the transfer of oil and gas

business from PetroVietnam Technical Services Corporation (PTSC) in 2009 and taking over the PVN's shares in Petec Trading And Investment Corporation ("PETEC") in early 2013, PVOIL became the sole unit of PVN developing the downstream section of the oil and gas industry, especially in importing and exporting, trading crude oil and processing, storing and distributing oil products.

PVOIL's establishment marked the completion of the restructuring and consolidation of four petroleum business entities of PetroVietnam: PetroMekong, PDC, Petechim and PETEC.

Throughout nine years of operation under the PVOIL brand, apart from receiving the petroleum business network from entities in PVN, PVOIL has continuously expanded its domestic and international network through mergers and acquisitions. In 2010, PVOIL acquired entire Shell Laos' petroleum business and established PVOIL Laos, and received capital transfer from the State Capital and Investment Corporation (SCIC) into eight companies to build up subsidiaries in some provinces. In 2013, PVOIL obtained a majority stake in Thu Duc Trading and Import-Export JSC (Timexco). In 2014, PVOIL continued to receive the transfer of the entire petroleum business of the Vietnam Air Petrol Company ("Vinapco"). In addition, PVOIL has also continually increased its ownership in other petroleum companies such as Materials Petroleum Joint Stock Company (Comeco).

During its operation, PVOIL has continually restructured, rearranged and reformed itself with a view to optimizing the company's structure, concentrating on core activities to increase operational efficiency. PVOIL has also transformed its operations into a holding company.


Milestones in the formation and development of PVOIL are as follows:


Period	Establishment and development	Company size
1994	PetroVietnam Trading Company (Petechim) was established on 8 April 1994 on the basis of the splits off from the Import-Export Company (Petechim) of the Ministry of Commerce (established in 1981) with its main business being importing and exporting crude oil and petroleum equipment and supplies.	
1996 - 2007	PetroVietnam Oil Processing and Distribution Company (PDC) was established in 1996 on the basis of reorganizing two companies, namely Tuy Ha Petrochemical Processing Company and VIDAMO Lubricant Company. By 2001, two petroleum enterprises were merged into PDC. In October 2007, PVN transferred the ownership of the Group's capital contribution in Mekong Petroleum Joint Stock Co., Ltd (PetroMekong) to PDC.	
2008	PVOIL was established under the Decision No. 1250 / QD-DKVN dated 6 June 2008 of PVN on the	35 subordinated units 04 subsidiaries, 10

Period	Establishment and development	Company size
	basis of mergeing PetroVietnam Trading Company (Petechim), PetroVietnam Oil Processing and Distribution Company (PDC) with a view to becoming the sole unit of the Group to participate in the complete downstream development of the oil and gas industry.	affiliates.
2010 - 2012	<ul style="list-style-type: none"> - Converted 10 member units into joint stock companies - Purchased 08 SCIC's portfolio companies; - Purchased 05 companies in Vinh Long, Ninh Binh, Thai Nguyen, Kien Giang, Binh Duong; - Acquired 100% capital of Shell Laos and established PVOIL Laos; - Divested and dissolved some companies which are not in the core business. 	30 subsidiaries 5 subordinate units 17 affiliates
2013	<ul style="list-style-type: none"> - Received PVN's capital at PETEC; - Withdrew capital at Bac Giang General Trading Joint Stock Company. 	31 subsidiaries 13 subordinate units 12 affiliates
2014	<ul style="list-style-type: none"> - Received petroleum business of Vinapco; - Purchased majority stake at Thu Duc Trading and Import-Export JSC (Timexco). 	30 subsidiaries 11 subordinate units 12 affiliates
2016	<ul style="list-style-type: none"> - Sold stake at PVOIL Singapore and converted it from one member limited liability company to two member limited liability company. - Split off Thai Binh PSC from PVOIL Thai Binh. 	30 subsidiaries 05 subordinate units 11 affiliates
2017	<ul style="list-style-type: none"> - Sold stake at PVOIL Kiên Giang, and converted it into an affiliate; - Withdrew capital at PVOIL Quang Ninh, Thai Nguyen. - Established PVOIL Cambodia 	28 subsidiaries 09 subordinate units 12 affiliates


3. Business highlights


3.1. PVOIL is the sole unit to undertake the entrusted import and export of crude oil


 PVOIL is the only company in Vietnam that conducts marketing and provides services for the export / sale of crude oil of Vietnam and the crude oil of PetroVietnam exploited in oil wells in foreign countries with an average output of 15 million tons per year. From 1994 to date, PVOIL has safely and effectively sold a total of nearly 360 million tons of crude oil of many kinds.


 PVOIL provides all crude oil raw materials for Dung Quat Refinery with an average output of 7 million tons per year from domestic and imported sources.

3.2. PVOIL is the second largest player in petroleum distribution business in Vietnam and Laos


 PVOIL accounts for 20-22% of domestic market with an output of 3.2 million m³ / ton / year, ranking second in the market.


 In Laos, PVOIL ranks second with roughly 20% market share for retail business and 15% overall market share (including wholesale, retail and direct sale to industrial clients);

 PVOIL is one of two enterprises (PVOIL and Petrolimex) with distribution networks covering 63 provinces and cities nationwide with about 3,500 petrol stations, of which approximately 540 are directly managed / operated by PVOIL and 3,000 franchises. In Laos, PVOIL has 120 petrol stations in 16/18 provinces;

 PVOIL has in place a system of modern and complete facilities for business

- A system of 30 petroleum depots, from large to small, with a capacity of nearly 1 million m³ nationwide; The system of sea ports and inland ports of 300-50,000 DWT ensures the import of petroleum for business. PVOIL's depots system is equipped with synchronous technology and applications of inventory management and automation control software (i.e. ERP, TAS, SCADA)
- 120 petrol tank-trucks with a total capacity of 2,000 m³; 7 barges with a total capacity of 4,000 m³;
- Manage nearly 1,500,000 m² of land for petroleum depots and stations, of which 600,000 m² is under the ownership of the holding company.

 PVOIL has an integrated and complete business chain, from the production stage to the distribution stage. In particular, the holding company obtains resources through import, purchase from domestic refineries and self-processing and producing. Commodities are then despatched to petroleum depots to be sold through 24 subsidiaries and in part sold directly to industrial customers. Subsidiaries conduct wholesale and retail business through petrol stations in market areas assigned in according with PVOIL's general policy and at the same time carry out part of the focal function of the holding company.

 As a member of PetroVietnam, PVOIL enjoys the advantage of two refineries in which the Group has capital contribution, i.e. Dung Quat Refinery (100% owned by PVN, is currently being equitized and PVN will hold 49% post-equitization) and Nghi Son refinery (25.1% owned by PVN). These are currently the only two domestic refineries in the country and account for 80% of total supply in the country.

- PVOIL Singapore (PVOIL owns 51%) operates in the international business of crude oil and petroleum products with total sales of more than 7 million tons since its inception in 2011.

3.3. PVOIL – The Pioneer in biofuels

PVOIL has contributed capital in three biofuel plants with capacity of 100,000 m³ / year / plant and 10 biofuel blending stations with a total capacity of 900,000m³ / year.

Company name	Location	Operating Capacity	PVOIL's ownership
Petrochemical and Bio Fuel Joint Stock Company (PVB)	Phu Tho	100,000 m ³ E100/ year	39.76%
PetroVietnam Central Biofuels Joint Stock Company (BSR-BF)	Quang Ngai	100,000 m ³ E100/ year	34.28%
Oriental Bio Fuel Company Limited (OBF)	Binh Phuoc	100,000 m ³ E100/ year	31.12%

This is a great advantage of PVOIL in taking initiative in the supply of Ethanol (E100) and the implementation of bio-fuel production in accordance with the Government's nationwide implementation roadmap for using bio-energy. Accordingly, as of 1 January 2018, all traditional A92 gasoline will be replaced with E5 biofuel and thus, proceed to E10 and biodiesel in the future.

3.4. Future Outlook

- With a market share of 20-22%, PVOIL has plenty of room for growth compared to the limit of 50% market share under the Competition Law. At the same time, with the scale of business, current financial capability and successful experience in many merger & acquisition ("M&A") deals, PVOIL has favorable conditions to acquire one of the many smaller companies (through M&A) in the future to rapidly expand the retail system, increase output, market share and thereby improving business performance.
- Currently, most of PVOIL's petrol stations have not yet implemented non-petroleum business activities such as: convenience store (mini mart), car wash, oil change, coffee shop, etc. while these activities can generate sufficient cash inflow and sustainable and substantial profit. This represents large potential to increase the profitability of PVOIL in the future. Based on the experience of oil trading companies in ASEAN countries, profit levels from these activities can be equivalent to profits from the retail petroleum business.
- Trading and supplying fuel at airports is another potential area of growth for PVOIL. Vietnam's aviation industry is growing rapidly, but currently there are only two domestic aviation fuel suppliers, Skypec and Petrolimex Aviation. This opens up a great opportunity for PVOIL to enter the business.
- Currently, PVOIL has a total petroleum storage capacity of approximately 1 million m³, and currently exploits at about 55% of this capacity. This capacity is sufficient for PVOIL to expand its market and almost double its production in the next 5-7 years.

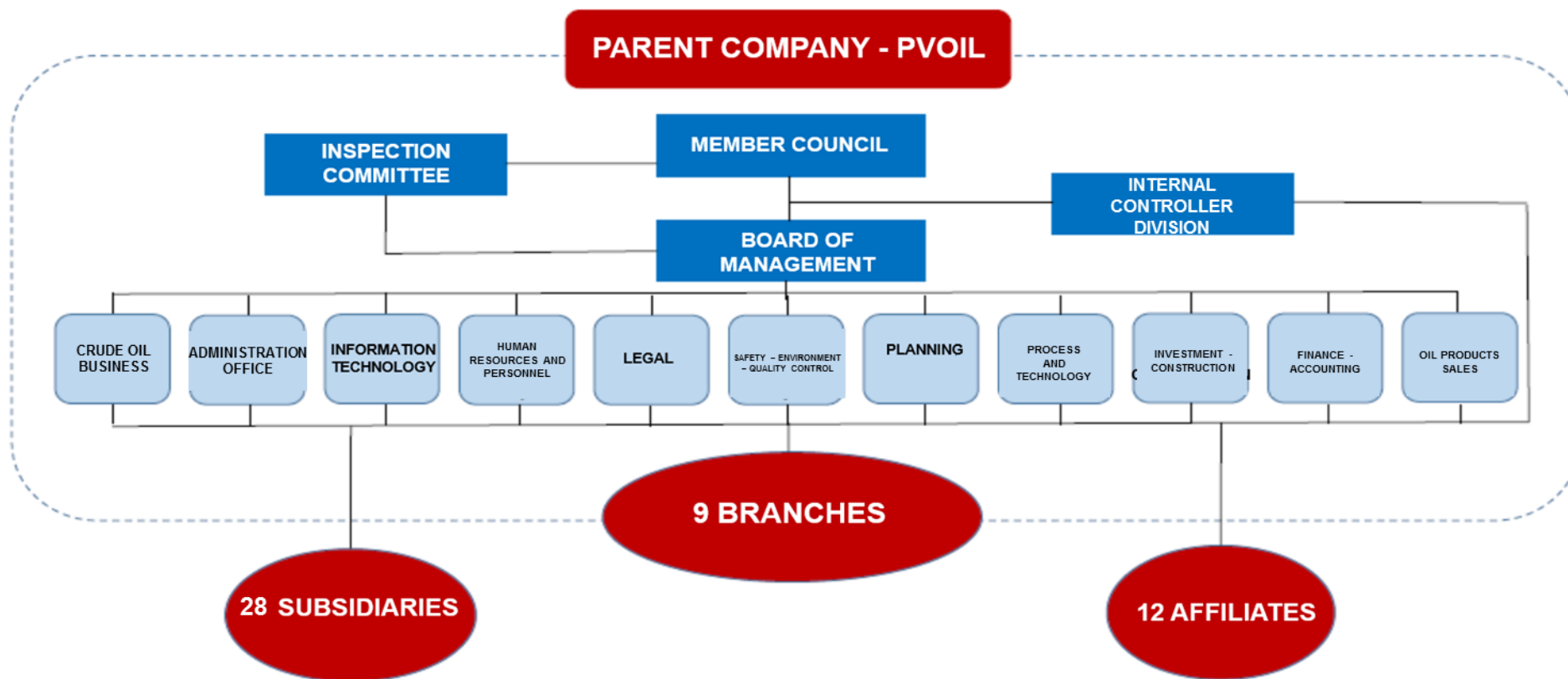
4. Organization structure

4.1. Organization chart of PVOIL

Since 2010, PVOIL has been restructured into a holding company in which PVOIL is a one member limited liability company wholly owned by PetroVietnam. Subsidiaries are joint stock companies and limited liability companies.

Organization chart of PVOIL is as follows:

CURRENT ORGANIZATIONAL CHART OF PVOIL



4.2. Subordinate units

No.	Name of subordinate unit	Address	Function
1	Dinh Vu Petroleum Depot (PVOil Dinh Vu)	Lot F6, Dinh Vu Industrial Zone, Dong Hai II, Hai An, Hai Phong	Store, preserve, import and blend petroleum products
2	Branch of PVOIL at Quang Ngai province – Quang Ngai Depot	Group 2, Hoa Hiep Bac Ward, Lien Chieu District, Da Nang City	Store, preserve, import and blend petroleum products
3	Eastern Petroleum Depot	54B, 30/4 Street, Thang Nhat Ward, Vung Tau City	Store, preserve, import and blend petroleum products
4	Nha Be Petroleum Depot	Hamlet 4, Phu Xuan Commune, Nha Be District, Ho Chi Minh City	Store, preserve, import and blend petroleum products
5	Branch of PVOIL at Nghi Son- Nghi Son Depot	Nghi Son economic zone, Tinh Gia district, Thanh Hoa province	Store, preserve, import and blend petroleum products
6	Branch of PVOIL at Ba Ria – Vung Tau	No. 9, Nguyen Thai Hoc, Ward 7, Vung Tau City	Import and export of crude oil and condensate and forwarding services
7	Branch of PVOIL at Thua Thien – Hue	Phu Hai I village, Phu Loc district, Thua Thien Hue province	Carry out procedures for temporary import and export of petrol and oil to Laos
8	Branch of PVOIL at Ha Tinh	417 Tran Phu Street, Ha Tinh City, Ha Tinh Province	Carry out procedures for temporary import and export of petrol and oil to Laos
9	Representative Office of PVOil at Myanmar	Myanmar Center Tower No.192 Kaba Aye Pagoda, Bahan Township Road, Yangon	Trade promotion in Myanmar market

4.3. Subsidiaries

PVOIL currently has 28 subsidiaries, including 26 companies operating in crude oil business and petroleum product manufacturing and distribution and 02 companies operating in other field; In which, 03 companies locate in foreign countries. Details as follows:

No.	Name of subsidiary	Headquarter	Charter Capital	PVOIL's ownership	Main business
Subsidiaries in foreign countries					
1	PVOIL Laos	Vientiane, Laos	USD 8,353,498	100.00%	Petroleum distribution in Laos
2	PVOIL Singapore	Singapore	USD 5,000,000	51.00%	Trading crude oil and petroleum products on the international market
3	PVOIL Cambodia	Cambodia	USD 10,000,000	51.00%	Trading and importing petroleum, condensate and petroleum products
Subsidiaries in Vietnam					
4	PVOIL Hanoi	Hanoi	VND 250 billion	71.35%	Petroleum distribution
5	PVOIL Hai Phong	Hai Phong	VND 75 billion	72.00%	Petroleum distribution
6	PVOIL Cai Lan	Quang Ninh	VND 100 billion	80.19%	Petroleum distribution , storage rental
7	PVOIL Ha Giang	Ha Giang	VND 11.29 billion	80.37%	Petroleum distribution
8	PVOIL Phu Tho	Phu Tho	VND 50 billion	71.68%	Petroleum distribution, storage leasing
9	PVOIL Thai Binh	Thai Binh	VND 109 billion	68.00%	Petroleum distribution, storage leasing
10	PVOIL Nam Dinh	Nam Định	VND 66.6	56.75%	Petroleum distribution

			Billion		
11	PVOIL Thanh Hoa	Thanh Hoa	VND 97.2 billion	56.86%	Petroleum distribution, storage leasing
12	PVOIL Vung Ang	Ha Tinh	VND 100 billion	56.50%	Petroleum distribution, storage leasing
13	PVOIL Thua Thien – Hue	Hue	VND 80 billion	74.67%	Petroleum distribution, storage leasing
14	PVOIL Central	Quang Ngai	VND 140 billion	71.43%	Petroleum distribution, storage leasing
15	PVOIL Phu Yen	Phu Yen	VND 82.4 billion	67.13%	Petroleum distribution, storage leasing
16	PVOIL Binh Thuan	Binh Thuan	VND 57 billion	79.68%	Petroleum distribution
17	PVOIL Vung Tau	Ba Ria – Vung Tau	VND 120 billion	57.18%	Petroleum distribution
18	Thu Duc Trading and Import-Export JSC (Timexco)	HCMC	VND 124 billion	51.01%	Petroleum distribution; Trading, Service and construction materials
19	PVOIL Saigon	HCMC	VND 200 billion	65.18%	Petroleum distribution
20	PETEC Trading and Investment Corporation	HCMC	VND 2,600 billion	94.78%	Petroleum distribution, storage leasing and general service business
21	Petro Mekong	Can Tho	VND 514 billion	89.37%	Petroleum distribution
22	PVOIL Bac Lieu	Bac Lieu	VND 21.55 billion	96.09%	Petroleum distribution , general service business

23	PVOIL Tra Vinh	Tra Vinh	VND 22.67 billion	96.27%	Petroleum distribution, general service business
24	PVOIL Tay Ninh	Tay Ninh	VND 130 billion	78.62%	Petroleum distribution, , storage rental
25	PVOIL Trans	HCMC	VND 50 billion	71.00%	Transportation of petroleum
26	PVOIL Phu My	Ba Ria – Vung Tau	VND 500 billion	67.60%	Production and blending of petrol.
27	PVOIL LUBE	HCMC	VND 89 billion	62.67%	Production and sale of lubricants and oil and gas business
28	Thai Binh PSC	Thai Binh	VND 21 billion	64.78%	Production and trade mineral water

4.4.Affiliates

PVOIL has contributed capital to 12 affiliates (including 03 biofuel plants and 05 petroleum business)

No.	Name of associate	Headquarter	Charter Capital	PVOIL's ownership	Main business
1	PVOIL Ninh Binh	Ninh Binh	VND 70 Billion	20.26%	Petroleum distribution
2	Materials Petroleum Joint Stock Company (Comeco)	HCMC	VND 141.2 Billion	44.79%	Petroleum distribution
3	Quang Tri Trading and Service Joint Stock Company	Quang Tri	VND 3.3 Billion	45.00%	Petroleum distribution and service

4	Ca Mau Trading Joint Stock Company	Ca Mau	VND 121 Billion	24.26%	Petroleum distribution and service
5	Duong Dong Kien Giang Petroleum Joint Stock Company	Kien Giang	VND 46 billion	33.96%	Petroleum distribution
6	Oriental Bio Fuel Company Limited (OBF)	Binh Phuoc	USD 34,500,000	31.12%	Manufacturing and Bio Fuel distribution
7	Petrochemical and Bio Fuel Joint Stock Company (PVB)	Hanoi	VND 696,805 billion	39.76%	Manufacturing and Bio Fuel distribution
8	PetroVietnam Central Biofuels Joint Stock Company (BSR-BF)	Quang Ngai	VND 1,120 billion	34.28%	Manufacturing and Bio Fuel distribution
9	Petechim Joint Stock Company	HCMC	VND 200 billion	29.00%	Import-Export and trading of petroleum
10	Petrovietnam Oil Stockpile Company Limited (PVOS))	HCMC	VND 55.7 billion	19.99%	Construction and underground fuel storage
11	Phu Yen Cashew Nuts Joint Stock	Phu Yen	VND 48.6 billion	47.79%	Producing and processing of cashew nuts for export.
12	LG Vina Chemical Company Limited	HCMC	USD 3.8 million	15%	Chemical processing and distribution

5. Human resources of PVOIL group

5.1. Human resources of Holding company

At the time of announcing the enterprise value (10 April, 2017), the total number of employees at Holding company is 790. The number of employees that will be transferred to the JSC will be 770 employees, of which:

Education background	Total number of employees	Percentage (%)
Postgraduate	85	11.04
Undergraduate	433	56.23
Diploma	67	8.70
Others (Technical workers, elementary and	185	24.03

Education background	Total number of employees	Percentage (%)
general workers)		
Total	770	100.00

5.2 Human resources of PVOIL group

As at the time of public announcement of enterprise valuation on 10 April, 2017, PVOIL system has 5,829 employees:

Education background	Total number of employees	Percentage (%)
Postgraduate	180	3.09
Undergraduate	2,099	36.01
Diploma	927	15.90
Others (Technical workers, elementary and general workers)	2,623	45.0
Total	5,829	100.00

V. ENTERPRISE VALUE

PVOIL's enterprise value was independently valued by Southern Information and Valuation Corporation and was then audited by State Audit of Vietnam. Pursuant to the Citation number 150/KTNN-TH dated 3 March, 2017 of the State Audit of Vietnam, Ministry of Industry and Trade issued Decision number 1220/QD-BTC dated 10 April, 2017 which announced the enterprise value of PVOIL. Accordingly, **"the actual value of PVOIL and the actual value of State owned capital as at 1 January 2016"** are as follows:

Unit: Vietnam dong (VND)

No.	Item	Book value	Revaluation	Balance
A	B	1	2	3=2-1
A	Assets in use	18,194,609,408,815	19,308,923,500,571	1,114,314,091,756
I	Fixed assets and long term investment	5,689,307,980,021	6,231,205,669,855	541,897,689,834
1	Fixed assets	1,041,706,802,953	1,392,255,128,968	350,548,326,015
	- Tangible assets	1,023,010,177,685	1,373,558,503,700	350,548,326,015
	- Intangible assets excluding land use rights	18,696,625,268	18,696,625,268	-
2	Long term financial investments	4,362,823,962,014	4,550,110,929,210	187,286,967,196
	- Investments in subsidiaries	5,084,375,460,431	3,445,587,735,573	(1,638,787,724,858)
	- Investments in affiliates and joint ventures	1,263,170,589,101	1,060,479,856,247	(202,690,732,854)

No.	Item	Book value	Revaluation	Balance
	- Other long-term investments	161,590,000,000	44,043,337,390	(117,546,662,610)
	- Provision for long-term investments	(2,146,312,087,518)	-	2,146,312,087,518
3	Construction-in-progress	30,712,730,117	30,712,730,117	-
4	Long-term account receivables	15,000,000	15,000,000	-
5	Long-term prepaid expenses	254,049,484,937	258,111,881,560	4,062,396,623
II	Short-term assets and investments	12,306,976,836,659	12,675,353,110,159	368,376,273,500
1	Cash and cash equivalents	5,812,307,669,005	5,802,067,893,284	(10,239,775,721)
2	Short-term financial investments	-	-	-
3	Account receivables	5,127,644,027,998	5,259,122,298,186	131,478,270,188
	- Receivables from customers	2,018,180,795,452	2,017,580,265,185	(600,530,267)
	- Prepayments to suppliers	25,690,860,164	25,686,795,962	(4,064,202)
	- Other receivables	3,158,760,280,346	3,215,855,237,039	57,094,956,693
	- Provision for bad debts	(74,987,907,964)	-	74,987,907,964
4	Inventories	1,272,534,543,121	1,519,672,322,154	247,137,779,033
	- Inventories	1,522,689,613,806	1,519,672,322,154	(3,017,291,652)
	- Provision for inventories	(250,155,070,685)	-	250,155,070,685
5	Other short-term assets	94,490,596,535	94,490,596,535	-
III	Goodwill	-	169,384,747,475	169,384,747,475
IV	Land use rights	198,324,592,135	232,979,973,082	34,655,380,947
B	Unused assets	-	-	-
C	Fixed asset to be liquidated	-	-	-
D	Assets from bonus and welfare fund	-	-	-
	TOTAL ASSETS (A+B+C+D)	18,194,609,408,815	19,308,923,500,571	1,114,314,091,756
E	Actual liabilities	8,938,263,338,927	8,966,627,776,691	28,364,437,764
	TOTAL ACTUAL STATE-OWNED CAPITAL [A+B+C+D-E]	9,256,346,069,888	10,342,295,723,880	1,085,949,653,992

Source: Enterprise valuation report

Summary of enterprise valuation

❖ Total actual enterprise value

- Book value:	VND 18,194,609,408,815
- Revaluation value:	VND 19,308,923,500,571
- Balance:	VND 1,114,314,091,756

❖ Total actual value of state owned capital

- Book value:	VND 9,256,346,069,888
- Revaluation value:	VND 10,342,295,723,880
- Balance:	VND 1,085,949,653,992

❖ Assets excluded from equitization enterprise value

Assets excluded from equitization enterprise value are:

- Damaged tangible assets to be liquidated

At holding company

- Original cost	VND 1,504,778,165
- Depreciation	VND 1,504,778,165

At PVOIL Laos one member limited company, the damaged asset to be liquidated has a residual value of VND 4,025,914,079 (already determined when determining the value of the investment of PVOIL at PVOIL Laos).

- Damaged equipments to be liquidated

- Original cost	VND 499,849,704
- Depreciation	VND 499,849,704

The Corporation has the responsibility to preserve the assets and documents and transfer to PetroVietnam according to the Section b, Clause 2, Article 14 of the Decree number 59/2011/ND-CP dated 18/07/2011 on transformation of enterprises with 100% state capital into joint stock companies.

- Buildings and architectures to be seized by the state

- Original cost	VND 2,168,854,120
- Depreciation	VND 2,168,854,120

These assets are located at number G35-36 D2 road (with new address at 297/2-4 D3 road), Ward 25, Binh Thanh District, Ho Chi Minh City and 446/15 Bui Dinh Tuy, Ward 12, Binh Thanh District, Ho Chi Minh City. The corporation has the responsibility to preserve and treat them under the regulations of the rightful authority

- Fixed assets from bonus and welfare fund

- Original cost	VND 1,897,893,232
- Depreciation	VND 1,897,893,232

These assets are football field, tennis court which were funded by bonus and welfare fund. The Corporation has the responsibility to transfer to the Union of the Joint stock company to manage, arrange for use of staff and publicly announce pursuant to Clause 4, Article 14, Decree number 59/2011/ND-CP

The determination of the investment in PETEC is based on the book value of PETEC (not yet finalized for accounting for equitization due to several unresolved matters). With the

opinion of the Prime Minister and authorities that are competent to resolve financial matters in PETEC for equitization, the unresolved matters at PETEC will be adjusted upon the accounting finalization for equitization, when the Holding company becomes officially a joint stock company.

VI. Key assets of the Company

1. Fixed assets of the Company

The Company's fixed assets as on 31 December, 2016 consisted of the following main items:

Item (Unit: VND millions)	Original cost	Accumulated depreciation	Residual value	Residual value/ Original cost
I – TANGIBLE ASSETS	5,311,337	2,848,354	2,462,983	46%
Buildings	3,559,759	1,635,918	1,923,841	54%
Tools & equipments	1,225,451	848,443	377,009	31%
Transportation vehicles	381,645	256,787	124,858	33%
Management tools	84,017	67,034	16,983	20%
Other fixed assets	60,466	40,173	20,293	34%
II – FINANCIAL LEASING ASSETS	2,319	854	1,465	63%
Transportation vehicles	2,319	854	1,465	63%
III – INTANGIBLE ASSETS	1,647,695	156,084	1,491,611	91%
Land use rights	1,589,397	112,651	1,476,746	93%
Company software	57,522	43,004	14,518	25%
Others	776	428.6	347	45%

Source: 2016 Audited Financial Report

2. Land management and use status

PVOIL and its subsidiaries is using and managing nearly 1.45 million square meters of land, in which there are 1.4 million square meters of domestic and 49,000 square meters in Laos

2.1. Domestic land

No.	Land status	Area (m ²)		
		Holding company	Subsidiaries	Total
1	Storages and depots	428,973	277,051	706,024
2	Petrol stations	110,288	479,965	590,253

No.	Land status	Area (m ²)		
		Holding company	Subsidiaries	Total
3	Offices and factories	1,372	103,560	104,932
	Total area of land using	540,633	860,576	1,401,209
	Annually paid land lease	406,051	604,452	1,010,503
	One-time paid or assigned land	134,582	256,124	390,706

- PVOIL is currently managing and using 40 land lots (21 of them were assigned or leased with one payment or were transferred to and 19 of them were lease with annual payment). PVOIL has reviewed and built land use plan and sought opinions of People's Committee of the Provinces according to regulations. The results are as follows:

- For the 21 land lots that were assigned / leased with one payment / transferred to have been approved by the People's Committee of the Provinces. The value of those land lots have been accounted into the enterprise valuation of PVOIL for equitizing according to regulations. For the land lot in Duc Manh Commune, Dak Mil District, Dak Nong province, PVOIL is finalizing the documents for getting transferred of the land use right and other procedures related to this land lot before the finalization of accounting for equitization for PVOIL to officially become a joint stock company.

- For the 19 land lots that were leased with annual payment, there are a number of provinces whose People's Committees haven't provided their opinions on the land use plan of those land lots. PVOIL is working with them to finalize the documents and procedures to continue leasing those land lots according to regulations before PVOIL officially becomes a joint stock company.

The land use plan of PVOIL - the holding company will be mentioned specifically in Appendix 1 in this Information Memorandum.

2.2. Land in Laos

No.	Land status	Quantity (lots)	Area (m ²)	Notes
1	<i>Storages and depots</i>	03	38,928	Assigned land
2	<i>Petrol stations</i>	01	2,655	Assigned land
3	<i>Offices</i>	01	4,399	Assigned land
4	<i>Vacant land</i>	01	3,363	Assigned land
	Total area of land using	06	49,345	

PART 2: BUSINESS OPERATIONS AND PERFORMANCE IN 3 YEARS PRIOR TO EQUITIZATION (2014 – 2016)

I. Business operations

1. Business operations

1.1. Entrusted export and sale of crude oil and international oil trading

PVOIL is the only company in Vietnam that organizes marketing and provides the entrusted export/sale service for Vietnam crude oil, especially crude oil from Petrovietnam which is exploited from overseas with an average volume of 15 million tonnes per year. This activity creates a stable revenue and profit stream for PVOIL.

With more than 31 years of experience, PVOIL safely and effectively exports and sells almost 360 million tonnes of crude oil from 16 domestic and international oilfields. As a result of the successful conversion of crude oil price formula, PVOIL helps to enhance the commercial value of crude oil produced in Vietnam on international markets, reinforcing the reputation in the industry and with partners.

Some PVOIL's major crude oil partners in the international market



PVOIL is also in charge of supplying crude oil for Binh Son Refining and Petrochemical Company Limited (Dung Quat Refinery) with the average volume of 7 million tonnes per year from the domestic and imported source. With experience in crude oil entrusted service, PVOIL has supported Dung Quat Refinery to source international crude oil as replacement of domestic crude oil. PVOIL has imported a large amount of crude oil to blend for the refinery factory for the recent years, especially prior to the period of the decline in oil price.

Volume of entrusted sale/export service and crude oil supply for refineries during 2014 – 2016 period

No	Items	Unit	2014	2015	2016
1	Crude oil export/sale	Thousand tons	15,212	16,341	14,972
2	Crude oil supply to Dung Quat Refinery	Thousand tons	6,322	7,300	7,530
2.1	Domestic source	Thousand tons	5,629	7,118	7,095
2.2	Imported	Thousand tons	693	182	435

Source: PVOIL

1.2. Petroleum and Biofuels production and processing

Petroleum production: Petroleum production and processing has been PVOIL's key strength for many years due to the competitive advantage from having the domestic condensate source of PetroVietnam. Petroleum production and processing are carried out by PVOIL Phu My – a subsidiary of PVOIL – with a factory located in Ba Ria – Vung Tau province. The factory has the capacity to process 130,000 tonnes of condensate per year. Through petroleum processing, PVOIL has increased the commercial value of domestic condensate and therefore became more active in sourcing raw material.

From 2014, PVOIL has changed its main product from A83 gasoline to A92 gasoline with a production output from 400,000-600,000 m³/ year, accounting for 15-20% of the total gasoline consumption via PVOIL system.

Biofuels production: Implementing the Government's guidelines under Decision 177/2007 / QĐ-TTg on the development of biofuels, with the goal to take initiatives in gradually replacing fossil fuels and ensuring national energy security as counter to climate change, PVOIL has invested to build three biofuel production factories in Binh Phuoc, Quang Ngai and Phu Tho, with a capacity of each factory of 100,000 m³ of E100/year. Two factories have been completed and one factory is under construction.

Currently, PVOIL has 10 stations for blending E5 (05 in-tank stations and 05 in-line stations) with total capacity of production nearly 900,000m³ E5/year. PVOIL currently supplies to the market approximately 160,000 m³ of commercial E5/year.

With the above existing facilities of E5 blending which have been also currently being upgraded and expanded aggressively, PVOIL will surely be ready for the deadline of January 1st 2018 when the entire traditional A92 gasoline will be replaced by E5 gasoline as Government's mandatory.

In addition, PVOIL's investment into the above Ethanol Plants will be also providing a strong advantage to PVOIL in aspect of ensuring the E100 supply for E5 blending.

Lubricant production: PVOIL LUBE, a subsidiary of PVOIL, with the brand equity of more than 25 years from VIDAMO – one of the first enterprises in Vietnam to produce and trade lubricants. PVOIL LUBE provides more than 140 types of lubricants such as: engine lubricant, industrial lubricant, specialized industrial lubricant such as hydraulic lubricant, transmission lubricant, pressure gear lubricant etc., which are produced from high-quality material from reputable suppliers around the world and the region. The products are compliant with international standards such as API, JASO MA and comply with ISO procedures certified by Swiss organization SGS. Currently, PVOIL LUBE's lubricant products are mainly supplied to industrial customers and petroleum contractors and are gradually expanding to retail customers through PVOIL's petroleum distribution network. PVOIL's lubricants are produced at Binh Chieu (Ho Chi Minh City) factory with a capacity of 20,000 tons per year.

Petroleum, lubricant production in 3 years prior to equitization

Unit: 1,000 m³/tonne

No.	Item	2014	2015	2016
1	Petroleum	296	597	508
2	Lubricant	3.5	3.5	4

No.	Item	2014	2015	2016
3	Biofuel E5	52	152	169
TOTAL		351.5	752.5	681

Source: PVOIL

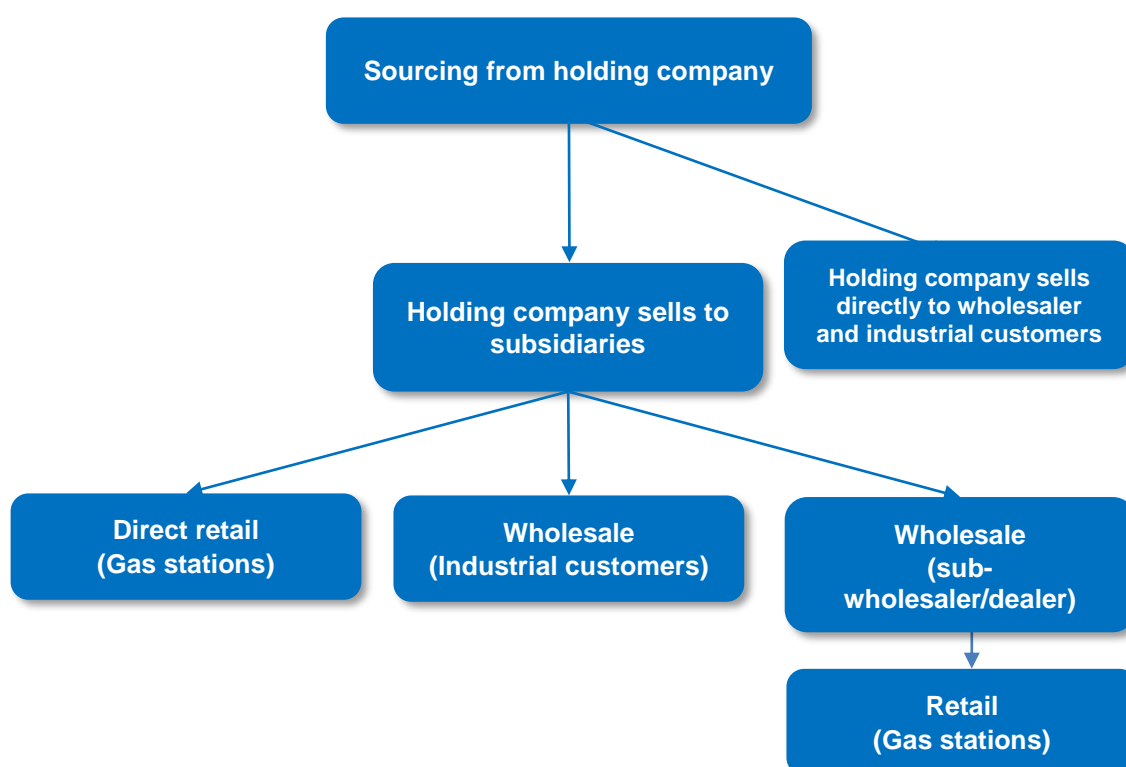
1.3. Petroleum products trading

Over the last four years, with the relaxation of government regulations, the petroleum market has seen a sharp increase in the number of wholesalers, yet 90% of the market still belongs to five major wholesalers, being Petrolimex, PVOIL, Thanh Le, Saigon Petro and Mipec. PVOIL has solidified its second position with output of over 3.2 million m³/ ton/ year, accounting for 20-22% of market share. During its nine years of operation, through M&A, PVOIL has developed a strong distribution network throughout the country and Laos.

PVOIL's petroleum distribution business model is as follows:




- The company (or "holding company") is the only point to import, purchase from refineries and production
- Subsidiaries conduct wholesale and retail business in market areas assigned according to the Company's general policy and at the same time carry out part of the wholesale function of the holding company.
- The holding company sells directly to wholesalers and large industrial clients.

PVOIL's petroleum product distribution chain



Material sources of PVOIL's trading business are from i) Dung Quat refinery, ii) imports in accordance with quotas assigned by Ministry of Industry and Trade every year from countries in South East Asian region such as Korea, China etc.; and iii) self-production. The average proportion among the three sources is: 55-60% from Binh Son refinery, 25-30% from imports and 15-20% from self-production.

Distribution network of PVOIL is widespread across 63 provinces in the country:

-  Direct wholesale to oil and gas contractors, power plants of PetroVietnam and other production units in the industries of electricity, coal, cement, steel production, mining, traffic transportation etc., with consumption volume accounting for 18-20% of total PVOIL output.
-  Wholesale to dealers, agents and general agents who are eligible for petroleum and oil trading under regulations. Customers owned a network of about 3,000 petrol stations across the country by the end of 2016. Sales through this channel account for around 60% of PVOIL's total output.
-  Retailing at nearly 540 petrol stations owned by or directly controlled by PVOIL (details presented in Appendix 3). Retail sales account for 22% of total sales volume of PVOIL.



PVOIL's Operated Petrol Station

HA GIANG 8	QUANG NINH 6	QUANG TRI 4	LAM DONG 6	CAN THO 7
BAC KAN 2	HAI DUONG 10	T.T. HUE 6	NINH THUAN 10	TRA VINH 18
TUYEN QUANG 1	HAI PHONG 15	DA NANG 13	BINH THUAN 56	SOC TRANG 4
LAO CAI 7	HUNG YEN 2	QUANG NAM 13	ĐONG NAI 7	BAC LIEU 10
THAI NGUYEN 6	THAI BINH 15	QUANG NGAI 10	BR VUNG TAU 19	DONG THAP 8
BAC GIANG 3	HA NAM 6	BINH DINH 1	SAI GON 19	AN GIANG 15
BAC NINH 1	NAM DINH 18	PHU YEN 20	BINH DUONG 6	HAU GIANG 5
YEN BAI 1	NINH BINH 7	KHANH HOA 3	BINH PHUOC 3	KIEN GIANG 1
PHU THO 5	THANH HOA 34	KON TUM 4	TAY NINH 16	BEN TRE 1
VINH PHUC 3	NGHE AN 4	GIA LAI 24	LONG AN 5	CA MAU 11
HA NOI 11	HA TINH 17	ĐAK LAK 8	TIEN GIANG 2	
HOA BINH 2	QUANG BINH 1	ĐAK NONG 3	VINH LONG 14	



Facilities



Currently, PVOIL owns a network of 30 petroleum depots, from large to small, nationwide with a total capacity of over 960,000 m³, which ensures the timely storage and supply of products to customers in all regions of the country to meet the business needs in the next 5 -7 years. Of which there are two depots right next to Binh Son oil refinery and Nghi Son refinery, which creates an absolute advantage for PVOIL to develop markets in adjacent areas (Details presented in Appendix 2).

PVOIL's depot network is equipped with synchronous and modern technology with the installation of float systems, automatic tank gauge (ATG) systems, meters, electronic thermometers and surveillance cameras. Large warehouses in the network are equipped with SCADA automated control systems and TAS automatic shipping systems. PVOIL has applied Oracle software to manage sales and merchandise management in all warehouses throughout its network. Thanks to the

application of technology, PVOIL has reduced the loss of inventory, improved the quality of delivery services and contributing significantly to increasing the business efficiency of the Company.

Type	Quantity	Storage (m³)
Distribution depot	10	852,400
Transit depot	18	74,960
Production depot	01	34,640
Total	29	962,000



PVOIL owns a tank fleet of 120 tank-trucks with a total capacity of over 2,000 m³ and 7 barges of 4,000 m³ total capacity, meeting about 50% of the internal transportation needs of the system and agent customers. PVOIL is continuing to invest in developing the transportation fleet to take the initiative in transporting petroleum products for consumption and at the same time to control and maintain the highest quality of products distributed to the market.

PVOil's trading products include:

- **Gasoline of several types:** lead-free gasoline RON 92, lead-free gasoline RON 95 and bio-fuel E5. From 01 January 2018, PVOIL will stop selling A92 products and replace them with E5 to comply with government's regulations. Consumers of this product group are mainly motorbikes, passenger cars of less than 15 seats, and light trucks with a tonnage of under 1.5 tons. Gasoline output accounts for 40% of total trading volume.
- **Diesel fuel (DO):** used for marine engines, trucks, buses, railways... In addition, diesel is used in electricity production and serves the demand for irrigation in agriculture. This product accounts for about 55% of total trading volume.
- **Kerosene (KO):** mainly used for lighting in areas without electricity, used in some industries (light industry and printing); used for cooking by a small part of the population. Demand for this product is currently very low.
- **Fuels (FO):** used for electricity, steel, cement, building materials, food industry, light industry, marine ... It accounts for around 5% of total trading volume

In Laos in 2010, PVOIL acquired the entire oil business network of Shell Laos and established a wholly owned subsidiary, PVOIL Laos, to continue managing and operating its wide, large and professional distribution network taken over from Shell Laos.

PVOIL Laos has a network of 120 petrol stations, located in favorable locations in 16/18 provinces and cities, and is the second largest petroleum trading company in Laos with about 20% market share for retail business and 15% overall market share (including wholesale, retail and direct sale to industrial clients).

PVOIL Laos owns four petroleum depots with a total capacity of 4,000 m³ in four provinces, meeting the demand for storing and supplying goods to Laos market.

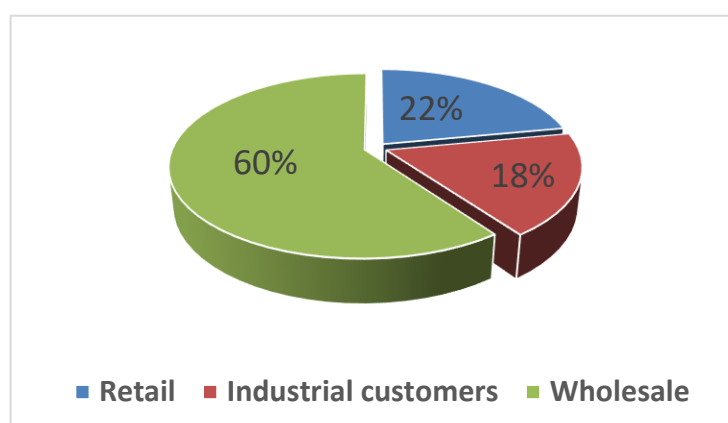
Products that PVOIL Laos distributes in Laos are Mogas 92, Mogas 95, DO, FO, and lubricants.

Sales volume of PVOIL products for the period 2014-2016

No.	Channel	Unit	3 years prior to equitization		
			2014	2015	2016
I	Domestic market	1000 m ³ /tonnes	2,989	3,209	3,109
II	Laos market	1000 m ³ /tonnes	98	96	105
	Total		3,087	3,305	3,214

Source: PVOIL

Sales by channel of PVOIL



1.4. Other services

In addition to its core businesses, PVOIL provides a number of supporting activities such as petroleum transportation, warehousing, and shipping services...

PVOIL currently has more than 120 tank trucks, with a total capacity of 2,000 m³ and 07 barges with a capacity of 4,000 m³ to meet about 50% of the internal transportation needs of the system and agent customers.

With its current storing capabilities, besides meeting internal business needs and satisfying the inventory level to meet national reserve requirements per allocated, PVOIL is accelerating the storage leasing activities to optimize asset use.

In addition, PVOIL also provides helicopter services and transportation services for oil field owners. These activities generate stable profits for PVOIL while simultaneously contribute to increasing PVOIL's value in the entrusted services of crude oil.

2. Investment activities

2.1. Construction and equipment purchases

Construction and equipment purchases of the whole system in three years are VND 928 billion, comprising mainly of developing the petrol stations (51%), expansion of several depots in the previous period (26%). In which, investment from owner's equity is VND 729 billion (79%)

Table: Construction and equipment purchases during the period from 2014 – 2016

Unit: VND billion

No	Investments	2014	2015	2016	Average
1	New construction and renovation of stoaregs and ports	76	40	128	81
2	New construction and renovation of petroleum stores	165	142	170	159
3	Others	123	39	45	69
	TOTAL	363	222	343	309
	<i>In which: - From the holding company</i>	160	33	100	98
	<i>- From subsidiaries</i>	204	188	243	212
	Investment from owner's equity	262	198	269	243

Source: PVOIL

2.2. Long-term financial investments of the holding company

During the three years period prior to equitization of PVOIL, the average long-term financial investments per year is VND 6,500 billion, equivalent to 60% of charter capital. The value of the long term financial investment after being revalued on 31 December 2015 has decreased by VND 2,000 billion due to provisions for the accumulated losses at Petec and 02 (out of 03) biofuel factories that have been completed the construction but were not yet able function as designed.

With the divestment from Petec (details will be shown in belows) and the re-start of operation of the biofuel plants to meet the sharp-increasing demand of E100 for E5 blending from 01 January

2018, PVOIL expects to stop making provision for these units (about VND 100 billion per year) and improve the profitability of its investment.

The details of financial investments during 2014 to 2016 period are detailed as following:

No	Investment (Unit: VND billion)	As of 31 December			
		2014	2015	2016	
				Value	Ratio
1	Investment in subsidiaries	5,060	5,084	5,108	78.0%
	<i>In which: Petec</i>	2,464	2,464	2,464	37.6%
2	Investment in associates	1,269	1,263	1,271	19.4%
	<i>03 biofuel factories</i>	858	858	875	13.4%
3	Other investments	165	162	167	2.6%
	Total	6,494	6,509	6,546	100%

Source: PVOIL

II. Financial and business performance in the three years prior to equitization

1. Assets

Unit: VND million

Item	Separate			Consolidated		
	2014	2015	2016	2014	2015	2016
A. SHORT-TERM ASSETS	16,097,919	12,306,977	13,855,673	17,022,440	14,108,377	15,132,536
I. Cash and cash equivalents	4,673,662	5,812,308	5,801,340	5,249,114	6,304,308	6,193,305
1. Cash	3,972,796	2,460,194	1,911,478	4,436,387	2,886,312	2,204,125
2. Cash equivalents	700,867	3,352,114	3,889,863	812,727	3,417,996	3,989,180
II. Short-term financial investments	900,000	-	400,000	974,319	18,714	417,360
1. Trading securities	-	-	-	25,581	25,414	13,406
2. Provision for impairment of trading securities	-	-	-	(6,261)	(8,518)	(8,104)
3. Held to maturity investments	900,000	-	400,000	955,000	1,819	412,059
III. Short-term receivables	8,733,329	5,127,644	6,229,524	7,940,727	5,382,214	5,924,970
1. Short-term receivables from customers	4,406,001	2,018,181	2,133,470	3,963,116	2,742,250	2,689,680
2. Short-term prepayments	43,164	25,691	45,108	197,629	79,227	83,651
3. Other short-term receivables	4,355,019	3,158,760	4,122,461	4,650,810	3,407,434	3,979,430

Item	Separate			Consolidated		
	2014	2015	2016	2014	2015	2016
4. Provision for short-term bad receivables	(70,855)	(74,988)	(71,515)	(872,212)	(848,448)	(828,971)
5. Asset shortage awaiting resolution	-	-	-	1,385	1,751	1,180
IV. Inventory	1,723,717	1,272,535	1,314,461	2,671,403	2,213,203	2,385,028
1. Inventory	2,302,405	1,522,690	1,314,461	3,226,940	2,382,515	2,385,729
2. Provision for inventory	(578,688)	(250,155)	-	(555,537)	(169,312)	(701)
V. Other short-term assets	67,211	94,491	110,348	186,877	189,938	211,872
1. Short-term prepaid expenses	4,328	6,983	13,246	21,154	26,946	31,039
2. Deductible Value Added Tax	6,141	46,438	66,596	95,660	104,993	108,925
3. Taxes and receivables from the State	56,742	41,070	30,505	70,062	57,998	71,908
4. Other short-term assets	-	-	-	-	-	-
B. LONG TERM ASSETS	6,289,163	5,887,633	5,701,635	6,639,962	6,336,781	6,171,581
I. Long-term receivables	197	15	15	3,823	12,652	10,008
1. Long-term receivables from customers	-	-	-	-	31,686	29,983
2. Long-term prepayments to sellers	-	-	-	-	578	-
3. Other long-term receivables	197	15	15	3,823	5,620	6,567

Item	Separate			Consolidated		
	2014	2015	2016	2014	2015	2016
4. Provision for long-term receivables	-	-	-	-	(25,232)	(26,541)
II. Fixed assets	1,315,616	1,240,031	1,143,363	4,120,746	4,021,700	3,956,059
1. Tangible fixed assets	1,099,179	1,023,010	929,506	2,697,233	2,570,298	2,462,984
- Original cost	2,030,391	2,069,996	2,111,086	4,948,599	5,113,208	5,311,338
- Accumulated depreciation	(931,212)	(1,046,985)	(1,181,580)	(2,251,366)	(2,542,910)	(2,848,354)
2. Financial lease fixed assets	216,437	217,021	213,857	1,275	1,857	1,464
- Original cost	258,880	270,648	277,701	1,396	2,319	2,319
- Accumulated depreciation	(42,443)	(53,626)	(63,844)	(121)	(462)	(854)
3. Intangible fixed assets	-	-	-	1,422,238	1,449,545	1,491,611
- Original cost	-	-	-	1,521,940	1,575,879	1,647,695
- Accumulated depreciation	-	-	-	(99,702)	(126,334)	(156,084)
III. Construction in progress	90,075	30,713	49,959	363,195	218,829	200,901
IV. Real estate investment	-	-	-	13,927	113,720	112,727
- Original cost	-	-	-	21,938	123,857	125,916
- Accumulated depreciation	-	-	-	(8,011)	(10,137)	(13,189)

Item	Separate			Consolidated		
	2014	2015	2016	2014	2015	2016
V. Long-term financial investments	4,578,483	4,362,824	4,267,350	1,244,240	1,136,890	1,058,218
1. Investment in subsidiaries	5,060,023	5,084,375	5,108,016	-	-	-
2. Investment in associates and joint ventures	1,268,749	1,263,171	1,270,851	1,069,199	962,888	951,256
3. Other long term investments	165,190	161,590	167,277	211,274	198,199	202,402
4. Provision for long-term financial investment	(1,915,479)	(2,146,312)	(2,278,794)	(36,232)	(24,197)	(95,441)
VI. Other long-term assets	304,792	254,049	240,949	894,031	832,990	833,667
1. Long-term prepaid expenses	304,792	254,049	240,949	741,834	704,651	730,425
2. Deferred income tax assets	-	-	-	-	-	-
3. Other long-term assets	-	-	-	-	-	-
4. Goodwill	-	-	-	152,196	128,339	103,242
TOTAL ASSETS	22,387,081	18,194,609	19,557,308	23,662,403	20,445,158	21,304,117

Source: Separate and Consolidated audited financial statements in 2014, 2015 and 2016

2. Business Capital

Unit: VND million

Item	Seperate			Consolidated		
	2014	2015	2016	2014	2015	Năm 2016
A. LIABILITY	13,658,461	8,938,263	9,794,517	14,329,880	10,533,592	10,892,771
I. Short-term liabilities	13,276,756	8,686,404	9,623,517	13,924,927	10,116,183	10,604,853
1. Short term payables	4,555,892	2,126,882	2,961,422	4,646,901	2,722,322	2,985,348
2. Advance revenue from buyers	84,399	70,352	79,282	141,242	62,955	66,962
3. Taxes and payables to the State	135,721	79,453	63,145	448,840	606,009	565,385
4. Payables to employees	57,832	31,217	40,451	160,234	138,102	151,699
5. Accrued expenses	72,115	51,688	40,378	72,783	81,494	47,019
6. Short-term unearned revenue	-	685	-	20,533	416	2,076
7. Other short-term payables	5,515,569	3,670,729	4,116,985	5,551,484	3,722,019	4,177,353
8. Short-term borrowings and liabilities	2,260,368	2,330,240	2,228,177	2,407,776	2,437,904	2,477,437
9. Provision for short-term payables	-	-	35,350	-	838	46,937
10. Bonus and welfare funds	-	-	-	25,225	18,970	26,308
11. Price stabilization fund	594,859	325,156	58,328	449,909	325,156	58,328
II. Long-term liabilities	381,705	251,859	171,000	404,953	417,409	287,919

Item	Seperate			Consolidated		
	2014	2015	2016	2014	2015	Năm 2016
1. Long-term payables	-	-	-	-	1,307	951
2. Long-term unearned revenue	-	240	-	-	8,140	5,886
3. Other long-term payables	150	60	60	6,923	884	6,559
4. Long-term loans and borrowings	345,639	226,274	151,206	377,353	355,119	201,684
5. Deferred income tax payable	35,917	25,285	19,734	20,678	51,958	72,838
B. OWNER'S EQUITY	8,728,620	9,256,346	9,762,791	9,332,522	9,911,566	10,411,345
I. Owner's equity	8,728,620	9,256,346	9,762,791	9,332,522	9,911,566	10,411,345
1. Charter capital	10,884,251	10,884,251	10,884,251	10,884,251	10,884,251	10,884,251
2. Other owner's equity	-	-	-	1,256	7,588	9,511
3. Treasury shares	-	-	-	-	(5,573)	(5,585)
4. Exchange rate difference	-	-	-	(2,012)	17,268	14,230
5. Development Investment Fund	123,288	123,288	123,288	266,491	276,563	289,834
6. Fund for support of enterprise rearrangement	6,508	6,508	-	6,508	6,508	-
7. Other reserves	20,773	20,773	-	24,504	16,109	(4,623)
8. Retained earnings	(2,306,200)	(1,778,474)	(1,244,748)	(2,935,041)	(2,371,484)	(1,911,925)

Item	Seperate			Consolidated		
	2014	2015	2016	2014	2015	Năm 2016
9. Reserve for capex	-	-	-	5,971	5,959	5,959
10. Minority interest	-	-	-	1,080,595	1,074,377	1,129,694
TOTAL EQUITY	22,387,081	18,194,609	19,557,308	23,662,403	20,445,158	21,304,117

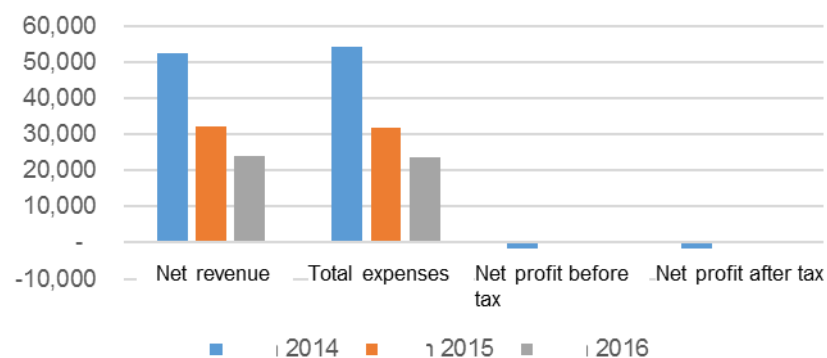
Source: Seperate and consolidated audited Financial Statements 2014, 2015 and 2016

3. PVOIL operating performance overview

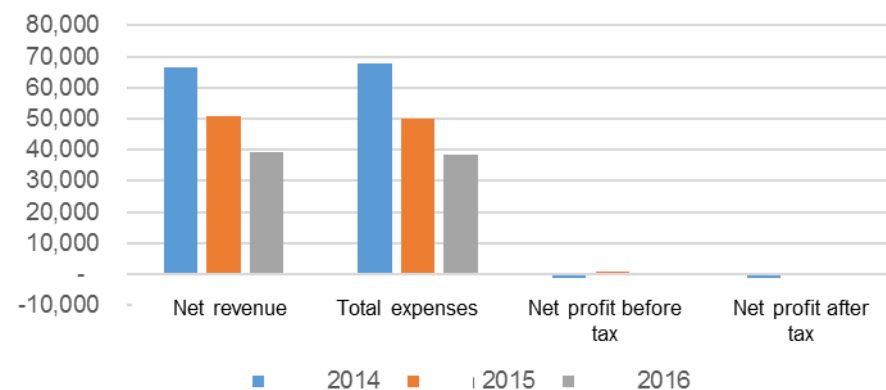
Item (VND million)	Seperate			Consolidated		
	2014	2015	2016	2014	2015	2016
Net revenue	52,613,885	32,354,971	23,997,426	66,306,178	50,910,494	39,263,344
Total cost	54,127,002	31,837,877	23,469,252	67,506,620	50,121,355	38,637,310
Profit before tax	(1,513,117))	517,094	528,174	(1,200,442)	789,139	626,034
Profit after tax	(1,509,438)	527,726	533,726	(1,372,003)	674,252	565,067

Source: Separate and Consolidated Financial Statements 2014, 2015 and 2016

Operating performance of the holding company



Consolidated operating performance



Unit: VND billion

Revenue and costs have decreased over the years mainly due to the impact of world oil prices. Crude oil prices reached USD 108/ barrel in June 2014, but in January 2016 significantly dropped below USD 30 / barrel. Crude oil prices in 2016 averaged \$ 42.4 per barrel, 57.2 percent decrease from the 2014 average of \$99 per barrel. The rapid and continuous decline of crude oil prices in the last six months of 2014 has caused PVOIL's heavy losses due to maintaining the inventory level as required by relevant regulations.

4. Key ratios

Ratio (VND Million)	Unit	Separate			Consolidated		
		2014	2015	2016	2014	2014	2015
1, Indicators on liquidity							
+ Short-term payment ratio (Current Assets /Current Liabilities)	Times	1.21	1.42	1.44	1.22	1.39	1.43
+ Quick ratio (Current Assets - Inventory) / Short-term debt)	Times	1.08	1.27	1.30	1.03	1.18	1.20
2, Indicators on capital structure							
+ Debt / Total Assets ratio	%	58%	49%	50%	61%	52%	51%
+ Debt / Equity ratio	%	156%	97%	100%	154%	106%	105%
3, Performance indicators							
+ Turnover of receivables (Revenue / average receivables)	Times	9.22	10.07	11.56	11.57	15.11	14.29
+ Turnover of inventory (Cost of goods sold / average inventory)	Times	15.94	20.67	17.59	13.65	19.65	15.90

INFORMATION MEMORANDUM

+ Net sales / average total assets	Times	1.86	1.56	1.27	2.17	2.31	1.88
4, Indicators of profitability							
+ Profit after tax / net revenue	%	-3%	2%	2%	-2.07%	1.32%	1.44%
+ Profit after tax / average equity (ROE)	%	-16%	6%	6%	-13.55%	7.01%	5.56%
+ Profit after tax / Total Assets (ROA)	%	-5%	3%	3%	-4.49%	3.06%	2.71%
+ Profit from operating activities / Net revenue	%	-3%	2%	2%	-1.99%	1.39%	1.43%

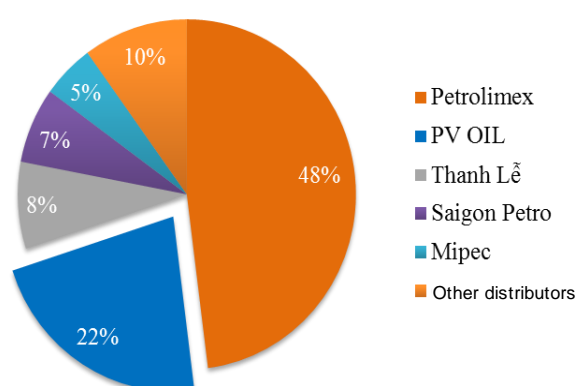
Source: Seperate and Consolidated Financial Statements 2014, 2015 and 2016

III. The Company's position

1. PVOIL's position in PetroVietnam Group

PVOIL is a member of PetroVietnam - PVN, a national oil company (NOC) having its activities covering the whole chain of petroleum industry from exploitation and production of crude oil and gas (upstreams) to processing/refining of crude oil and gas (downstreams) and also distribution/retails of fuels and other petroleum products. Being an important part of the value chain above, PVOIL is currently the only subsidiary in PVN that undertakes the import and export business of crude oil and imports, manufactures, stores and distribution/retails of petroleum products.

2. Position in the industry



Domestic petroleum market share

By the end of 2016, nationwide, there were 29 petroleum licensed importers and about 120 dealers, much higher numbers compared to several years ago. The participation in the sector by private dealers creates more competition.

However, 90% of the market still belongs to the five largest players; the remaining companies occupy a relatively low market share and mainly focus on petroleum supply to specific industries or particular markets.

PVOIL has solidified its number 2 position on the market, with 20-22% of market share, and one out of two companies (together with Petrolimex) that possess the nationwide network of fuel stations.

					
Market share	48%	22%	8%	7%	<5%
Storage facilities (m3)	2,200,000	~1,000,000	36,000	N/A	<265,400
Number of outlets	~2,400 owned stores	~540 operated stores	80 owned stores	10 owned stores	93 owned stores
	~3,000 retail agents	~3,000 retail agents	820 retail agents	1,000 retail agents	573 retail agents
Presence	Nationwide	Nationwide	Stronger presence in the South	Most operations are in the South	Stronger presence in the North

Table: Capacity of the 5 leading petroleum distributors

3. SWOT analysis

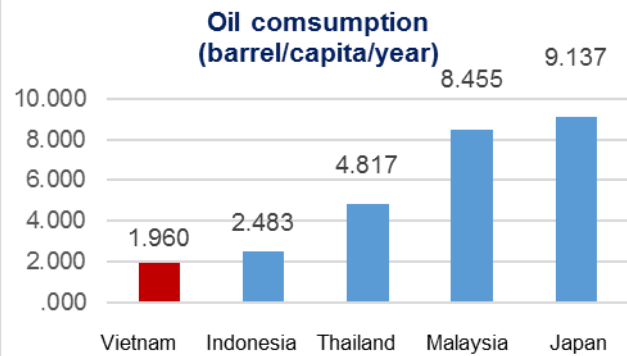
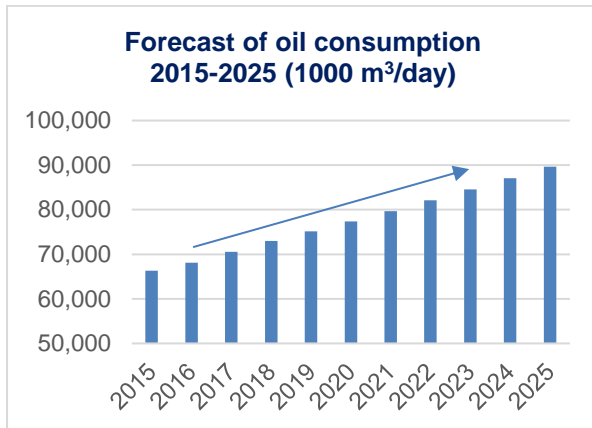
Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ PVOIL's brandname has been well established in Vietnam and international markets; ▪ PVOIL is the only entity in Vietnam that conducts entrusted import/export of crude oil and has maintained stable revenue from this business activity; ▪ PVOIL is the second largest distributor of oil in Vietnam (with market share of 22%). Compared to maximum market share (50%) can be held by a single petroleum distributor in Vietnam, PVOIL has ample room for growth; ▪ In Laos, PVOIL is the second petroleum distributor in terms of retail market share (c. 20%) and has positioned itself as a trusted brand; ▪ Given the advantage of being a member of PetroVietnam that owns both of the refineries in Vietnam, thus PVOIL has been able to ensure the supply of petroleum products even when the market is under pressure; ▪ PVOIL has a modern and complete infrastructure which conforms to regional standards, including many ports and warehouses spread across the country with total capacity of nearly 1 million m³; ▪ PVOIL has a wide distribution network in Vietnam through its 24 subsidiaries with 3,500 petrol stations under brandname of PVOIL; ▪ PVOIL has an attractive and profitable portfolio of nearly 540 operated petrol stations across the country; ▪ PVOIL has strong financial capability for developing and expanding its distribution network. ▪ PVOIL has a stable customer base in petroleum industry 	<ul style="list-style-type: none"> ▪ Ratio of retail channel's volume sale which is usually highly and stably marginal to the total sale volume is still low. ▪ The coverage of petrol stations in some cities and provinces, especially Hanoi City and Ho Chi Minh City, is limited; ▪ Most of its petrol stations have not been exploited for potential non-oil commercial services such as advertising, convenient stores, car wash, etc.; ▪ The storage and depot network is unevenly distributed and is not commensurate with business needs; ▪ Organizational structure is too large compared with company's capacity.

Opportunities	Threats
<ul style="list-style-type: none"> Petroleum market is forecast to maintain high growth rate (5% - 6%/year); The Government has been more and more aggressive in taking actions to counter illegal trading activities. This creates opportunities for companies conducting ethical business activities like PVOIL to dominate the market and expand distribution network through M&A activities; The Government issued a roadmap for replacing A92 gasoline with E5 biofuel completely by early 2018, This will help to remove difficulties for biofuel production plants; When Nghi Son Oil Refinery (PVN contributed capital in this plant) is put into operation, PVOIL will have great opportunities to expand in Northern market by leveraging on advantages of Nghi Son petroleum warehouses; The equitization will accelerate PVOIL's restructuring process (thorough restructuring, streamlining of organizational structure, improving management capability, etc.) which may make it significantly more efficient and so more profitable. 	<ul style="list-style-type: none"> PVOIL's core markets may become more competitive if more players enter as the market liberalizes over the next few years; Oil prices are unpredictable due to external geopolitical factors; As property prices have increased continually, there are limited opportunities for building new fuel stations, especially in large cities.

4. Industry outlook

According to forecasts of reliable international sources, the demand for fuel consumption in Vietnam is expected to continue to maintain strong growth momentum for many years in the future, mainly due to the following factors:

- GDP is forecasted to increase by an average of 6.2%.
- It is forecast that there will be a sharp increase in private transportation especially in urban areas as the Government has not found effective solutions for developing public transport yet and urbanization rates are expected to continue to increase. Therefore, demand for oil-based transportation is forecast to grow by 12.8%/year until 2020.
- In comparison with other countries in the region, oil consumption in Vietnam is still relatively low.



Source: BMI

Decree 83/2014/ND-CP of the Government has contributed to creating a healthier and transparent market in accordance with market mechanisms and increased confidence for enterprises in the market. In addition, given the Government's determination and efforts in preventing fraudulent trading, this creates favorable conditions for ethical enterprises such as PVOIL to conduct clean business activities and thus, achieving stable and sustainable development.

PART 3: DEVELOPMENT PLAN POST EQUITIZATION

I. Organizational plan

1. General information about the enterprise post equitization

- Vietnamese name: TỔNG CÔNG TY DẦU VIỆT NAM – CÔNG TY CỔ PHẦN
- English name: PETROVIETNAM OIL CORPORATION
- Abbreviated name: PVOIL
- Address: Floor 14-18, PetroVietnam Tower, 1 – 5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City
- Telephone: (84-28) 39106990 Fax: (84-28) 39106980
- Tax code: 0305795054
- Website: www.pvoil.com.vn Email: contact@pvoil.com.vn
- Charter capital: VND 10,342,295,000,000 (*Ten trillion, three hundred and forty-two billion, two hundred and ninety five million dong*)
- Logo:



2. Business activities

PVOIL continues to maintain its traditional business activities and register additionally non-petroleum business activities which will create value added to petrol stations, as follows:

- Import and export crude oil to domestic market and international markets;
- Import, export and distribute oil products in Vietnam and foreign markets;
- Produce oil and Ethanol products (E100);
- Import, export and distribute Ethanol products (E100);
- Other business activities: petroleum transportation, storage leasing, brokerage, supply of shipping services, retail business, restaurants and food service, car & motorbike maintenance.

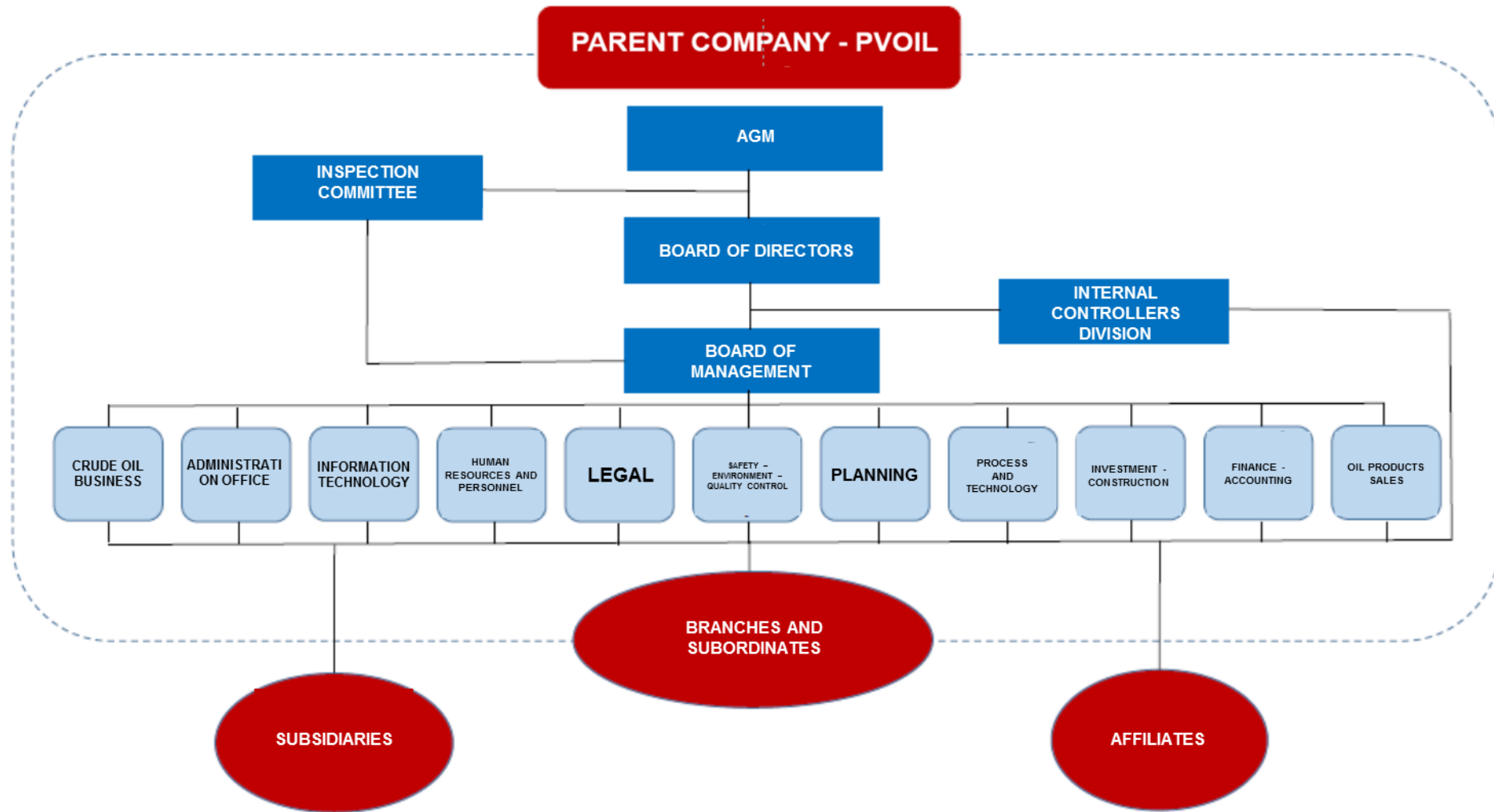
3. Organizational structure

In order to improve the efficiency of business management, increase labor productivity and improve business efficiency when PVOIL is converted into a joint stock company, PVOIL's organizational structure will be as follows:

- General meeting of shareholders
- Board of Directors: five members (Chairman and four Board members)
- Supervisory committee: three members (Head of Supervisory committee and two members)

- Board of Management (Chief Executive Officer and Deputy Chief Executive Officers)
- Chief Accountant
- Functional Divisions: 12 Divisions, including: Internal Control; Administration Office, Finance – Accounting, Planning, Information Technology, Human Resources and Personnel, Legal, Safety-Environment-Quality Control, Process and Technology, Investment – Construction, Crude Oil Business, and Oil Products Sales.
- Subordinated units: 7 units, including: Dinh Vu Petroleum Depot; Eastern Petroleum Depot; Nha Be Petroleum Depot; PVOIL Quang Ngai Branch; PVOIL Ba Ria - Vung Tau Branch; PVOIL Nghi Son Branch and PVOIL Representative Office in Myanmar.

ORGANIZATIONAL STRUCTURE POST EQUITIZATION



4. Charter capital and charter capital structure

Charter capital of PVOIL is **VND 10,342,295,000,000** (Ten trillion, three hundred and forty-two billion, two hundred and ninety five million dong). In particular, charter capital structure is as follows:

No	Offering plan	Number of shares	Value per par value (VND million)	% ownership	Method of offering
1	State shares	363,014,555	3,630,146	35.10%	
2	Discounted shares for employees	1,864,300	18,643	0.18%	
2.1	<i>Shares sold to employees at discounted price based on employees' seniority</i>	813,800	8,138	0.08%	
2.2	<i>Shares sold to employees at discounted price based on employees' working commitment</i>	1,050,500	10,505	0.10%	
3	Shares offered to investors through IPO	206,845,900	2,068,459	20.00%	Auction
4	Shares offered to strategic investors	462,504,745	4,625,047	44.72%	Private placement
	TOTAL	1,034,229,500	10,342,295	100%	

II. Business strategy for 2018 – 2022 period

1. Entrusted import/export of crude oil

Given support from PVN, PVOIL will continue to promote its strength in the crude oil business. PVOIL targets to export/sell safely and efficiently all crude oil purchased by PVN from Vietnam and foreign markets; provide adequately and timely crude oil purchased from Vietnam and foreign countries to Dung Quat refinery, and at the same time develop international oil business activities to ensure efficiency and further consolidate its brand name in this field.

Targets for 2018 – 2022 period are as follows:

No	Targets	Unit	Five-year plan 2018 - 2022				
			2018	2019	2020	2021	2022
1	Exports of crude oil	1000 tons	14,990	16,421	15,506	15,000	15,000

No	Targets	Unit	Five-year plan 2018 - 2022				
			2018	2019	2020	2021	2022
2	Supply of crude oil for refinery	1000 tons	7,000	7,000	7,000	7,000	9,500
2.1	<i>From domestic sources</i>	<i>1000 tons</i>	6,300	6,300	5,600	5,600	7,600
2.2	<i>Imports</i>	<i>1000 tons</i>	700	700	1,400	1,400	1,900

Source: PVOIL

2. Oil production and blending

Implementing the Government's roadmap, PVOIL will blend sufficient E5 gasoline to replace the entire of A92 gasoline throughout its network from 01 January 2018.




Production of lubricant by PVOIL Lube continues to maintain the average annual growth rate of 10%, with average production output reaching 5,000 tons per year by 2020.

No	Prouct	Unit	Production quantity				
			2018	2019	2020	2021	2022
1	Bio-gasoline E5/E10	1000 m ³	900	1,150	1,400	1,600	1,850
2	Lubricant	1000 tons	4.2	4.6	5.1	5.6	5.6
	Total	1000 m³/tons	904	1,155	1,405	1,606	1,856

Source: PVOIL

3. Oil distribution business

PVOIL sets the target growth of "35-35-35" for the next 5-year period after equitization (2018-2022):

-  Increasing the total domestic petroleum market share from 22% currently to 35%;
-  Increase the proportion of retail sales from 22% currently to 35%
-  Increase the proportion of sales to industrial customers from 18% currently to 35%.

Although this appears to be a very challenging target; however, it is feasible if PVOIL is strongly determined to implement a sharp business development strategy, in which the core activity is M&A with appropriate strategic partners.

In the period 2010-2015, PVOIL has successfully carried out M&A activities and acquired controlling stakes in a large number of domestic and foreign petroleum companies to expand its distribution network and operation. These activities have helped to rapidly expand the petrol station network, from over 100 fuel stations in 2010 to over 500 stations in 2016.

In the current context, despite the relatively small size of the Vietnamese market (16 million tonnes of gasoline/year compared to Thailand's 70 million tonnes/year and Indonesia's 95 million tonnes/year) in terms of petroleum sales, there are over 30 licensed distributors. Meanwhile, the top two companies, Petrolimex and PVOIL, make up 70% of the market, followed by Thanh Le, SaigonPetro and MP with 20% of the market share combined and many smaller players accounting for 10% of market share. Despite the large number of industry players, however, most of them operates on very small scales. In particular, there are many enterprises operating unprofessionally and potentially illegally.

Of the 14,200 petrol stations operating in the whole country, the number of petrol stations owned by licensed major distributors is only over 3,000, most of them are stations owned by general agents and agents.

In order to create a healthy and fair business environment, the Government is determined and has taken strong measures to lessen and eliminate the smuggling of petrol and other commercial fraud. Thus, it will become difficult for small-scale petroleum trading companies to survive and then creating opportunities for M&A activities.

Therefore, besides the divestment from inefficient companies, in the post-equitization period, with strong financial capacity from strategic shareholders and experience from past successes, PVOIL will conduct market research, seeking acquisition opportunities of some small distribution companies and conduct the M&A activities to expand the network and especially rapidly increase the retail sales volume to improve the efficiency of the business. This is a very important solution to help PVOIL quickly expand its market share and its retailing system.

For the Laos market, PVOIL aims to maintain a stable market share, with an average output growth of 5% corresponding to the growth rate of GDP.

Gasoline consumption plan for 2018-2022

No	Market	Unit	Consumption plan				
			2018	2019	2020	2021	2022
I	Domestic market	1000 m ³ /tonne	3,300	4,200	5,100	5,950	6,800
II	Laos market	1000 m ³ /tonne	110	116	121	127	134
	Cộng		3,410	4,316	5,221	6,077	6,934

Source: PVOIL

4. Other businesses

During the five years period after equitization, PVOIL plans to develop more value added services at fuel stations such as convenience stores, car maintenance workshops, coffee shops etc., in order to maximize the value of the facilities and their advantageous locations. This is an activity forecasted to generate a robust cash flow and sustainable long-term profit which well improves company's profitability and thus, drawing a lot of attention from potential strategic investors.

PVOIL expects to continue to increase its transportation capacity at its subsidiaries to meet 100% of its internal needs (including needs of agents) and take initiatives in delivery timelines and ensure stricter quality control of products.

Storage leasing activities are expected to accelerate as Nghi Son refinery is put into operation and PVN is undertaking its responsibility of off-taking products from Nghi Son Refinery. In addition, PVOIL will continue to maintain support services for crude oil export / import.

5. Earnings and consolidated financial items

5.1. Consolidated financial items of PVOil (2018-2022)

❖ Key financial items

No	Items	Unit	5 years after equitization				
			2018	2019	2020	2021	2022
1	Revenue	VND Billion	45,804	57,244	67,597	77,702	88,057
2	COGS	VND Billion	42,610	53,057	62,354	71,363	80,450
3	Expenses	VND Billion	2,465	3,086	3,727	4,509	5,414
4	EBITDA	VND Billion	1,115	1,678	2,231	2,673	3,193
	% revenue	%	2,4%	2,9%	3,3%	3,4%	3,6%
5	Consolidated Earnings before tax	VND Billion	730	1,101	1,517	1,880	2,243
6	Consolidated Earnings after tax	VND Billion	584	881	1,214	1,504	1,795

Source: PVOIL

❖ Earnings by business segments

Consolidated Earnings before tax by business segments as follows:

No	Business segments	Unit	5 years after equitization				
			2018	2019	2020	2021	2022
1	Entrusted import/export services	VND billion	160	179	171	167	175
2	Oil distribution and retail	VND billion	545	867	1,226	1,493	1,697

No	Business segments	Unit	5 years after equitization				
			2018	2019	2020	2021	2022
3	Others	VND billion	25	56	120	220	372
	Total		730	1,101	1,517	1,880	2,243

Source: PVOIL

5.2. Financial indicators of Holding company

No	Items	Unit	2018	2019	2020	2021	2022
1	Net Revenue	VND billion	26,519	34,857	42,212	49,390	56,768
2	Earnings before tax	VND billion	618	727	862	1,001	1,146
3	Earnings after tax	VND billion	524	629	753	881	1,013
4	Chartered capital	VND billion	10,342	10,342	10,342	10,342	10,342
5	Equity	VND billion	10,342	10,463	10,628	10,832	11,078
6	ROE	VND billion	5.1%	6.0%	7.1%	8.1%	9.1%
7	Dividend (60% EAT)	VND billion	3.0%	3.6%	4.4%	5.1%	5.9%

Source: PVOIL

❖ Details of Holding company's earnings

No	Items	Unit	2018	2019	2020	2021	2022
1	Entrusted import/export services	VND billion	160	179	171	167	175
2	Oil distribution and retail	VND billion	344	286	342	384	423
3	Others	VND billion	20	20	20	20	20
4	Dividend income	VND billion	95	242	329	430	529
	Total	VND billion	618	727	862	1,001	1,146

Source: PVOIL

4.3 Subsidiaries' earnings

No	Subsidiaries' earnings	Unit	2018	2019	2020	2021	2022
I	Earnings before tax	VND billion	206	617	985	1,309	1,626

No	Subsidiaries' earnings	Unit	2018	2019	2020	2021	2022
1	Oil distribution and retail	VND billion	201	581	884	1,109	1,274
1.1	<i>Domestic</i>	VND billion	151	530	831	1,054	1,218
1.2	<i>Laos and Singapore</i>	VND billion	50	52	53	55	56
2	Others	VND billion	5	36	100	200	352
II	Earnings after tax	VND billion	163	491	786	1,045	1,298

Source: PVOIL

III. Investment plan (2018-2022)

1. Investment in construction and equipment procurement

During the 2018-2022 period, PVOIL will invest in:

- New construction of fuel stations with target of 50 stations / year;
- Non-oil services at petrol stations;
- Expansion (Phase II) of Nghi Son storage project,
- Equipments of Jet A1 supply;
- Maintaining depots, storage and terminal and new tank-trucks.

Total amount of above investment on for this period is VND 7,049 billion, averaging VND 1,410 billion per year, of which from equity VND 2,800 billion and loan financing VND 4,249 billion.

N o	Items	2018	2019	2020	2021	2022	Total
I	Investment for gasoline trading	943	755	585	585	585	3,453
1	Upgrading, expanding, maintaining storage	409	221	101	101	101	933
2	New construction and renovation of petrol stations	400	400	400	400	400	2,000
3	Others	134	134	84	84	84	520
II	Investment for non-oil services at petrol stations		328	642	1,056	1,570	3,596
	Total	943	1,083	1,227	1,641	2,155	7,049
	<i>Of which: - Holding company</i>	<i>503</i>	<i>643</i>	<i>787</i>	<i>1201</i>	<i>1,715</i>	<i>4,849</i>

N o	Items	2018	2019	2020	2021	2022	Total
	- <i>Subsidiaries</i>	440	440	440	440	440	2,200
	<i>Investment source: - Equity</i>	657	600	514	514	515	2,800
	- <i>Borrowings and other sources</i>	286	483	713	1,127	1,640	4,249

Source: PVOIL

2. Long-term financial investment

PVOIL will contribute capital to PVOIL Cambodia, while actively seeking for acquisition opportunities of gasoline trading companies through M&A.

PVOIL expects to conduct M&A of small and inefficiency companies, then restruct and renovate them for better business performance. This is expected to be the best way to achieve market share expansion targets and improve the business performance of PVOIL by 2022.

A number of 1,000 petrol stations more is required to be added to the existing retailing network in order to have a network of 1,050 petrol stations by year 2022. Assuming that out of the 1,000 stations, about 800 will be achieved through M&A or new investment and the remaining 200 fuel stations can be leased.

After acquiring the whole or majority of small companies or other petroleum product retail companies that require restructuring, PVOIL with its brand name, business experience, together with its partners and stragic shareholders will restructure the organization and the operations to improve their efficiency. The effective operation of the post-restructured enterprises will contribute significantly to expanding market share and optimizing PVOIL's overall business performance.

The total amount of long term investment over the 2018-2022 period is expected to be around VND 4,194 billion.

3. Capital for investment

Total investment capital for the whole period is VND 11,240 billion, an average of VND 2,250 billion per year and will be funded from the following sources:

- Equity: Approximately VND 7,000 billion will be arranged from existing cash resources, fixed asset depreciation and development investment funds.
- Loan financing and other sources: approximately VND 4,000 billion.

IV. Solutions to achieve the targets

Based on the SWOT analysis of PVOIL, in order to achieve the proposed targets, PVOIL will have to exert all its strength in synchronizing the implementation of various plans:

1. Market and Products Solutions

- Promotes market forecasting and increase efficiency in merchandise and inventory management.
- Consistent and determined in implementing Project 1114 to continuously improve customer service quality at the petrol stations, following the guidelines "Precise-Sufficient-Attentive", thus further contributes in increasing revenue at the current stations.

- Consistent and determined in implementing Project 808 to continuously improve the service quality at the oil-terminals, following the guidelines "Safety-Precision-Speed".
- Diversifies the business activities and creates new forms of business. For example, implementing the trial of PVOIL Mobile (tank truck/mobile petrol stations); implementing new method of payment Afterpay that allows customers and members in Loyalty Program to pay later using the latest technology QR Code in an attempt to increase sale to commercial customers. PVOIL hopes to be able to find suitable strategic partners to develop this field in order to increase market share.
- Continuously improves the petroleum transportation service quality.
- Develops the non-petroleum business at the petrol stations such as: convenience stores (mini mart), points of bank payment, car wash, oil change, coffee shop, etc. tailored to different areas. Despite being under-developed, this field has plenty of room for growth in the future. With support from the strategic partner, PVOIL expects to rapidly invest in this field to further generate sufficient cash inflow and increasing substantial profit.
- Increases the quality and diversification of petroleum and lubricant products to meet the needs and preferences of consumers.
- Continues the development and expansion of the local distribution network; stabilises and expands markets in Laos, Cambodia and other regional countries;
- Actively seeking for opportunities to become the supplier of aviation fuel (Jet A1 fuel, airplanes fuel...) for the local and international airport networks at Laos, Cambodia...

2. Capital and Assets Management Solutions

- Restructuring of capital: in subsidiaries, according to specific characteristics, PVOIL either continues to streamline the organisational structure, focuses on the business activities, conducts M&A, divests or reduces ownership. With ineffective affiliates, PVOIL is determined to divest.
- Restructuring of assets: Continues to rearrange, review and increase tanks capacity and exporting capacity at advantageous oil-terminals; transfers or renting tanks;
- Strengthens the monitoring, control and assess of effectiveness in utilising capital and assets throughout the system.

3. Investment Solutions

- Actively seeking investment opportunities in purchasing shares in other petroleum distribution companies that has efficient distribution network.
- Increases investment in developing petrol stations; develops non-petroleum business at the stations.
- Expands the petroleum transportation system of tank fleets under the brand name PVOIL, gradually meeting the internal needs for trading.
- Continues investing in synchronization of technology equipment and software upgrade throughout the system.

4. Management Solutions

- Organisational structure: Reorganises structure of committees to reduce indirect labour; Reorganising of branches to avoid rivalry, concentrate resources and reduce costs and further increases operational efficiency in accordance to current stipulations.
- Promotes application of IT and completion of ERP system to enhance management, operation and control of system.
- Constantly provides professional training in expertise and technical skills for employees in order to improve professionalism and work efficiency.
- Promotes cost-saving and cost-cutting as well as anti-waste throughout the system.

5. M&A Solutions

Currently, there are more than 30 petroleum trading businesses in Vietnam. Nevertheless, Petrolimex and PVOIL take up 70% market share, following are Thanh Le, SaigonPetro and Military Petroleum MP with 20% market share while the other 20 businesses occupy only 10% market share. Thus, despite the large number of trading businesses, the operational scale of most businesses is fairly small. In addition, there are many unprofessional and unethical businesses that exist based on conducting of fraudulent trading.

In order to create a healthy and equal trading environment, the Government is determined to implement solutions and actions to reduce and completely eliminate petroleum smuggling as well as other fraudulent trading activities. In the current context, this makes it difficult for small-scale businesses to survive, thus results in beneficial M&A opportunities for PVOIL.

Therefore, besides divesting in ineffective and unsuitable businesses, in the post equitization period, with strong capital base provided by strategic partners, PVOIL will carry out market research and analysis of opportunities in purchasing either partial ownership, extensive ownership or total ownership in a few petroleum trading businesses via M&A to effectively expand market share and in particular, rapidly increasing retail volume sales to improve efficient trading. This is an extremely important solution to help PVOIL in rapidly expanding market share and petrol stations network.

V. Divestment plan at Petec

PVOIL received PVN's stake in Petec and Petec became a member of PVOIL (PVOIL owns 94.8% of chartered capital) from April 2013.

Petec has a chartered capital of VND 2,600 billion and its capital contribution to be VND 2,489 billion. Petec's equity at the time of valuation of PVOIL (December 31, 2015) was VND 851 billion as its business activities continued to suffer losses from 2011 onwards.

Petec has a storage system of nearly 140,000 m³, including warehouses at An Hai (Hai Phong), Hoa Hiep (Da Nang), Cai Mep (Ba Ria - Vung Tau), Vinh Long (Vinh Long) and a system of 30 petrol stations scattered the country.

Petec operates at a nationwide scale with current sale of more than 350 thousand m³/tonne/year, accounts more than 10% of PVOIL's total sale, in which, 93% of the sale is acquired through wholesale channel- which is the most inefficient channel and 7% acquired through direct retail channel at petrol stations.

At the time of merger (May 2013), Petec had accumulated losses of nearly VND 1,200 billion.

After more than four years in PVOIL system, Petec has continued to suffer a loss of nearly VND 500 billion due to its large asset base and overlap with the existing network of PVOIL.

In order to optimize the use of capital and assets and reduce internal competition, PVOIL is proceeding to divest its investment from Petec; the divestment can be extended to after PVOIL becomes a joint stock company.

Note: By buying shares in PVOIL, the investors agree to let PVOIL to continue its divestment from Petec according to previously approved plan.

VI. Anticipated risks

1. Economic risks

The macroeconomic factor has large impacts on the growth of the business. Business performance and its prospects poses the need for businesses to adapt in a timely manner to the changes arises from business environment. Economic risk is defined as the type of systemic risk created by macroeconomic factors, in which the fundamental factors affecting business activity are: i) economic growth; ii) inflation rate iii) interest rate and iv) exchange rate. The Company will analyze the macroeconomic environment in order to mitigate the impact of risk factors on the growth strategy and ensure stable operation of the business model.

1.1. Economic growth

Demand for petroleum for production and transportation is associated with economic growth. According to data from the General Statistics Office, the GDP in 2016 increased by 6.2% compared to 2015, industrial production continued to expand and the sector grew at 7.5% growth rate.

According to the government's forecast, GDP will continue to grow at over 6% in the period 2017-2020 and the following years.

1.2. Inflation risk

Inflation is a macroeconomic factor that significantly affects the entire economy, having big impact to the economy in general and the Company in particular. Vietnam recorded a 4.74% inflation rate in 2016.

1.3. Interest rate risk

Besides inflation, interest rate is also an important indicator that notably affects Company's business activities due to partial working capital and investment is acquired from borrowings. Interest rate is expected to stabilise in mid term, with 5-years and 7-years government bond rate at under 6%.

1.4. Exchange rate risk

PVOIL is a petroleum importer (with production accounting for 25-30% of total output), thus affected by exchange rate fluctuations. In 2016, Vietnam dong (VND) value was remarkably stable, ending 2016 at the devaluation of only 1.2%.

2. Risks in relation to Oil price and government price management

The Company's business is closely tied to the price of crude oil and petroleum in the global market. In previous years, the price of gasoline was determined by the Government, the gasoline trading enterprises weren't fully prepared to cope with the fluctuation of global oil prices. However, since the issuance of Decree 83/2014/ND-CP (issued on 03 September 2014 and became effective on 01 November 2014), there have been some landmark changes in the market mechanism that helps to regulate oil prices more closely to the market mechanism. The gasoline trading enterprises (wholesale enterprises and distributors) are allowed to determine the

price by itself if the fluctuation band is less than 3%, helping the enterprises to limit the risk related to the fluctuation of oil prices.

Government regulation in oil trading in the recent two years has shown transparency and reduced volatility, but there are still shortcomings and potential risks for enterprises, specifically:

- Risk on managing domestic sale price (current applicable range lagging 15 days behind global price)
- Requirement of 30-day compulsory inventory storage
- The government decides the cost and profit norms for petroleum trading sector

3. Risk of fire, explosion, environmental pollution

PVOIL is operating in the petroleum business, a highly risky business due to risks of fire, explosion, and environmental pollution, etc., which can cause severe damage to the business's operation when incident occurs. To limit and control this particular risk, PVOIL has been equipped with fire protection systems in accordance with the regulations, organized the fire fighting task force, hired specialized units to deploy the oil spill prevention solutions and bought a full range of property, explosion and fire insurance.

4. Regulatory risk

Regulatory risk is the one arising from the non-timely application of legal documents in the course of business operations of the joint stock company with its business Company

After the IPO, PVOIL is a public being governed by legal documents regulated by the State, mainly the Law on Enterprises, Law on Securities and other documents relating to the business of the Company. Currently, the legal system of Vietnam is not stable and consistent and the guiding documents are still incomplete and in need for updating. Consequently, there can be many amendments in the future and lead to changes and inconsistencies which more or less will affect the operations of the Company.

Therefore, in order to minimize risks arising from legal factors in the course of operation, the Company always monitors, studies and updates the legal documents relating to its operations as well as refers to and hires external consultants for legal matters that go beyond the Company's capabilities.

5. Risk of the offering

In the case that after the auction, the offered shares are not sold out, PVOIL will seek guidance from the Steering Committee to allow strategic investors to buy the shares. Therefore, PVOIL assesses this risk to be negligible.

6. Other risks

In addition to the risks mentioned above, the Company's operations may be affected by natural disasters such as earthquakes, epidemics, floods, etc., which, when occur, could cause damage to the Company's assets as well as impact the business activities of the Company. These are unlikely, but when they occur, they will cause a great deal of material and human damage to the Company as a whole.

PART 4: OFFERING INFORMATION

I. Method of offering

1. Offering structure

PVOIL offers its stock in accordance with the following plan:

No	Offering plan	Number of shares	Value per par value (VND million)	% ownership	Method of offering
1	State shares	363,014,555	3,630,146	35.10%	
2	Discount shares for employees	1,864,300	18,643	0.18%	
2.1	<i>Shares sold to employees at discount price based on employees' seniority</i>	813,800	8,138	0.08%	
2.2	<i>Shares sold to employees at discount price based on employees' working commitment</i>	1,050,500	10,505	0.10%	
3	Shares offered to investors through IPO	206,845,900	2,068,459	20.00%	Auction
4	Shares offered to strategic investors	462,504,745	4,625,047	44.72%	Private placement
	TOTAL	1,034,229,500	10,342,295	100%	

Maximum shareholding of foreign investors is 49% of charter capital.

Details of the offering are as follows:

2. Initial public offering (IPO)

The number of shares to be sold to public investors is as follows:

- Number of shares: 206,845,900 shares equivalent to 20% of total shares with total par value of VND 2,068,459,000,000 (Two trillion, sixty eight billion, four hundred and fifty nine million Vietnam dong)
- Expected reserve price: VND 13,400 per share.
- Timing of auction: Within three months from the approval of the equitisation plan.

- Auction place: Ho Chi Minh City Stock Exchange, 16 Vo Van Kiet, District 1, HCMC
- Participants in the auction: Local or foreign individuals and institutional investors in accordance with the law.

3. Offering to employees

- Participants, number of shares, sale price

No.	Criteria for classification of shares to be sold at discount price	Number of employees to buy shares at discount price	Number of shares to be sold at discount price	Discount price
1	Employees entitled to shares sold at discount price based on their number of years working in the public sector	710	813,800	Equal to 60% of the lowest successful bid price
2	Employees commit to work for the company at least three years after equitisation	289	523,000	Equal to the lowest successful bid price
3	High skilled workers or experts commit to work for the company after equitisation	124	527,500	Equal to the lowest successful bid price
	TOTAL		1,864,300	

4. Offering to strategic investors:

- Targets: domestic and foreign investors
- Total number of shares to be offered to strategic investors: 462,504,745 shares, equivalent to 44.72% of the Company's shares. Maximum shareholding of foreign strategic investors is $(= 49\% - X\%)$, where X is the percentage of the chapter capital has been sold successfully to foreign investors thru IPO.
- Timing of the offering: After the completion of the initial public offering (IPO). The offering is expected to be complete within three months from the date of approval of the equitization plan.
- Method and selling price to strategic investors
 - Method: Direct negotiation or competitive bidding in accordance with Circular 196/2011/TT-BTC.
 - Selling price: The selling price to the strategic investor is not to be lower than the average successful bid price of the public auction.

Criteria and requirements of strategic investors are stated in Decision 1979/QĐ-TTg dated 8/12/2017 by Prime Minister (Appendix 04)

5. Payment

As provided in the Procedure of auction for the IPO of PetroVietnam Oil Corporation – One Member Company Limited issued by the Ho Chi Minh City Stock Exchange.

II. Plan to use proceeds from equitization

The management and use of proceeds from equitization shall comply with the provisions of Section III of Circular No. 196/2011/TT-BTC dated 26 December 2011 of the Ministry of Finance.

The proceeds from the equitization of the enterprise will be used to pay the expenses of equitization and redundant labor arrangement according to the State regulations. The remainder shall be remitted to the Enterprise Restructuring Supporting Fund.

III. Listing, registration to trade on the stock market

Within maximum 90 days from the date of the IPO, PVOIL will register the shares at VSD and trade on Upcom exchange. If PVOIL is qualified to list according to relevant regulations, PVOIL will list right after the sale of shares.

PART 5: CONCLUSION


This Information Memorandum is provided to investors in order to help investors evaluate the Company's assets, equities, financial position, results and business prospects before registering to buy shares.


This Information Memorandum is based on the approved equitization plan of the holding company - PetroVietnam Oil Corporation and the information and data provided by PetroVietnam Oil Corporation, ensuring transparency and protecting the legal rights of investors. The evaluation and selection of information and the words in this Information Memorandum are carefully and reasonably based on the data and information provided by PetroVietnam Oil Corporation.

We request all investors to thoroughly examine this Information Memorandum before deciding to buy shares of PetroVietnam Oil Corporation.

EQUITIZATION STEERING COMMITTEE
PETROVIETNAM OIL CORPORATION – ONE MEMBER LIMITED COMPANY

HEAD OF THE COMMITTEE




DINH VAN SON

REPRESENTATIVES OF THE EQUTIZED ENTERPRISES
PETROVIETNAM OIL CORPORATION – ONE MEMBER LIMITED COMPANY

CHAIRMAN OF BOARD OF MEMBER ✓




NGUYEN HOANG TUAN

GENERAL DIRECTOR



CAO HOAI DUONG

CHIEF ACCOUNTANT



NGUYEN DANG TRINH

REPRESENTATIVE OF THE ADVISOR
VIET CAPITAL SECURITIES JOINT STOCK COMPANY




TO HAI

Appendix 1: LAND-USE PLANNING

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST-EQUITIZATION	TYPE OF LAND USE POST-EQUITIZATION	NOTES
A	RECOMMENDED LAND USE POST-EQUITIZATION		510,633.4					
I	LAND WITH ANNUAL LEASE PAYMENT		406,050.5					
1	Eastern Petroleum warehouse	30-4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau	5,586.8	Leasing of State Property, require leasing annual payments Commercial land used in serving the upstream port	50 years since 26/06/2008	Commercial land used in serving the upstream port	Annual leasing payments	(1)
2	Cu Lao Tau Petroleum warehouse	Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau	97,000.0	Leasing of State Property, require leasing annual payments Commercial land used for Cu Lao Tau petroleum warehouse	50 years since 06/06/2008	Commercial land used for Cu Lao Tau petroleum warehouse	Annual leasing payments	(1)
3	Nha Be Petroleum Warehouse	Phu Xuan Commune, Nha Be District, Ho Chi Minh City	133,287.0	Leasing of State Property, require leasing annual payments Commercial land used for building petroleum depot and port	50 years since 05/11/1998	Commercial land used for building petroleum depot and port	Annual leasing payments	(1)
4	Dung Quat Petroleum warehouse	Binh Thuan Ward, Binh Son, Quang Ngai	23,201.0	Leasing of State Property, require leasing annual payments Commercial land used for building petroleum tank and petrol station	49 years from 12/12/2011 to 12/12/2060	Commercial land used for fuel station	Annual leasing payments	

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST EQUITIZATION	TYPE OF LAND USE POST EQUITIZATION	NOTES
5	Gas station at 229 Nguyen Tat Thanh, Phu Yen	229 Nguyen Tat Thanh, Ward 8, Tuy Hoa-Phu Yen	762.0	Leasing of State Property, require leasing annual payments Commercial land used for fuel station	By 31/10/2022	Commercial land used for fuel station	Annual leasing payments	
6	Gas station at 306 Ba Trieu, Dong Tho, Thanh Hoa	306 Ba Trieu, Dong Tho Ward, Thanh Hoa	1,055.0	Leasing of State Property, require leasing annual payments	By 01/07/2061	Commercial land used for fuel station	Annual leasing payments	
7	Eastern Petroleum warehouse	54B, 30-4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau	116,108.2	Leasing of State Property, require leasing annual payments Commercial land used for general petroleum warehouse	50 years since 27/02/2007	Commercial land used for general petroleum warehouse	Annual leasing payments	(1)
8	Gas station at Mai Lam Commune, Dong Anh, Hanoi	Mai Lam Commune, Dong Anh, Hanoi	2,939.5	Leasing of State Property, require leasing annual payments Land use for construction	30 years since 04/12/1996	Land use for construction (1,962.5m ²) Land without road frontage (977m ²)	Annual leasing payments	(1)
9	Gas station at Vinh Yen, Vinh Phuc	Khai Quang Ward, Vinh Yen, Vinh Phuc	2,480.0	Leasing of State Property, require leasing annual payments Commercial land	By 22/08/2028	Commercial land used for fuel station	Annual leasing payments	
10	Gas station at Tan Thinh, Thai Nguyen	Tan Thinh Ward, Thai Nguyen City, Thai Nguyen	750.0	Leasing of State Property, require leasing annual payments Commercial land	By 05/01/2019	Commercial land used for fuel station	Annual leasing payments	

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST EQUITIZATION	TYPE OF LAND USE POST EQUITIZATION	NOTES
11	Gas station at Dien Ngoc, Quang Nam	Dien Ngoc Commune, Dien Ban district, Quang Nam Province	1,739.3	Leasing of State Property, require leasing annual payments Commercial land	By December 2022	Commercial land used for fuel station	Annual leasing payments	
12	Gas station at Nam Thanh, Ninh Binh	Nam Thanh Ward, Ninh Binh	1,944.0	Receipt of land transfer, leasing of State Property, require leasing payments Commercial land	49 years from 07/12/2000 to 07/12/2049	Commercial land used for fuel station	Annual leasing payments	
13	Gas station at Thanh Mieu, Viet Tri, Phu Tho	Thanh Mieu Ward, Viet Tri, Phu Tho	2,910.0	Receipt of land transfer, specialized construction land	30 years since 08/11/2000	Commercial land used for fuel station)	Annual leasing payments	
14	Gas station at An Hai, Hai Phong	An Hung Commune, An Hai Ward, Hai Phong	7,267.7	Receipt of land transfer, leasing of State Property, require leasing payments Commercial land for fuel station	By August 2027	Commercial land used for fuel station	Annual leasing payments	
15	Gas station at Ho Se, Hanoi	Nguyen Son - Long Bien - Hanoi	464.0	Receipt of land transfer		Commercial land used for fuel station	Annual leasing payments	(1)
16	Gas station at Phu Lo – Soc Son, Hanoi	Phu Lo town, Soc Son, Hanoi	1,420.7	Receipt of land transfer		Commercial land used for fuel station	Annual leasing payments	(1)
17	Gas station at My Thuan, Nam Dinh	My Thuan Commune, My Loc district, Nam Dinh	3,030.3	Leasing of State Property, require leasing payments Commercial land for fuel station	30 years since December 29, 2000 (1,210.3 m ²), temporary delivery (1,820 m ²)	Land for fuel station (1,210.3m ²); Land for road safety corridors (1)	Annual leasing payments	
18	Gas station at Tam Dan, Quang	Tam Dan commune, Tam Ky town, Quang Nam	3,025.0	Leasing of State Property, require leasing	By August 2018	Land for fuel station (1,925m ²); Land for road safety corridors	Annual leasing payments	

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST EQUITIZATION	TYPE OF LAND USE POST EQUITIZATION	NOTES
	Nam			payments Commercial land for fuel station		(1,100m ²)		
19	Office at Mai Lam, Dong Anh, Hanoi	Mai Lam, Dong Anh, Hanoi	1,080.0	Receipt of land transfer, Leasing of State Property		Land for officetel	Annual leasing payments	(1)
II	LAND WITH LEASING PAYMENT AT ONCE		104,582.90					
1	PVOIL Branch at Ba Ria – Vung Tau	No. 10 Le Loi Street, Ward 1, Vung Tau City, Ba Ria-Vung Tau Province	102.9	The State assigns land with collection of land use fees Commercial land	50 years to 07/01/2059	Commercial land	The expiry date of land allocation from 7 January 2059, afterward transferred to land lease	
2	Dinh Vu Petroleum Warehouse (PVOil Dinh Vu)	Lot F5, Dinh Vu Industrial Zone, Dong Hai II, Hai An, Hai Phong	53,790.0	Land lease of Dinh Vu Development Joint Venture Company Land for building petroleum warehouses	30 years from 05/04/2001 to 05/04/2031	Land for building petroleum	Land lease of Dinh Vu Development Joint Venture Company One-time payment (By 05/4/2031)	
3	Gas station at Chau Thanh, Tay Ninh	Quarter 3, Chau Thanh Town, Chau Thanh District, Tay Ninh Province	3,958.6	Accept LUR as Land allocation with land use fee (400 m ²), land allocation with land use fee (3,407 m ²)	Long-term: 400 m ² By May 25, 2018: 3,407 m ²	Commercial land used for fuel station	One-time payment (3,807m ²), Corridor land: 151.6m ²	
4	Gas station at Chau Thanh, Ben Tre	Chau Thanh Town, Chau Thanh District, Ben Tre Province	2,030.0	The State assigns land with collection of land use fees Commercial land	Long-term: 200 m ² By 26/07/2041: 1,830 m ²	Commercial land used for fuel station	One-time leasing payment	
5	Nguyen Van Tuan Gas station at Vinh My, An Giang	Vinh My Ward, Chau Doc, An Giang	2,193.10	Accept LUR as Land allocation with land use fee Urban land: 400m ² Specialied land use: 1,793.18m ²	Long-term (400m ²), the remaining land: n/a	Urban land: 400m ² Specialied land use for commercial purpose: 1,793.18m ²	One-time leasing payment	

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST EQUITIZATION	TYPE OF LAND USE POST EQUITIZATION	NOTES
6	Petrol station at 249 Ngo Quyen, Da Nang	249 Ngo Quyen Street, An Hai Bac Ward, Son Tra District, Da Nang City	765.1	The State assigns land with collection of land use fees Land in urban areas	Long-term	Land in urban areas	One-time leasing payment	
7	Gas station on Pham Hung Street, Hoa Chau Commune, Hoa Vang, Da Nang	Pham Hung Street, Hoa Chau Commune, Hoa Vang, Da Nang	1,003.7	Long-term Commercial land	Long-term	Land for fuel station	One-time leasing payment	
8	Gas station at Tan Hiep, Tay Ninh	Tan Hiep Commune, Tan Chau, Tay Ninh	2,441.0	Receive transfer of land use right without fee (400m ²) and with land use fee (1,400m ²). Land used for planting: 641m ²	non-agricultural production land: By 01/2064, other perennial crops: By 5/2047	Land for non-agricultural production facilities: 1,800m ² . Land for perennial crops: 641m ²	One-time leasing payment	
9	Gas station at 2 Nguyen Huu Tho	Traffic junction at Nguyen Huu Tho-Nguyen Tri Phuong-Duy Tan, Hoa Thuan Tay Ward, Hai Chau District, Da Nang	1,032.0	Receipt of land transfer; land for non-agricultural production	Long-term	Land used for fuel station	One-time leasing payment	
10	Gas station at Nhan Thuy	Group 6, Khanh Vinh town, Khanh Vinh district, Khanh Hoa province	6,996.5	Receive transfer of land use right without fee (5,751.5m ²) and with land use fee (1,245 m ²)	Commercial land: by 21/12/2061 ; Forest land: by 15/3/2061	Commercial land: 5,751.5 m ² ; Forest land: 1,245 m ²	One-time leasing payment (5,751.5 m ²)	
11	Gas station at No. 2, Le Lai, Dong Son, Thanh Hoa	No. 02 Le Lai, Dong Son, Thanh Hoa	1,496.2	Receipt of land transfer with land use fee Land used for fuel station	50 years since 17/03/2011	Commercial land for fuel station	One-time leasing payment	
12	Ninh Phuoc Gas station at Ninh Thuan	Phuoc Dan town, Ninh Phuoc district, Ninh Thuan province	2,700.0	Receipt of land transfer with land use fee Land in urban area: 1,500m ²	Long-term	Land in urban area: 1,500 m ² Commercial land: 1,200 m ²	Long term	

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST EQUITIZATION	TYPE OF LAND USE POST EQUITIZATION	NOTES
				Commercial land: 1,200m ²				
13	Ba Cha Gas station, Quang Ninh	Ba Che town, Ba Che district, Quang Ninh province	543.0	Receipt of land transfer with land use fee Commercial land used for fuel station	By 27/08/2032	Commercial land used for fuel station	One-time leasing payment (By 27 August 2031)	
14	Dai Yen Gas station, Quang Ninh	Dai Yen Ward, Ha Long City, Quang Ninh Province	1,000.0	Land allocation with land use fee	By 28/10/2029	Commercial land for fuel station	One-time leasing payment (By 28/10/2029)	
15	Gas stations in Cuor Dang commune, Dak Lak	Cuor Dang commune, Cu M'gar district, Dak Lak province	2,181.0	Receipt of LUR transfer Residential land: 300 m ² Commercial land: 1,881 m ² (with land use fee)	Long-term Commercial land: 50 from 11/12/2012	Residential land: 300 m ² Commercial land: 1,881 m ² (with land use fee)	1,881 m ² commercial land in the form of land allocation with land use fees, 300 m ² of land in rural areas through transfer of land use rights ¹ ,	
16	Ngan Vinh No.2 Gas station	Phuoc Minh commune, Thuan Nam district, Ninh Thuan province	2,474.8	Receipt of land transfer. Land allocation with land use fee (1,000m ²) Change LUR purpose: 595.3m ² ; unknown LUR fee scheme	By 12/5/2060: 1,000m ² ; the remaining land: unknown	Land for non-agricultural production (1,595.3m ²); traffic safety corridor (879.5m ²)	One-time leasing payment (1,595.3m ²)	
17	PVOIL Office	No. 9, Serviced apartment, Ward 7, Vung Tau	Total area: 189.1 m ² ; Construction floor area: 570.60m ²	Receipt of land transfer for building offices		Office	Long-term	
18	Gas station at Duc Manh Commune, Dak Nong CHXD tại	Duc Manh Commune, Dak Mil, Dak Nong	2,100.0	Land allocation with land use fee, receipt of land transfer and change land use purpose	By 04/05/2061	Commercial land used for fuel station	Continue to obtain People Committee's approval on land use purpose	(2)

No,	LAND PLOT	ADDRESS	AREA	LAND USE PURPOSE AND ORIGIN OF CURRENT LAND USE RIGHT	DURATION OF CURRENT LAND USE RIGHT	PURPOSE OF LAND USE RIGHT POST EQUITIZATION	TYPE OF LAND USE POST EQUITIZATION	NOTES
	xã Đức Mạnh, Đắk Nông							
19	Gas station at Hoa Phu, Buon Ma Thuot, Dak Lak	Hoa Phu, Buon Ma Thuot, Dak Lak	2,052.2	Receive transfer of LUR due to transfer of LUR "reissued"	Long-term: 600m ² By 2013: 1,452.2m ²	Land in rural areas: 600m ² ; Land for planting trees: 1,452.2m ²	One-time leasing payment	
20	Gas station at Khue Trung, Da Nang	Khue Trung, Hai Chau, Da Nang	688.7	Receipt of land transfer, Commercial land for fuel station	Long-term	Land for fuel station	Long-term	
21	No. 13 Gas station at Highway No. 26 Dak Lak	Ea Pil Commune, M'Drak District, Dak Lak Province	14,845.0	PVOIL Branch – Eastern Petroleum Company receives the land transfer	Residential land (ONT): 320 m ² to be used in long term; upland field: 13,145 m ² used until 2013, land No.172 used until 2019, freshwater aquaculture land: 1,380 m ² used until 2013	Used for fuel station and used as is	Form of land use: receipt of land use rights due to the transfer of land use right	
B	LAND NOT RECOMMENDED TO BE USED AFTER EQUITIZATION							
1	Land lease at Lai Vu Shipyard		30,000.0	Land leasing with one-time payment used in building petroleum warehouse	From 31/3/2011 to 31/12/2015	Transfer back to Lai Vu Shipbuilding Industry One Member Limited Liability Company		
Total			540,633.4					

- (1) PVOIL is working with People's Committees of those provinces and cities to finalize the documents and procedures to continue leasing those land lots according to regulations before PVOIL officially becomes a joint stock company
- (2) PVOIL is finalizing the documents for getting transferred of the land use right and other procedures related to this land lot before the finalization of accounting for equitization for PVOIL to officially become a joint stock company

Appendix 2: PVOIL's STORAGE NETWORK

No	Name of storage	Capacity		Possessing entity	Operating entity	Note
		Volume (m ³)	Port (DWT)			
	Nothern provines	229,500				
1	Dinh Vu, Hai Phong	75,500	100,000	PVOIL	PVOIL Dinh Vu	Lease, payment at once
2	An Hai, Hai Phong	41,000	8,000	Petec	Petec	Lease, payment at one for 30.045 m ² and annual lease for 43.859 m ²
3	Cai Lan, Quang Ninh	20,000	15,000	PVOIL	PVOIL Cai Lan	Assigned land, payment at once
4	Bach Hac, Phu Tho	1,950		PVOIL	PVOIL Phu Tho	Annual lease
5	Vung Ang, Ha Tinh	60,000	15,000	PVOIL Vung Ang	PVOIL Vung Ang	Lease, payment at once
6	Thai Binh	6,000	1,000	PVOIL Thai Binh	PVOIL Thai Binh	Annual lease
7	Nam Dinh	6,000	300	PVOIL Nam Dinh	PVOIL Nam Dinh	Annual lease
8	Ninh Binh	1,700	500	PVOIL Ninh Binh	PVOIL Ninh Binh	Reiceiving land use right from transfer
9	Nghi Son, Thanh Hoa	10,000		PVOIL	PVOIL Nghi Son	Annual lease
10	Quang Hung, Thanh Hoa	4,800		PVOIL Thanh Hoa	PVOIL Thanh Hoa	Annual lease
11	Đa Phuc, Thai Nguyen	2,550		PVOIL Thai Nguyen	PVOIL Thai Nguyen	Reiceiving land use right from transfer
	Central provinces	67,100				
12	Quang Ngai	7,200		PVOIL	PVOIL Quang Ngai	Annual lease
13	Lien Chieu, Da Nang	13,000	3,000	PVOIL Central	PVOIL Central	Assigned land, payment at once

No	Name of storage	Capacity		Possessing entity	Operating entity	Note
		Volume (m ³)	Port (DWT)			
15	Hoa Hiep, Da Nang	9,900	5,000	Petec	Petec	Lease, payment at once
16	Vung Ro, Phu Yen	15,000	5,000	PVOIL Phu Yen	PVOIL Phu Yen	Annual lease
	<i>Southern provinces</i>	665,600				
17	Mien Dong, Ba Ria Vung Tau	271,700	50,000	PVOIL	PVOIL Mien Dong	Annual lease
18	Nha Be, Ho Chi Minh	170,000	32,000	PVOIL	PVOIL Nha Be	Annual lease
19	Tay Ninh	8,500		PVOIL Tay Ninh	PVOIL Tay Ninh	Annual lease
20	Phu My, Ba Ria Vung Tau	34,500		PVOIL Phu My	PVOIL Phu My	Annual lease
21	Cai Mep – Ba Ria - Vung Tau	80,000	60,000	Petec	Petec	Assigned land, payment at once
22	Can Tho	72,000	15,000	PetroMekong	PetroMekong	Shareholders contribute by land use rights, permant use land
23	An Giang	4,800		PetroMekong	PetroMekong	Reiceiving land use right from transfer
24	Kien Giang	5,400		PetroMekong	PetroMekong	Reiceiving land use right from transfer
25	Vinh Long	4,000		PetroMekong	PetroMekong	Reiceiving land use right from transfer
26	Petec Vinh Long	8,900		Petec	Petec	Reiceiving land use right from transfer
	Some smaller storages	5,800		PVOIL Bac Lieu	PVOIL Bac Lieu	Annual lease
	Total	962,200				

Appendix 3: PVOIL's OPERATED PETROL STATION NETWORK

Total number of petrol stations directly operated by PVOIL as of December, 2017 are 536, of which

- 31 petrol stations are owned by the holding company (leasing long term to subsidiaries)
- 390 petrol stations are owned by the subsidiaries
- 115 petrol stations are leased long term from other parties

No	Company	Number of petrol stations	Remarks
1	PVOIL Ha Noi	36	Of which 11 are leased long term
2	PVOIL Hai Phong	23	Of which 08 are leased long term
3	PVOIL Nam Dinh	30	Of which 06 are leased long term
4	PVOIL Cai Lan	05	Of which 01 is leased long term
5	PVOIL Thai Binh	14	Of which 02 are leased long term
6	PVOIL Phu Tho	11	Of which 05 are leased long term
7	PVOIL Ha Giang	8	Of which 01 is leased long term
8	PVOIL Thanh Hoa	34	Of which 06 are leased long term
9	PVOIL Vung Ang	21	Of which 08 are leased long term
10	PVOIL Thua Thien Hue	9	Of which 03 are leased long term
11	PVOIL Central	48	Of which 20 are leased long term
12	PVOIL Phu Yen	40	Of which 16 are leased long term
13	PVOIL Binh Thuan	61	Of which 04 are leased long term
14	PVOIL Sai Gon	29	Of which 04 are leased long term
15	PVOIL Vung Tau	39	Of which 05 are leased long term
16	PVOIL Tay Ninh	15	Of which 02 are leased long term
17	PVOIL Bac Lieu	12	Of which 02 are leased long term
18	PVOIL MeKong	47	Of which 04 are leased long term
19	PVOIL Tra Vinh	08	Of which 01 is leased long term
20	Timexco	20	Of which 01 is leased long term
21	Petec	26	Of which 04 are leased long term
	Total	536	

Appendix 4: DECISION OF THE PVOIL'S EQUITIZATION PLAN APPROVAL

THỦ TƯỚNG CHÍNH PHỦ CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

Số: 1979/QĐ-TTg

Hà Nội, ngày 08 tháng 12 năm 2017

QUYẾT ĐỊNH

**Phê duyệt phương án cổ phần hóa
Công ty mẹ - Tổng công ty Dầu Việt Nam
(trực thuộc Tập đoàn Dầu khí Việt Nam)**

THỦ TƯỚNG CHÍNH PHỦ

Căn cứ Luật Tổ chức Chính phủ ngày 19 tháng 6 năm 2015;

Căn cứ Luật Doanh nghiệp ngày 26 tháng 11 năm 2014;

Căn cứ Nghị định số 59/2011/NĐ-CP ngày 18 tháng 7 năm 2011 của Chính phủ về chuyển doanh nghiệp 100% vốn nhà nước thành công ty cổ phần;

Căn cứ Nghị định số 189/2013/NĐ-CP ngày 20 tháng 11 năm 2013 của Chính phủ sửa đổi, bổ sung một số điều của Nghị định số 59/2011/NĐ-CP ngày 18 tháng 7 năm 2011 của Chính phủ về chuyển doanh nghiệp 100% vốn nhà nước thành công ty cổ phần;

Căn cứ Nghị định số 116/2015/NĐ-CP ngày 11 tháng 11 năm 2015 của Chính phủ về việc sửa đổi, bổ sung một số điều của Nghị định số 59/2011/NĐ-CP ngày 18 tháng 7 năm 2011 của Chính phủ về chuyển doanh nghiệp 100% vốn nhà nước thành công ty cổ phần;

Căn cứ Quyết định số 707/QĐ-TTg ngày 25 tháng 5 năm 2017 của Thủ tướng Chính phủ phê duyệt Đề án “Tái cơ cấu doanh nghiệp nhà nước, trọng tâm là tập đoàn kinh tế, tổng công ty nhà nước giai đoạn 2016 - 2020”;

Căn cứ Quyết định số 58/2016/QĐ-TTg ngày 28 tháng 12 năm 2016 của Thủ tướng Chính phủ về việc ban hành tiêu chí phân loại doanh nghiệp nhà nước và doanh nghiệp nhà nước thực hiện sắp xếp giai đoạn 2016 - 2020;

Xét đề nghị của Bộ trưởng Bộ Công Thương,

QUYẾT ĐỊNH:

Điều 1. Phê duyệt phương án cổ phần hóa Công ty mẹ - Tổng công ty Dầu Việt Nam với những nội dung chính sau đây:

1. Tên gọi, trụ sở chính của công ty cổ phần

- Tên đầy đủ bằng tiếng Việt: Tổng công ty Dầu Việt Nam - Công ty cổ phần.

- Loại hình hoạt động: Công ty cổ phần.

- Tên giao dịch tiếng Việt: Tổng công ty Dầu Việt Nam.
- Tên giao dịch quốc tế: PETROVIETNAM OIL CORPORATION.
- Tên viết tắt: PVOIL.
- Địa chỉ trụ sở chính: Tầng 14-18, Tòa nhà PetroVietnam Tower, Số 1-5 Lê Duẩn, phường Bến Nghé, Quận 1, Thành phố Hồ Chí Minh.

2. Tổng công ty Dầu Việt Nam sau cổ phần hóa có tư cách pháp nhân theo pháp luật Việt Nam kể từ ngày được cấp giấy chứng nhận đăng ký doanh nghiệp; có con dấu riêng; được mở tài khoản tại ngân hàng theo quy định của pháp luật; tổ chức và hoạt động theo Điều lệ của Tổng công ty Dầu Việt Nam - Công ty cổ phần, phù hợp với Luật Doanh nghiệp và các quy định của pháp luật có liên quan.

Tổng công ty Dầu Việt Nam - Công ty cổ phần kế thừa các quyền, nghĩa vụ, lợi ích hợp pháp của Tổng công ty Dầu Việt Nam trước khi chuyển đổi; được tiếp tục kinh doanh các ngành, nghề hiện Tổng công ty Dầu Việt Nam đang thực hiện và các hoạt động kinh doanh khác theo quy định của pháp luật.

3. Hình thức cổ phần hóa: Bán bớt một phần vốn nhà nước tại doanh nghiệp.
4. Vốn điều lệ và cơ cấu cổ phần phát hành lần đầu
 - a) Vốn điều lệ: 10.342.295.000.000 đồng (Mười nghìn, ba trăm bốn hai tỷ, hai trăm chín lăm triệu đồng).
 - b) Cơ cấu vốn điều lệ:
 - Cổ phần PVN nắm giữ là 363.014.555 cổ phần, chiếm 35,1% vốn điều lệ.
 - Cổ phần bán ưu đãi cho người lao động trong doanh nghiệp theo quy định tại khoản 1 Điều 48 Nghị định số 59/2011/NĐ-CP là 813.800 cổ phần, chiếm 0,08% vốn điều lệ.
 - Cổ phần bán ưu đãi cho người lao động trong doanh nghiệp theo quy định tại khoản 2 Điều 48 Nghị định số 59/2011/NĐ-CP là 1.050.500 cổ phần, chiếm 0.10% vốn điều lệ.
 - Cổ phần bán đấu giá công khai là 206.845.900 cổ phần, chiếm 20% vốn điều lệ.
 - Cổ phần bán cho nhà đầu tư chiến lược là 462.504.745 cổ phần, chiếm 44,72% vốn điều lệ.
 - Mệnh giá 10.000 đồng/cổ phần.
 - Nhà đầu tư nước ngoài được tham gia mua cổ phần tại Tổng công ty Dầu Việt Nam với tỷ lệ sở hữu của tất cả các nhà đầu tư nước ngoài tối đa là 49% vốn điều lệ.

5. Bán cổ phần ra công chúng

- Giá khởi điểm: 13.400 đồng/cổ phần.
- Phương thức bán: Đấu giá công khai.
- Tổ chức tài chính trung gian tư vấn bán cổ phần: Sở giao dịch Chứng khoán Thành phố Hồ Chí Minh.

- Địa điểm đấu giá: Số 16 Võ Văn Kiệt, phường Nguyễn Thái Bình, Quận 1, Thành phố Hồ Chí Minh - Sở giao dịch Chứng khoán Thành phố Hồ Chí Minh.

Thời gian bán cổ phần: Trong thời gian 03 tháng kể từ ngày phương án cổ phần hóa được phê duyệt theo quy định.

6. Bán cổ phần cho nhà đầu tư chiến lược

a) Tiêu chí lựa chọn

- Có năng lực về tài chính: Chứng minh đủ nguồn tài chính để mua cổ phần theo tỷ lệ trong phương án được cấp thẩm quyền phê duyệt; có nguồn vốn chủ sở hữu theo báo cáo tài chính tại thời điểm gần nhất tối thiểu 2.000 tỷ đồng đối với doanh nghiệp trong nước hoặc tương đương 2.000 tỷ đồng theo tỷ giá quy đổi tại ngày đăng ký tham gia nhà đầu tư chiến lược đối với doanh nghiệp nước ngoài. Kết quả hoạt động sản xuất kinh doanh (đã được kiểm toán) hai năm gần nhất tính đến thời điểm đăng ký mua cổ phần phải có lãi, không có lỗ lũy kế.

- Có cam kết bằng văn bản của Hội đồng quản trị hoặc người đại diện theo pháp luật hoặc người có thẩm quyền về việc:

+ Tiếp tục duy trì ngành nghề kinh doanh chính và thương hiệu Tổng công ty Dầu Việt Nam trong thời gian ít nhất là 10 năm kể từ thời điểm chính thức trở thành nhà đầu tư chiến lược.

+ Không chuyển nhượng số cổ phần mua trong thời gian tối thiểu 10 năm kể từ ngày Tổng công ty Dầu Việt Nam - Công ty cổ phần được cấp giấy chứng nhận đăng ký doanh nghiệp cổ phần lần đầu hoạt động theo Luật Doanh nghiệp.

+ Hỗ trợ Tổng công ty Dầu Việt Nam về: Chuyển giao công nghệ mới hiện đại, đào tạo nguồn nhân lực chất lượng cao, nâng cao năng lực tài chính, quản trị doanh nghiệp, cung ứng nguyên vật liệu và hợp tác đầu tư, phát triển thị trường tiêu thụ sản phẩm theo chiến lược phát triển của Tổng công ty Dầu Việt Nam sau cổ phần hóa.

+ Có cam kết sử dụng lao động của Tổng công ty Dầu Việt Nam theo phương án cổ phần hóa được cấp thẩm quyền phê duyệt.

+ Có cam kết để công ty cổ phần Tổng công ty Dầu Việt Nam tiếp tục tiêu thụ sản phẩm của các Nhà máy Lọc hóa dầu Nghi Sơn và Bình Sơn trong ít nhất là 10 năm sau cổ phần hóa theo giá thị trường với sản lượng tối thiểu hàng năm (SL_{min}) theo công thức dưới đây:

$SL_{min} = (\text{Tổng sản lượng kinh doanh của Tổng công ty Dầu Việt Nam}) \times (\text{Tổng công suất sản phẩm xăng và dầu DO của 02 nhà máy}) / (\text{Tổng nhu cầu xăng và dầu DO của Việt Nam})$.

+ Có cam kết để Tổng công ty Dầu Việt Nam - Công ty cổ phần tiếp tục thực hiện thoái vốn tại Tổng công ty cổ phần Thương mại Kỹ thuật và Đầu tư.

+ Quy định đối với nhà đầu tư nước ngoài: Là nhà đầu tư đã tham gia hoặc có cam kết đầu tư vào các dự án lọc hóa dầu tại Việt Nam.

- Có cam kết bằng văn bản của người có thẩm quyền về việc: i) đảm bảo nguồn tiền dùng để đặt cọc và thanh toán tiền mua cổ phần có nguồn gốc hợp pháp theo đúng các quy định có liên quan; và ii) sẵn sàng đặt cọc tới 20% giá trị cổ phần đăng ký mua theo giá khởi điểm đã được cơ quan có thẩm quyền quyết định phương án cổ phần hóa phê duyệt.

- Có phương án khả thi hỗ trợ Tổng công ty Dầu Việt Nam - Công ty cổ phần một cách tích cực thực hiện các mục tiêu chiến lược sau khi cổ phần hóa.

- Kinh nghiệm quản trị, điều hành, có thương hiệu uy tín trong lĩnh vực kinh doanh xăng dầu, dầu khí tại thị trường quốc tế trong và ngoài nước sẽ là những lợi thế khi xem xét lựa chọn nhà đầu tư chiến lược.

- Có nghĩa vụ bồi thường khi vi phạm cam kết đã ký với mức bồi thường xác định theo thiệt hại thực tế và quyền định đoạt của Nhà nước đối với toàn bộ số lượng cổ phần nhà đầu tư chiến lược mua khi vi phạm các cam kết đã ký.

b) Giá bán cổ phần cho nhà đầu tư chiến lược

Thực hiện theo quy định tại thời điểm thực hiện bán cổ phần cho nhà đầu tư chiến lược.

Trường hợp thực hiện bán cổ phần cho nhà đầu tư chiến lược từ thời điểm Nghị định số 126/2017/NĐ-CP ngày 16 tháng 11 năm 2017 của Chính phủ về chuyển doanh nghiệp nhà nước và công ty trách nhiệm hữu hạn một thành viên do doanh nghiệp nhà nước đầu tư 100% vốn điều lệ thành công ty cổ phần có hiệu lực thì thực hiện theo quy định tại Nghị định số 126/2017/NĐ-CP ngày 16 tháng 11 năm 2017 của Chính phủ.

c) Thời hạn hoàn thành bán cổ phần cho nhà đầu tư chiến lược

Thực hiện theo quy định tại Nghị định số 59/2011/NĐ-CP ngày 18 tháng 7 năm 2011 của Chính phủ. Trong trường hợp việc bán cổ phần cho nhà đầu tư chiến lược có vướng mắc, không thể hoàn thành trong 3 tháng theo quy định, Bộ Công Thương báo cáo Thủ tướng Chính phủ xem xét, quyết định.

d) Ủy quyền cho Tập đoàn Dầu khí Việt Nam chủ động tìm kiếm đối tác, tiến hành đàm phán với nhà đầu tư chiến lược trên cơ sở phương án cổ phần hóa được phê duyệt và các quy định có liên quan, gửi Bộ Công Thương xem xét, tổng hợp, báo cáo Thủ tướng Chính phủ kết quả bán cổ phần theo quy định.

7. Tổng công ty Dầu Việt Nam - Công ty cổ phần thực hiện thuê đất của Nhà nước và trả tiền thuê đất theo quy định của pháp luật về quản lý và sử dụng đất.

8. Phương án sắp xếp lao động

- Tổng số lao động tại thời điểm công bố giá trị doanh nghiệp là 790 người.

- Lao động chuyển sang công ty cổ phần là 770 người.

9. Chi phí cổ phần hóa

Giao Bộ Công Thương phê duyệt quyết toán chi phí cổ phần hóa; Tập đoàn Dầu khí Việt Nam và Tổng công ty Dầu Việt Nam quyết định và chịu trách nhiệm về các chi phí thực tế, cần thiết để thực hiện cổ phần hóa Tổng công ty Dầu Việt Nam theo quy định của pháp luật hiện hành.

Điều 2. Tổ chức thực hiện

1. Bộ Công Thương

- Quyết định nội dung quy định tại khoản 9 Điều 1 Quyết định này.

- Chỉ đạo Tập đoàn Dầu khí Việt Nam và Tổng công ty Dầu Việt Nam công bố đầy đủ thông tin về doanh nghiệp cổ phần hóa; tổ chức, triển khai thực hiện bán cổ phần trong thời gian 03 tháng kể từ thời điểm ký Quyết định này mà không phải xác định lại giá trị doanh nghiệp.

- Theo dõi, giám sát quá trình thực hiện công tác cổ phần hóa tại doanh nghiệp, báo cáo Thủ tướng Chính phủ xem xét, giải quyết các khó khăn, vướng mắc vượt thẩm quyền.

2. Bộ Tài nguyên và Môi trường có văn bản gửi Ủy ban nhân dân các tỉnh, thành phố xem xét và có ý kiến về phương án sử dụng đất của Tổng công ty Dầu Việt Nam đối với khu đất chưa được Ủy ban nhân dân các tỉnh, thành phố có ý kiến trước thời điểm Tổng công ty Dầu Việt Nam chính thức chuyển sang công ty cổ phần.

3. Bộ Kế hoạch và Đầu tư chỉ đạo và hướng dẫn việc đăng ký doanh nghiệp của Tổng công ty Dầu Việt Nam - Công ty cổ phần.

4. Hội đồng thành viên Tập đoàn Dầu khí Việt Nam chịu trách nhiệm quản lý Tổng công ty Dầu Việt Nam cho đến khi hoàn tất việc bàn giao toàn bộ tài sản, tiền vốn, lao động, đất đai cho Tổng công ty Dầu Việt Nam - Công ty cổ phần.

5. Bộ Công Thương, Tập đoàn Dầu khí Việt Nam và Tổng công ty Dầu Việt Nam có trách nhiệm hoàn thành việc thực hiện các kiến nghị của Kiểm toán nhà nước về việc kiểm toán kết quả tư vấn định giá và xử lý các vấn đề tài chính trước khi chính thức công bố giá trị doanh nghiệp cổ phần hóa đối với Tổng công ty Dầu Việt Nam đến thời điểm Tổng công ty Dầu Việt Nam chính thức chuyển sang công ty cổ phần theo quy định của pháp luật.

Điều 3. Quyết định này có hiệu lực thi hành kể từ ngày ký.

Bộ trưởng các Bộ: Công Thương, Tài chính, Tài nguyên và Môi trường, Kế hoạch và Đầu tư, Lao động - Thương binh và Xã hội, Nội vụ, Thủ trưởng các cơ quan liên quan, Tập đoàn Dầu khí Việt Nam, Ban Chỉ đạo cổ phần hóa và Hội đồng thành viên Tổng công ty Dầu Việt Nam chịu trách nhiệm thi hành Quyết định này./.

Nơi nhận:

- Như Điều 3;
- Ban Bí thư Trung ương Đảng;
- Thủ tướng, các Phó Thủ tướng Chính phủ;
- Văn phòng Trung ương Đảng;
- Văn phòng Tổng Bí thư;
- Văn phòng Quốc hội;
- Văn phòng Chủ tịch nước;
- Tòa án nhân dân tối cao;
- Viện kiểm sát nhân dân tối cao;
- Ngân hàng Nhà nước Việt Nam;
- Kiểm toán nhà nước;
- Ban Chỉ đạo Đổi mới và Phát triển doanh nghiệp;
- Tập đoàn Dầu khí Việt Nam;
- Tổng công ty Dầu Việt Nam;
- VPCP: BTCN, các PCN, Trụ lý TTg, TGD Công TTĐT, các Vụ: TH, CN, KTTH;
- Lưu: VT, ĐMDN (2).KN 43

**KT. THỦ TƯỚNG
PHÓ THỦ TƯỚNG**



Vương Đình Huệ

PRIME MINISTER

SOCIALIST REPUBLIC OF VIETNAM

Independence – Freedom – Happiness

No: 1979/QĐ-TTg

Ha Noi, 08 December, 2017

DECISION**Ratification of equitization**

**Holding Company – Petrovietnam Oil Corporation (PVOIL) –
The subsidiary of Vietnam Oil and Gas Group (“PetroVietnam”, “PVN”)**

PRIME MINISTER

Pursuant to the Law on Government Organization dated 19 June, 2015;

Pursuant to the Law on Enterprises dated 26 November, 2014;

Pursuant to the Decree 59/2011/ND-CP dated 18 July, 2011 of the Government relating to conversion of 100% state-owned enterprises into Joint Stock Company.

Pursuant to the Decree 189/2013/ND-CP dated 20 November, 2013 of the Government relating to amendments to certain articles of Decree 59/2011/ND-CP;

Pursuant to the Decree 116/2015/ND-CP dated 11 November, 2015 of the Government relating to amendments to certain articles of Decree 59/2011/ND-CP;

Pursuant to the Decision 707/QĐ-TTg dated 25 May, 2017 of the Prime Minister relating to the project “Restructuring of state enterprises, focusing on state-owned groups, corporation in period 2016-2020”.

Pursuant to the Decision 58/2016/QĐ-TTg dated 28 December, 2016 of the Prime Minister relating to criteria for classification of wholly stated-owned enterprises undergoing restructuring in 2016 – 2020.

At the request of Minister of Industry and Trade, has made

DECISION:

Article 1. Approval of the equitization plan of Holding Company - Petrovietnam Oil Corporation with the following main contents:

1. The name, head office of the company
 - Full name in Vietnamese: Tổng công ty Dầu Việt Nam – Công ty cổ phần.
 - Type of company: Joint Stock Company
 - Trading name in Vietnamese: Tổng công ty Dầu Việt Nam
 - Trading name in English: PETROVIETNAM OIL CORPORATION
 - Abbreviated name: PVOIL
 - Head office: Floor 14th-18th PetroVietnam Tower, 1-5 Le Duan, Ben Nghe Ward, District 1, Hochiminh city, Vietnam.
2. After equitization, PVOIL shall have its juridical person from the issuance date of enterprise registration certificate; its own seal; right to open bank accounts according to the legal regulations; be organized and operated in accordance with the Charter Party in accordance with the Law on Enterprises and other relevant legal regulations.

PVOIL - Joint Stock Company inherits the rights, obligations and legitimate interests of the PetroVietnam Oil Corporation before the conversion; continues conducting business lines currently registered by the PetroVietnam Oil Corporation and other business activities according to legal stipulations.

3. Form of equitization: selling a part of State's capital in enterprise.
4. Charter capital and Charter capital structure
 - a. Charter capital: VND 10,342,295,000,000 (Ten trillion, three hundred and forty-two billion, two hundred and ninety-five million VND)
 - b. Charter capital structure:
 - Shares owned by PVN: 363,014,555 shares, accounting for 35.1% Charter capital.
 - Shares sold to employees realating to clause 1, article 48, Decree 59/2011/NĐ-CP: 813,800 shares, accounting for 0.08% Charter capital.
 - Shares sold to employees realating to clause 2, article 48, Decree 59/2011/NĐ-CP: 1,050,500 shares, accounting for 0.1% Charter capital.
 - Shares sold to public (IPO): 206,845,900 shares, accounting for 20% Charter capital.
 - Shares sold to strategic investor: 462,504,745 shares accounting for 44.72% Charter capital.
5. Selling shares to the public (IPO)
 - Per value: VND 10,000/share
 - Maximum shareholding of foreign investors: 49% of Charter capital.
 - Starting price: 13,400VND/share
 - Selling method: public auction
 - Auction agent: Ho Chi Minh Stock Exchange
 - Auction place: Ho Chi Minh Stock Exchange, 16 Vo Van Kiet, Nguyen Thai Binh Ward, District 1, Ho Chi Minh City.
 - Auction time: within 3 months from the date that the equitization plan is ratified.
6. Selling shares to strategic investors:
 - a. Selection criteria:
 - Financial capacity: the investor shall prove sufficient financial resources to purchase shares. The investor's total equity as of its lastest financial statements must be at least VND 2,000 billion (for domesticinvestors) or VND 2,000 billion equivalent for foreign investors, using on currency exchange rate on the date of registration. The investor must be profitable as shown on its audited Income Statement and free from accumulated losses for the preceding 02 (two) years prior to the date of registration.
 - A written commitment by the Board of Directors or Legal Representative or an authorized person to:
 - + To maintain PVOIL's core business lines and trade mark of PVOIL for at least 10 years from the date of becoming a strategic investor;
 - + Not transfer the shares within at least 10 years after the time that PV OIL becomes a joint stock company as shown on the business registration certificate according to the Law on Enterprises;
 - + To assist PVOIL in: technology transfer, human resource training, financial capability enhancement, corporate management, materials supply, investment cooperation and product market expansion in accordance with PVOIL's post equitization strategic development plan;
 - + To permit PVOIL to retain PVOIL's labor force according to the ratified equitization plan;

+ To permit PVOIL to continue to purchase products from Nghi Son Refinery and Binh Son Refinery for at least 10 years after the equitization with a minimum volume (Min Vol) identified according to the following formula:

$$\text{Min Vol} = (\text{Total sale volume of PV OIL}) \times (\text{Total production volume of gasoline and diesel oil of the two refineries}) / (\text{Total demand for gasoline and diesel oil in Vietnam}).$$

+ To permit PV OIL to continue to divest from PETEC TRADING AND INVESTMENT CORPORATION ("Petec")

+ Requirements for foreign investors: Investors should have invested in refinery(ies) in Vietnam or commit to invest in refinery projects in Vietnam.

- A written commitment by an authorized person of : i) having legal financial sources of deposit and payment for the shares purchased; and ii) making a 20% deposit of the value of subscribed shares based on the starting price approved by the competent authorities.

- Having a feasible plan to support PVOIL – joint stock company actively to reach the strategic targets after equitization.

- Having experience in management and operation, good reputation in oil and gas industry in both domestic and international markets are favorable in considerations for strategic investors.

- Undertaking of the compensation for any breach of the undertakings and the commitments made. The compensation amount shall mount at actual damage; and the Vietnam's Government possesses the right to entitle all the shares that the investors have purchased in case of any breach of undertakings and commitments.

b. Price of share for strategic investors:

To be executed in compliance with relevant legal regulations effective at IPO's time.

In case the selling shares takes time after the effective date of Decree 126/2017/ND-CP dated 16 November, 2017 of Vietnam's Government, it must be in compliance with this Decree.

c. The deadline of selling shares to strategic investors:

To be executed in compliance with the Decree 59/2011/ND-CP dated 18 July, 2011 of Vietnam's Government. In case the selling shares to strategic investors can not be completed within 3 months, the Ministry of Industry and Trade reports to the Prime Minister for examination and decision.

d. Granting authority to PVN for seeking and negotiation with strategic investors based on ratified equitization plan and relevant regulations. The Ministry of Industry and Trade reviews, summarizes and reports to the Prime Minister.

7. PVOIL – Joint Stock Company leases land and pays land levy to the State according to the legal regulations of management and use of land.

8. Labour arrangement

- employees before equitization: 790.

- employees after equitization: 770.

9. Equitization expenses

The Ministry of Industry and Trade approves the finalization of equitization; PVN and PVOIL shall decide and be responsible for the actual and necessary expenses for the equitization in accordance with the current legal regulations.

Article 2. Implementation

1. The Ministry of Industry and Trade

- To decide the contents in Clause 9, Article 1 of this Decision

- To direct PVN and PVOIL to publish sufficient information on the enterprise to be equitized; organize and implement selling shares within 3 months from the date of this Decision without re-evaluation the enterprise's value .

- To monitor and supervise the process of equitization at the enterprise, report to the Prime Minister for consideration and settlement of difficulties and hindrances beyond competence of the Ministry.

2. The Ministry of Natural Resources and Environment shall send written documents to the People's Committees of provinces and cities for consideration and comments on the PVOIL's land use plan that have not yet been commented by the People's Committee of provinces, cities prior to PVOIL's conversion into a Joint-stock Company.

3. The Ministry of Planning and Investment shall direct and guide the registration of enterprise of the PVOIL - Joint Stock Company.

4. The Board of Members of PVN shall be responsible for managing PVOIL until the completion of the transfer of all assets, capital, labor and land to the PVOIL - Joint Stock Company.

5. The Ministry of Industry and Trade, PVN and PVOIL shall be responsible to complete the recommendations of the State Audit on the results of consultation valuation and handling of financial matters before officially announcing the enterprise's value of PVOIL until PVOIL is officially converted into a joint stock company in accordance with the laws.

Article 3: This decision is valid since the day of signing.

The Minister of Ministries including Ministry of Industry & Trade, Ministry of Finance, Ministry of Natural Resources & Environment, Ministry of Planning & Investment, Ministry of Labor, War Invalids, & Social Welfare, Ministry of Interior; Director of the related offices, PVN, PVOIL's Equitization Steering Committee and PVOIL's Board of Members will be responsible to take this Decision enforceable./.

Receivable places:

- As Article 3;
- Secretariat Member of Party Central Committee
- Government Prime Minister & Deputy Prime Minister
- Officer of the Party Central Committee (PCC)
- Officer of CPV General Secretary
- Officer of National Assembly
- Office of the President
- Supreme People's Court of Vietnam
- The Supreme People's Procuracy of Vietnam.
- State Bank of Vietnam
- State Audit office of Vietnam
- Business Innovation Steering Committee
- Vietnam Oil and Gas Group
- Petrovietnam Oil Corporation

**ON BEHALF OF THE PRIME
MINISTER
VICE PRIME MINISTER**

Signed and sealed

Vương Đình Huệ

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