

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Chairman	2
Auditor's review report	3
Consolidated balance sheet (Form B 01a – DN/HN)	4
Consolidated income statement (Form B 02a – DN/HN)	7
Consolidated cash flow statement (Form B 03a – DN/HN)	8
Notes to the consolidated financial statements (Form B 09a – DN/HN)	10

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Business Registration Certificate

No. 4103005338 dated 29 September 2006 and the 15th amendment No. 0300452060 issued by the Department of Planning and Investment of Ho Chi Minh City Business Registration Certificate dated 21 October 2013.

Board of Management

Mr Phung Tuan Ha	Chairman (From 9 April 2015)
Mr Vu Xuan Lung	Chairman (Until 9 April 2015)
Mr Vu Xuan Lung	Member (From 9 April 2015)
Mr Pham Quang Huy	Member
Ms Le Thi Chien	Member
Mr Vu Tien Duong	Member

Board of Supervision

Mr Le Anh Quoc	Head of the Board
Mr Nguyen Cao Ky	Member
Mr Pham Thanh Tuan	Member

Board of General Directors

Mr Vu Tien Duong	General Director (From 9 April 2015)
Mr Phung Tuan Ha	General Director (Until 9 April 2015)
Mr Bui Anh Dung	Deputy General Director
Ms Pham Thi Hong Diep	Deputy General Director
Mr Nguyen Thanh Tu	Deputy General Director

Legal representative

Mr Phung Tuan Ha	Chairman
------------------	----------

Registered office

Floor 6, PetroVietNam Tower, No. 1 - 5 Le Duan Street
Ben Nghe Ward, District 1, Ho Chi Minh City, Viet Nam

Auditor

PricewaterhouseCoopers (Vietnam) Limited

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

STATEMENT OF THE RESPONSIBILITY OF THE CHAIRMAN OF THE CORPORATION IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of Petrovietnam General Services Joint Stock Company is responsible for the consolidated interim financial statements of Petrovietnam General Services Joint Stock Company and its subsidiaries ("the Corporation") which give a true and fair view of the financial position of the Corporation as at 30 June 2015 and of the consolidated results of operation and consolidated cash flows for the six-month period then ended. In preparing these consolidated interim financial statements, the Chairman is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated interim financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Chairman is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable the consolidated interim financial statements to be prepared which complies with the basis of accounting set out in Note 2 to the consolidated interim financial statements. The Chairman is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated interim financial statements as set out on pages 4 to 41 which give a true and fair view of the financial position of the Corporation as at 30 June 2015 and of the consolidated results of its operations and cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the financial statements in Vietnam.



Phùng Tuấn Hà
Chairman

Ho Chi Minh City, Vietnam
7 August 2015

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS AND THE BOARD OF MANAGEMENT
OF PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

We have reviewed the accompanying consolidated interim financial statements of Petrovietnam General Services Joint Stock Company ("the Corporation") which were prepared on 30 June 2015 and approved by the Chairman on 7 August 2015. These consolidated interim financial statements include the consolidated balance sheet as at 30 June 2015, the related consolidated income statement and consolidated cash flow statement for the six-month period then ended and selected notes to these consolidated interim financial statements, as set out on pages 4 to 41. The Chairman is responsible for the preparation and presentation of these consolidated interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the consolidated financial statements in Vietnam. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Vietnamese Auditing Standard No. 910 - *Engagement to Review Financial Statements*. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated interim financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not presented fairly, in all material respects, in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements in Vietnam.

PricewaterhouseCoopers (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No. 0875-2013-006-1



Ho Ngoc Thang
Audit Practising Licence No. 2262-2013-006-1

Report reference number: HCM4888
Ho Chi Minh City, 7 August 2015

As indicated in Note 2.1 to the consolidated interim financial statements, the accompanying consolidated interim financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam, and furthermore their utilisation is not designed for those who are not informed about Vietnam's accounting principles, procedures and practices.

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 30.6.2015 VND	As at 31.12.2014 VND (Restated)
100	CURRENT ASSETS		4,899,306,019,063	5,266,758,803,597
110	Cash and cash equivalents	3	1,636,881,231,703	2,050,148,166,048
111	Cash		356,329,714,006	1,021,835,761,315
112	Cash equivalents		1,280,551,517,697	1,028,312,404,733
120	Short-term investments		4,000,000,000	-
123	Investments held to maturity		4,000,000,000	-
130	Accounts receivable		1,562,349,634,965	1,308,927,274,250
131	Short-term trade accounts receivable	4	1,347,927,446,331	1,128,003,690,821
132	Short-term prepayments to suppliers		74,349,003,460	27,277,618,584
136	Other short-term receivables	5	178,333,282,552	170,333,525,363
137	Provision for doubtful debts – short term		(38,260,097,378)	(16,687,560,518)
140	Inventories	6	1,287,578,016,527	1,521,815,562,318
141	Inventories		1,316,799,030,688	1,557,768,487,510
149	Provision for decline in value of inventories		(29,221,014,161)	(35,952,925,192)
150	Other current assets		408,497,135,868	385,867,800,981
151	Short-term prepayments		10,705,546,211	2,234,915,837
152	Value Added Tax to be reclaimed		384,764,668,206	370,061,369,745
153	Other taxes receivable	7(a)	3,970,224,071	4,203,154,062
155	Other current assets		9,056,697,380	9,368,361,337

The notes on pages 10 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 30.6.2015 VND	As at 31.12.2014 VND (Restated)
200	LONG-TERM ASSETS		507,960,781,831	482,538,987,085
210	Long-term receivables		7,473,125,141	7,500,112,082
216	Other long-term receivables		7,473,125,141	7,500,112,082
220	Fixed assets		218,369,234,256	205,374,647,446
221	Tangible fixed assets	8(a)	116,137,622,695	103,001,484,857
222	Cost		300,924,046,570	275,731,096,871
223	Accumulated depreciation		(184,786,423,875)	(172,729,612,014)
227	Intangible fixed assets	8(b)	102,231,611,561	102,373,162,589
228	Cost		105,435,020,669	105,212,420,669
229	Accumulated amortisation		(3,203,409,108)	(2,839,258,080)
230	Investment properties		5,610,000,000	5,916,000,000
231	Cost		6,120,000,000	6,120,000,000
232	Accumulated depreciation		(510,000,000)	(204,000,000)
240	Long-term assets in progress		54,753,709,307	32,561,674,286
242	Construction in progress	9	54,753,709,307	32,561,674,286
250	Long-term investments		19,917,443,151	19,878,373,578
252	Investment in associate	10(a)	17,917,443,151	17,878,373,578
253	Investments in other entities	10(b)	2,000,000,000	2,000,000,000
260	Other long-term assets		201,837,269,976	211,308,179,693
261	Long-term prepaid expenses	11	201,837,269,976	208,100,667,693
262	Deferred income tax assets		-	3,207,512,000
270	TOTAL ASSETS		5,407,266,800,894	5,749,297,790,682

The notes on pages 10 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 30.6.2015 VND	As at 31.12.2014 VND (Restated)
300	LIABILITIES		3,823,989,976,338	4,250,068,015,907
310	Current liabilities		3,632,080,308,141	4,194,016,005,512
311	Short-term trade accounts payable	12	1,024,577,483,263	1,154,434,226,091
312	Short-term advances from customers		53,279,933,946	66,483,837,428
313	Taxes and other payables to the State Budget	7(b)	33,172,700,441	33,693,880,402
314	Payable to employees		66,552,600,211	85,360,141,765
315	Short-term accrued expenses	13	24,433,245,569	33,079,620,353
318	Short-term unearned revenue		2,975,577,935	2,948,108,670
319	Other short-term payables	14	105,566,993,807	106,511,343,788
320	Short-term borrowings	15	2,264,552,601,983	2,641,578,788,585
322	Bonus and welfare funds		56,969,170,986	69,926,058,430
330	Long-term liabilities		191,909,668,197	56,052,010,395
332	Long-term advances from customers	16	136,363,636,364	-
337	Other long-term payables	17	55,546,031,833	56,052,010,395
400	OWNERS' EQUITY		1,583,276,824,556	1,499,229,774,775
410	Capital and reserves		1,583,276,824,556	1,499,229,774,775
411	Owners' capital	18, 19	831,101,240,000	698,420,000,000
412	Share premium	19	160,547,882,393	160,547,882,393
415	Treasury shares	19	(35,518,252,566)	-
418	Investment and development funds	19	176,064,073,716	175,628,619,942
421	Undistributed earnings	19	284,362,029,334	317,268,414,029
421a	- Undistributed post-tax profits accumulated by the end of the previous year		183,833,097,910	124,521,220,991
421b	- Undistributed post-tax profits of the current period/year		100,528,931,424	192,747,193,038
429	Non-controlling interests	19	166,719,851,679	147,364,858,411
440	TOTAL RESOURCES		5,407,266,800,894	5,749,297,790,682



Ha Van Phuong
Preparer



Dao Van Dai
Chief Accountant



Phung Tuan Ha
Chairman
7 August 2015

The notes on pages 10 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	For the six-month period ended	
		2015 VND	2014 VND (Restated)
01	Sales	5,471,026,960,396	5,729,455,242,946
02	Less deductions	(104,678,896,203)	(57,790,013,138)
10	Net sales	5,366,348,064,193	5,671,665,229,808
11	Cost of sales	(4,950,451,121,401)	(5,287,857,649,183)
20	Gross profit	415,896,942,792	383,807,580,625
21	Financial income	37,564,989,738	40,132,900,572
22	Financial expenses	(61,312,584,772)	(76,642,772,034)
23	- Including: Interest expenses	(50,921,955,778)	(66,635,594,736)
24	Share of profit in associates	77,487,085	293,877,844
25	Selling expenses	(131,902,634,613)	(150,648,024,129)
26	General and administration expenses	(99,213,756,283)	(85,272,240,129)
30	Operating profit	161,110,443,947	111,671,322,749
31	Other income	5,114,425,358	105,998,714,640
32	Other expenses	(4,385,138,187)	(63,183,342,256)
40	Net other income	729,287,171	42,815,372,384
50	Net accounting profit before tax	161,839,731,118	154,486,695,133
51	Business income tax - current	(37,953,412,386)	(38,031,395,175)
52	Business income tax - deferred	(3,207,512,000)	-
60	Net profit after tax	120,678,806,732	116,455,299,958
Attributable to:			
61	Non-controlling interests	20,149,875,308	19,695,772,005
62	Shareholders of the parent company	100,528,931,424	96,759,527,953
70	Earnings per share	1,321	1,366

Ha Van Phuong
Preparer

Dao Van Dai
Chief Accountant

Phung Tuan Ha
Chairman
7 August 2015



CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended	
Code	Note	30.6.2015 VND	30.6.2014 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	161,839,731,118	154,486,695,133
	Adjustments for:		
02	Depreciation and amortisation	13,556,309,426	13,528,562,216
03	Provisions	14,840,625,829	(2,744,189,805)
04	Unrealised foreign exchange losses	1,152,555,294	2,903,363,802
05	Profits from investing activities	(33,202,959,218)	(59,175,977,024)
06	Interest expense	50,921,955,778	66,635,594,736
08	Operating profit before changes in working capital	209,108,218,227	175,634,049,058
09	Increase in receivables	(126,759,522,715)	(121,966,042,028)
10	Decrease/(increase) in inventories	240,969,456,822	(865,255,102)
11	Decrease in payables	(168,344,092,348)	(286,769,374,663)
12	(Increase)/decrease in prepaid expenses	(2,207,232,657)	9,260,610,886
14	Interests paid	(56,352,867,114)	(62,287,839,232)
15	Business income tax paid	(37,864,462,444)	(43,564,464,786)
16	Other receipts on operating activities	311,663,957	-
17	Other payments on operating activities	(13,530,694,072)	(10,913,095,117)
20	Net cash inflows/(outflows) from operating activities	45,330,467,656	(341,471,410,984)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(48,331,731,720)	(16,190,575,781)
22	Proceeds from disposals of fixed assets	100,909,091	89,647,415,982
23	Short-term deposits at bank	(4,000,000,000)	-
24	Dividends and interests received	26,883,525,993	25,276,639,941
30	Net cash (outflows)/ inflows from investing activities	(25,347,296,636)	98,733,480,142
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share returns and repurchases	(35,518,252,566)	-
33	Proceeds from borrowings	3,639,081,930,843	4,149,360,753,259
34	Repayments of borrowings	(4,016,480,135,325)	(4,908,051,800,388)
36	Dividends paid	(20,707,166,925)	(48,889,400,000)
40	Net cash outflows from financing activities	(433,623,623,973)	(807,580,447,129)
50	Net decrease in cash and cash equivalents	(413,640,452,953)	(1,050,318,377,971)
60	Cash and cash equivalents at beginning of period	3 2,050,148,166,048	2,100,533,189,502
61	Effect of foreign exchange differences	373,518,608	306,375,992
70	Cash and cash equivalents at end of period	3 1,636,881,231,703	1,050,521,187,523

The notes on pages 10 to 41 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)
(continued)

Major non-cash transaction for the period ended 30 June 2015 was the issuance of shares for dividends of VND132,681,240,000 (Note 19).

Ha Van Phuong
Preparer

Dao Van Dai
Chief Accountant



Phung Tuan Ha
Chairman
7 August 2015

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2015**

1 GENERAL INFORMATION

Petrovietnam General Services Joint Stock Company ("the Corporation") established in Vietnam in accordance with Business Registration Certificate No. 4103005338 dated 29 September 2006 and the 15th Amendment No. 0300452060 dated 21 October 2013 issued by the Department of Planning and Investment of Ho Chi Minh City. The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly State-owned subsidiary of Vietnam Oil and Gas Group ("PetroVietnam").

Principal activities of the Corporation include:

- trading plastic resins, textile fibers, and cassava;
- support and management services;
- lease of warehouse, workshops, premises, office;
- sales of supplies, office equipment, audio-visual equipment.

The consolidated interim financial statements for the period ended 30 June 2015 comprises of the financial statements of the Corporation and its subsidiaries (together the "the Corporation") and the Corporation's interest in associates as detail below:

	Principal activity	Place of incorporation and operation	% of ownership	% of voting rights
Subsidiaries:				
Petroleum General Distribution Services Joint Stock Company	Distribution of telecom, electronic equipment	HCMC	79.87%	79.87%
Petroleum Offshore Trading and Services Company Limited	Trading and rendering services	HCMC	100%	100%
Petroleum Vung Tau General Services Joint Stock Company	Rendering services	Vung Tau	70%	70%
Mien Trung Petroleum Services and Trading Joint Stock Company	Trading and rendering services	Quang Ngai	94.69%	94.6%
PetroVietnam Assets Management Joint Stock Company	Operating in property management and services	Ha Noi	88.2%	88.2%
Petrosetco SSG Company Limited	Real estates	HCMC	51%	51%
Smart Convergence Joint Stock Company	Distributing equipment, electronic components, peripheral devices, software	HCMC	55%	55%

1 GENERAL INFORMATION (continued)

	Principal activity	Place of incorporation and operation	% of ownership	% of voting rights
Subsidiaries: (continued)				
Petrosetco Retail Services Joint Stock Company	Retail of mobile phones	HCMC	51%	51%
Petroleum Logistic Service Joint Stock Company ("PSL") (*)	Marine transportation services	HCMC	44%	44%
Petroleum High Technology Products Distribution Joint Stock Company	Distributing equipment, electronic components, peripheral devices	HCMC	51%	51%
ASSA Technology Joint Stock Company ("ASSA")	Processing electronic and telecommunication equipment	HCMC	60%	60%
Petroleum Trading Services Company Limited ("PST") (**)	Stopped operation and on liquidation process	HCMC	100%	100%
Petroleum Saigon General Services Company Limited ("PSG") (**)	Stopped operation and on liquidation process	HCMC	100%	100%
Associate				
Petro Tower Limited Company	Office for lease	Vung Tau	24%	24%

(*) Accordance to the 4th Amended Business Registration Certificate No. 0311523789 dated 26 December 2014 of PSL, its share capital increased from VND10 billion to VND15 billion which reduced the Corporation's interests from 60% to 44%. However, the Corporation still has the power to control financial and operational policies as at 30 June 2015. Therefore, PSL is still under the Corporation's control.

(**) Under Decision No. 313/QD-DVTHDK-HDQT and 314/QD-DVTHDK-HDQT dated 26 December 2011, the Corporation's Board of Management decided to dissolve Petrosetco Trading and Petrosetco Saigon from 1 January 2012. Currently, Petrosetco Trading and Petrosetco Saigon are under tax finalization with the tax authorities to complete liquidation procedures. In 2015, the two companies have had no business activities incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated interim financial statements

The consolidated interim financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements in Vietnam. The consolidated interim financial statements have been prepared under the historical cost convention.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 The significant changes in accounting policies**

On 22 December 2014, the Ministry of Finance issued Circular 200/2014/TT-BTC ("Circular 200") – Providing guidance on Corporate Accounting System replacing Decision 15/2006/QĐ-BTC dated 20 March 2006 ("Decision 15") and Circular 244/2009/TT-BTC dated 31 December 2009. Circular 200 is applicable to fiscal years begin on or after 1 January 2015.

Also on 22 December 2014, the Ministry of Finance issued Circular No. 202/2014/TT-BTC providing guidance on preparation and presentation of consolidated financial statements ("Circular 202"). Circular 202 replaces previous guidance on preparation and presentation of consolidated financial statements provided in Part XIII of Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance. Circular 202 is applicable to fiscal years begin on or after 1 January 2015.

The significant changes to the Corporation's accounting policies presented in the following notes:

- Transactions in foreign currencies and translations of assets and liabilities dominated in foreign currencies - Note 2.4.
- Cash and cash equivalents - Note 2.7.
- Basis of consolidation - Note 2.8.
- Earnings per share - Note 20.

Certain comparative figures have been reclassified to conform with the presentation requirements under Circular 200 and Circular 202. The details of such reclassifications were disclosed in Note 34.

2.3 Fiscal year

The Corporation's fiscal year is from 1 January to 31 December.

2.4 Currency

The consolidated interim financial statements are measured and presented using Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are respectively translated at the buying and selling exchange rates at the balance sheet date of the bank where the Corporation regularly trades. Foreign currencies deposited in bank at the balance sheet date are translated at the buying exchange rate of the bank where the Corporation opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the income statement.

2.5 Form of records applied

The Corporation uses general journal to record its transactions.

2.6 Accounting estimates

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity period less than three months or with original maturity over three months but remaining period less than three months from the date of the financial statements.

2.8 Basis of consolidation

The consolidated interim financial statements incorporate the financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2015. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprises so as to obtain benefits from its activities. If at the acquisition, the Corporation reclassified investments as investment in subsidiaries and then the Corporation has divestment intentions from the subsidiaries within 12 months or subsidiaries are being process to liquidate, dissolve, merge, stop operation, the Corporation is also considered maintaining the power to govern the subsidiaries.

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

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

All inter-company transactions and balances between the Corporation and its subsidiaries are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Corporation's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling's share of changes in equity since the date of the combination. Losses applicable to the non-controlling in excess of the non-controlling's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the non-controlling has a binding obligation and is able to make an additional investment to cover the losses.

2.9 Financial instruments

(a) Initial recognition

(i) Financial assets

At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Corporation comprise cash, cash equivalents, trade receivables, other receivables, deposits and other long-term financial assets.

(ii) Financial liabilities

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

(b) Re-measurement after initial recognition

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

2.10 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by management of all outstanding amounts at the year end. Bad debts are written off when identified.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined mostly by using the specific identification method. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses

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

2.12 Investments

(a) Investments in associates

Associates are investments that the Corporation has significant influence but not control generally accompanying with a shareholding of 20% to under 50% voting shares of the investee. Investments in associates are accounted for using the equity method of accounting.

(b) Investments in equity of other entities

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over investee. These investments are initially recorded at cost. Provision for diminution in value of these investments is made at year end when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2.13 Fixed assets

(a) Tangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation

Fixed assets are depreciated using the straight-line method so as to write off the cost of the assets over their estimated useful lives or over the term of the project. The principal annual rates used are:

Buildings	4% - 20%
Plant and machinery	14.2% - 20%
Motor vehicles	14.2% - 20%
Office equipment	25% - 33%
Other tangible fixed assets	25% - 33%

Disposals

Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) Intangible fixed assets**

Intangible fixed assets are stated at historical cost less accumulated depreciation, represent land use rights and computer software. Land use rights with indefinite terms are not amortised. Land use rights with definite terms are amortised on a straight-line basis over the terms of the land. Computer software is amortised on a straight-line basis over the estimated useful life of eight (8) years.

2.14 Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The cost of construction in progress is not depreciated as these assets are not ready for use at the date of the balance sheet. When the property is completed, the cost will be transferred to fixed assets and depreciation begins.

2.15 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2.16 Investment properties*Depreciation*

Investment properties are depreciated on the straight-line method to write off the cost of the assets over their estimated useful lives. The principal annual rate used is:

Land use rights	10%
-----------------	-----

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the income statement.

2.17 Goodwill

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary and associate at the date of acquisition. Goodwill is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit not exceed 10 years.

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

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

2.18 Negative goodwill

Negative goodwill represents the excess of the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary and associate at the date of acquisition over the cost of acquisition. Negative goodwill is immediately recognised in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the income statement when incurred.

2.20 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental, prepaid warehouse rental and prepaid gas cylinders. Prepaid expenses are recorded at historical cost and allocated to expenses using the straight line method over the allocation period.

Cost of gas cylinders is recognised as long-term prepayments and amortised to the income statement over estimated useful life of 10 years.

2.21 Liabilities

Liabilities of the Corporation must be recorded in according to payment schedule, type of creditors, type of currencies and other information according to management requirements of the Corporation. Classifications of payables are based in their natures as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services .

Payables are reclassified on the balance sheet based on remaining period from the balance sheet date to the maturity date.

2.22 Accrued expenses

This account is used to record payables to goods or services received from the seller or provided for the seller during a reporting period, but payments of such goods or services have not been made due to lack of invoices or documents on accounting, which are recorded to operating expenses of the reporting period.

2.23 Provisions

Provisions are recognised when: the Corporation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Owners' capital

(a) Share capital

Existing ordinary shares is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

(b) Share premium

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

(c) Treasury shares

Treasury shares are shares issued by the Corporation and bought-back by itself, but those are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

2.25 Appropriation of net profit

(a) Financial reserve fund

The financial reserve fund is no longer used. The remaining balance of this fund is transferred to development and investment fund.

(b) Development and investment fund

Development and investment fund is appropriated from net profit of the Corporation and approved by shareholders in the Annual General Meeting.

(c) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Corporation's net profit and subject to shareholders' approval at the Annual General Meeting.

2.26 Revenue recognition

(a) Sales of goods

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

(b) Sales of services

Revenue from the sales of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Corporation has established the receiving right from investees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Cost of sales

Cost of goods sold or cost of services are cost of finished goods, merchandises, materials sold during the period, and recorded on the basis of matching with revenue and on prudent concept.

2.28 Financial expenses

Finance expenses are expenses incurred in the period for financial activities including expenses or losses relating to financial investment activity, expenses of lending and borrowing, costs of capital contributed to joint ventures, associates, losses from short-term securities trading, losses from securities selling transactions; provision for diminution in value of trading securities, provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies, losses from exchange rates, payment discounts.

2.29 Selling expenses

Selling expenses represent expenses that are incurred in process of selling products, goods, providing services, which mainly include publicity, display, promotions, advertising expenses, sale commissions, warranty charges of goods and products (excluding construction activity), maintenance charges, packaging, and transportation.

2.30 General administration expenses

General administration expenses represent expenses for administrative purposes which mainly including salary expenses of administrative staffs (salaries, wages, allowances,...); social insurance, medical insurance, labor union fees, unemployment insurance of administrative staff, expenses of office materials, tools and supplies, depreciation of fixed assets used for administration, land rental, licence tax, provision for bad debts, utilities (electricity, water, telephone, fax, assets warranty, fire and explosive accidents insurance,...) other cash expenses (entertainment, customer conference...).

2.31 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits and the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.32 Dividend distribution

Dividend of the Corporation is recognised as a liability in the Corporation's financial statements in the period in which the dividends are approved by the Corporation's General Meeting of shareholders.

2.33 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Corporation, including holding companies and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including directors of the Corporation and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3 CASH AND CASH EQUIVALENTS

	30.6.2015 VND	31.12.2014 VND
Cash on hand	6,515,770,142	6,858,858,272
Cash at banks	349,813,943,864	1,014,976,903,043
Cash equivalents (*)	1,280,551,517,697	1,028,312,404,733
	<u>1,636,881,231,703</u>	<u>2,050,148,166,048</u>

(*) Cash equivalents included term deposits with an original maturity period less than three months or with original maturity over three months but remaining period less than three months from the date of the balance sheet.

4 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2015 VND	31.12.2014 VND
Third parties	<u>1,134,012,296,764</u>	<u>1,037,794,071,801</u>
Related parties (Note 32(b)(i))		
Joint Venture "Vietsovpetro"	139,066,109,240	40,971,531,648
Other related parties	74,849,040,327	49,238,087,372
	<u>213,915,149,567</u>	<u>90,209,619,020</u>
	<u>1,347,927,446,331</u>	<u>1,128,003,690,821</u>

5 OTHER SHORT-TERM RECEIVABLES

	30.6.2015 VND	31.12.2014 VND
Receivable from trade discounts	145,168,425,969	123,534,220,289
Interest income receivable	14,758,284,695	5,823,943,669
Others	18,406,571,888	40,975,361,405
	<u>178,333,282,552</u>	<u>170,333,525,363</u>

6 INVENTORIES

	30.6.2015 VND	31.12.2014 VND
Goods in transit	46,238,243,258	127,211,398,832
Raw materials	2,376,021,457	5,860,914,437
Tools and suppliers	644,563,652	722,076,094
Work in progress	2,675,516,948	513,533,522
Merchandises	1,180,214,056,967	1,287,038,110,424
Goods on consignment	84,650,628,406	136,422,454,201
	<u>1,316,799,030,688</u>	<u>1,557,768,487,510</u>
Provision for decline in value of inventory	(29,221,014,161)	(35,952,925,192)
	<u>1,287,578,016,527</u>	<u>1,521,815,562,318</u>

7 OTHER TAXES RECEIVABLE AND TAXES PAYABLE TO THE STATE BUDGET

(a) Other taxes receivable

	30.6.2015 VND	31.12.2014 VND
Value added tax	2,475,570,347	71,200,711
Business income tax	1,127,390,956	3,413,476,323
Personal income tax	367,262,768	319,606,873
Other taxes	-	398,870,155
	<u>3,970,224,071</u>	<u>4,203,154,062</u>

7 TAXES RECEIVABLES AND TAX PAYABLES TO THE STATE BUDGET (continued)

(b) Taxes and other payables to the State Budget

	30.6.2015 VND	31.12.2014 VND
Value added tax	11,575,112,883	10,221,722,078
Business income tax	20,015,898,111	22,075,046,824
Personal income tax	614,816,736	1,396,111,500
Other taxes	966,872,711	1,000,000
	<u>33,172,700,441</u>	<u>33,693,880,402</u>

The movement of the taxes and other payables to the State Budget :

	31.12.2014 Payables VND	Incurred VND	Net off VND	Paid VND	Reclassification VND	30.06.2015 Payables VND
Output value added tax	10,221,722,078	686,897,359,665	(463,947,304,251)	(70,469,839,566)	(151,126,825,043)	11,575,112,883
Business income tax	22,075,046,824	37,953,412,386	-	(37,864,462,444)	(2,148,098,655)	20,015,898,111
Personal income tax	1,396,111,500	9,022,212,302	-	(9,898,400,210)	94,893,144	614,816,736
Other taxes	1,000,000	9,085,496,325	-	(8,119,623,614)	-	966,872,711

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN/HN

8 FIXED ASSETS

(a) Tangible fixed assets

	Buildings VND	Machinery, equipment VND	Motor vehicles VND	Office Equipment VND	Others VND	Total VND
Historical cost						
At 1 January 2015	82,794,114,949	74,459,423,517	104,209,713,972	14,267,844,433	-	275,731,096,871
New purchases	-	15,235,973,876	9,063,662,405	1,043,355,418	989,850,000	26,332,841,699
Disposals	-	(1,139,892,000)	-	-	-	(1,139,892,000)
At 30 June 2015	82,794,114,949	88,555,505,393	113,273,376,377	15,311,199,851	989,850,000	300,924,046,570
Accumulated depreciation						
At 1 January 2015	43,541,842,067	48,242,342,913	70,233,818,188	10,711,608,846	-	172,729,612,014
Charge for the period	1,510,555,182	4,524,944,144	5,791,155,475	926,576,431	438,927,166	13,192,158,398
Disposals	-	(1,135,346,537)	-	-	-	(1,135,346,537)
At 30 June 2015	45,052,397,249	51,631,940,520	76,024,973,663	11,638,185,277	438,927,166	184,786,423,875
Net book value						
At 1 January 2015	39,252,272,882	26,217,080,604	33,975,895,784	3,556,235,587	-	103,001,484,857
At 30 June 2015	37,741,717,700	36,923,564,873	37,248,402,714	3,673,014,574	550,922,834	116,137,622,695

Cost of fully depreciated fixed assets but still in use as at 30 June 2015 was VND97 billion (31 December 2014: VND46.8 billion).

8 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
At 1 January 2015	101,988,494,434	3,223,926,235	105,212,420,669
New purchases	-	222,600,000	222,600,000
At 30 June 2015	101,988,494,434	3,446,526,235	105,435,020,669
Accumulated amortisation			
At 1 January 2015	681,426,644	2,157,831,436	2,839,258,080
Charge for the period	147,085,242	217,065,786	364,151,028
At 30 June 2015	828,511,886	2,374,897,222	3,203,409,108
Net book value			
At 1 January 2015	101,307,067,790	1,066,094,799	102,373,162,589
At 30 June 2015	101,159,982,548	1,071,629,013	102,231,611,561

9 CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	30.6.2015 VND	31.12.2014 VND
Residential zone and services project assisting Nghi Son Oil Refining and Petrochemical Company Limited	24,331,382,143	4,873,584,216
Petrosetco SSG Tower	29,157,886,494	26,455,467,582
Others	1,264,440,670	1,232,622,488
	54,753,709,307	32,561,674,286

Movements of construction in progress are presented as follows:

	6-month period ended 30.6.2015 VND	Year ended 31.12.2014 VND
Beginning of period/year	32,561,674,286	21,619,856,305
Construction in the period/year	22,192,035,021	10,941,817,981
End of period/year	54,753,709,307	32,561,674,286

10 FINANCIAL INVESTMENTS

(a) Investment in the associates

	30.6.2015			31.12.2014		
	Carrying amount VND	Fair value VND	Provisions VND	Carrying amount VND	Fair value VND	Provisions VND
Petro Tower Limited Company	17,917,443,151	(*)	-	17,878,373,578	(*)	-

(*) At the signing date of the report, the fair value of the investment was not available.

Details of the Corporation's associate as at 30 June 2015 are as follows:

	Place of incorporation	% interest	Voting rights	Principal activity
Petro Tower Limited Company	Ba Ria – Vung Tau	24%	24%	Office for lease

(b) Other long-term investments

	30.6.2015			31.12.2014		
	Historical cost VND	Fair value VND	Provisions VND	Historical cost VND	Fair value VND	Provisions VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	-	2,000,000,000	(*)	-

(*) At the signing date of the report, the fair value of the investment was not available.

11 LONG-TERM PREPAYMENTS

Details of long-term prepayments are presented as follows:

	30.6.2015 VND	31.12.2014 VND
Office rental (*)	125,488,544,350	123,702,033,402
Cost of gas cylinders	67,625,862,784	71,294,624,467
Others	8,722,862,842	13,104,009,824
	<u>201,837,269,976</u>	<u>208,100,667,693</u>

(*) The prepayment to Vietnam Oil and Gas Group is for office leasing of 2,619.37 square meters. This office rental prepayment is amortised on a straight-line basis over 50 years from 1 October 2010.

11 LONG-TERM PREPAYMENTS (continued)

Movement of the long-term prepayments are as follows:

	For the six-month period ended 30.6.2015 VND	Year ended 31.12.2014 VND
Opening balance	208,100,667,693	263,357,260,002
Increases	6,285,995,336	40,958,650,279
Amortisations	(12,549,393,053)	(23,790,351,893)
Other decreases	-	(72,424,890,695)
Closing balance	<u>201,837,269,976</u>	<u>208,100,667,693</u>

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2015 VND	31.12.2014 VND
Third parties		
Samsung Electronics Vietnam Thai Nguyen Company Limited	183,750,924,226	128,461,079,730
Shenzhen Sang Fei Consumer Communication Company Limited	74,256,343,083	123,847,840,708
Other third parties	545,162,871,718	654,718,346,064
	<u>803,170,139,027</u>	<u>907,027,266,502</u>
Related party (Note 32(b)(ii))		
Binh Son Refining and Petrochemical Company Limited	214,250,561,640	243,942,173,700
Other related parties	7,156,782,596	3,464,785,889
	<u>221,407,344,236</u>	<u>247,406,959,589</u>
	<u>1,024,577,483,263</u>	<u>1,154,434,226,091</u>

13 SHORT-TERM ACCRUED EXPENSES

	30.6.2015 VND	31.12.2014 VND
Warehouse rental and transportations	2,058,164,000	19,221,462,351
Interest expenses	4,098,449,687	4,368,198,093
Others	18,276,631,882	9,489,959,909
	<u>24,433,245,569</u>	<u>33,079,620,353</u>

14 OTHER SHORT-TERM PAYABLES

	30.6.2015 VND	31.12.2014 VND
Payable to Vietnam Oil and Gas Group	5,300,741,811	5,102,092,746
Payable to Ba Ria - Vung Tau Province State Treasury (*)	7,860,023,652	8,669,828,884
Payable to agents, customers	71,722,074,467	49,983,736,189
Others	20,684,153,877	42,755,685,969
	<u>105,566,993,807</u>	<u>106,511,343,788</u>

(*) The balance represents rental fee payable to Ba Ria – Vung Tau Province State Treasury for land rental contract.

15 SHORT-TERM BORROWINGS

	31.12.2014 Value VND	In the period Borrowing VND	Paid VND	30.6.2015 Value VND
Joint Stock Commercial Bank				
For Foreign Trade of Vietnam	902,407,926,799	1,579,060,844,427	(1,508,313,392,529)	973,155,378,697
ANZ Bank (Vietnam) Ltd.	507,484,288,356	667,714,583,560	(862,380,701,626)	312,818,170,290
Military Commercial Joint Stock Bank	277,215,394,116	527,307,773,454	(403,282,123,086)	401,241,044,484
Vietnam Public Joint Stock Commercial Bank (Note 32(a)(iii), 32(b)(v))	155,623,052,808	93,715,370,477	(200,917,182,900)	48,421,240,385
HSBC Bank (Vietnam) Ltd.	337,151,616,596	44,731,080,598	(337,151,616,596)	44,731,080,598
Vietnam Joint Stock Commercial Bank for Industry and Trade	246,796,662,698	473,187,352,185	(349,086,579,428)	370,897,435,455
Other banks	214,899,847,212	253,736,944,022	(355,348,539,160)	113,288,252,074
	<u>2,641,578,788,585</u>	<u>3,639,453,948,723</u>	<u>(4,016,480,135,325)</u>	<u>2,264,552,601,983</u>

These represent loans from commercial banks in the form of short-term loans, credit terms or letter of credit. As at 30 June 2015, the Corporation had non-cancellable guarantee commitment for loans at commercial banks for the Corporation's subsidiaries with the total amount of VND1,750 billion. Those short-term borrowings are secured by inventories with the total amount as at 30 June 2015 of VND1,432 billion. The interest rates are determined by those announced by the banks at the withdrawal date or by interest rate adjustable from time to time announced by the banks for loans in VND and from 4.0% to 4.5% p.a. for loans in USD.

16 LONG-TERM ADVANCES FROM CUSTOMERS

This represents for the long-term advances from Nghi Son Refinery and Petrochemical Limited Liability Company to the Corporation in related to Agreement for Lease of Living Quarters for Employees and Staff of Nghi Son Refinery and Petrochemical Complex Project (Note 32(b)(vii)).

17 OTHER LONG-TERM PAYABLES

	30.6.2015 VND	31.12.2014 VND
Gas cylinders deposits	37,084,531,895	38,018,730,016
Others	18,461,499,938	18,033,280,379
	<u>55,546,031,833</u>	<u>56,052,010,395</u>

18 OWNERS' CAPITAL

(a) Number of shares

	30.6.2015		31.12.2014	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered (*)	<u>83,110,124</u>	<u>-</u>	<u>69,842,000</u>	<u>-</u>
Number of existing shares in issue	<u>69,842,000</u>	<u>-</u>	<u>69,842,000</u>	<u>-</u>

The Corporation issued only ordinary shares which are not entitled to fixed dividend with a par value VND10,000 per share. Ordinary shareholders are entitled to receive dividends as declared and are entitled to one vote per share at the Corporation's shareholder meetings.

(*) Pursuant to the 4th amended Securities Registration Certificate No. 64/2007/GCNCP-VSD-4 dated 29 June 2015 regarding to the registration of additional securities of the Corporation, the additional of 13,268,124 ordinary shares will be deposited at Vietnam Securities Depository on 2 July 2015 (Note 19).

(b) Details of owners' shareholding

Pursuant to the 15th amended Business Registration Certificate No. 0300452060 dated 21 October 2013, the Corporation's charter capital is VND699 billion.

As at the signing date of the financial statements, the charter capital on the Business Registration Certificate has not yet been updated following the actual figures.

At 30 June 2015, the actual shareholding structure of the Corporation is as follow:

	30.6.2015 VND	%	31.12.2014 VND	%
Vietnam Oil and Gas Group (*)	209,738,510,000	25.24	176,250,850,000	25.24
Other shareholders	621,362,730,000	74.76	522,169,150,000	74.76
	<u>831,101,240,000</u>	<u>100</u>	<u>698,420,000,000</u>	<u>100.00</u>

18 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Ordinary shares VND	Preference shares VND	Total VND
At 1 January 2014	698,420,000,000	-	698,420,000,000
New shares issued	-	-	-
At 31 December 2014	698,420,000,000	-	698,420,000,000
New shares issued (*)	132,681,240,000	-	132,681,240,000
As at 30 June 2015	<u>831,101,240,000</u>	<u>-</u>	<u>831,101,240,000</u>

(*) The new shares issued represents stock dividends according to Resolution No. 04/NQ-DVTHDK-ĐHĐCĐ dated 9 April 2015 (Note 19).

20 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Corporation and held as treasury shares:

	30.6.2015 VND	30.6.2014 VND (Restated)
Net profit after tax attributable to the shareholders of the parent company	100,528,931,424	96,759,527,953
Less appropriation to bonus and welfare fund	(318,622,344)	(1,378,300,501)
Net profit for the period attributable to the shareholders of the parent company	100,210,309,080	95,381,227,452
Weighted average number of ordinary shares in issue (shares) (*)	75,886,368	69,842,000
Basic earnings per share	1,321	1,366

(*) The weighted average number of ordinary shares in issue is calculated based on the shares in issue at the beginning of the period plus the number of shares issued during the period, then multiply by a time-weighting factor outstanding during the period, and minus the shares repurchased that are multiplied by the number of days repurchases then divided by the total number of days for the period.

In the period, the Corporation issued shares for dividends, the number of additional shares issued to pay dividend commenced from 9 April 2015 in accordance with Resolution No. 04/NQ-DVTHDK-ĐHĐCĐ (Note 19).

21 SEGMENT REPORTING

The Corporation has no business activities outside the territory of Vietnam; therefore, the Corporation has no geographical segments outside of Vietnam.

The Corporation is currently organised into 5 operating divisions: Electronic product trading division (mobile phone and laptop), Petroleum materials and supplies providing division, plastic resins and textile fibers trading division, Gas distribution and Others. These divisions are the basis on which the Corporation reports its primary segment information.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN/HN

21 SEGMENT REPORTING (continued)

Details of the Corporation's segment are as follows:

Consolidated balance sheet as at 30 June 2015

	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers VND	Gas distribution VND	Other services VND	Total VND
Assets						
Segment assets	3,061,674,279,713	424,673,468,829	344,289,578,124	168,692,542,845	1,407,936,931,383	5,407,266,800,894
Liabilities						
Segment liabilities	2,628,979,712,840	400,794,409,908	331,593,207,655	128,038,486,049	334,584,159,886	3,823,989,976,338

Consolidated balance sheet as at 31 December 2014

	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers VND	Gas distribution VND	Other services VND	Total VND
Assets						
Segment assets	3,205,594,781,875	302,072,544,782	604,408,013,458	192,669,001,107	1,444,553,449,460	5,749,297,790,682
Liabilities						
Segment liabilities	2,927,579,503,577	377,119,757,379	591,711,642,989	148,174,478,447	205,482,633,515	4,250,068,015,907

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN/HN

21 SEGMENT REPORTING (continued)

Consolidated income statement for the 6-month period ended 30 June 2015

	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibres VND	Gas distribution VND	Other services VND	Total VND
Net revenue	3,432,295,630,338	420,475,783,063	577,692,769,234	274,329,879,130	661,554,002,428	5,366,348,064,193
Cost of sales	(3,201,827,420,583)	(339,466,865,676)	(569,052,623,415)	(251,138,393,924)	(588,965,817,803)	(4,950,451,121,401)
Segment gross profit	230,468,209,755	81,008,917,387	8,640,145,819	23,191,485,206	72,588,184,625	415,896,942,792

Consolidated income statement for the 6-month period ended 30 June 2014

	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibres VND	Gas distribution VND	Other services VND	Total VND
Net revenue	3,654,176,302,197	289,526,893,739	849,155,670,266	301,879,826,597	576,926,537,009	5,671,665,229,808
Cost of sales	(3,431,132,944,404)	(231,110,407,375)	(793,538,870,793)	(336,561,117,138)	(495,514,309,473)	(5,287,857,649,183)
Segment gross profit	223,043,357,793	58,416,486,364	55,616,799,473	(34,681,290,541)	81,412,227,536	383,807,580,625

22 NET SALES

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Sales		
Sales of goods	4,859,375,997,845	5,467,201,856,742
Rendering of services	611,650,962,551	262,253,386,204
	<u>5,471,026,960,396</u>	<u>5,729,455,242,946</u>
Sales deductions		
Trade discounts	(39,848,089,807)	(45,396,440,620)
Sales allowances	(31,350,714,338)	(6,281,804,065)
Sales returns	(33,480,092,058)	(6,111,768,453)
	<u>(104,678,896,203)</u>	<u>(57,790,013,138)</u>
Net sales		
Net sales from sales of goods	4,754,697,101,642	5,409,411,843,604
Net sales from rendering of services	611,650,962,551	262,253,386,204
	<u>5,366,348,064,193</u>	<u>5,671,665,229,808</u>

23 COST OF SALES

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Cost of finished goods sold	4,579,573,580,549	5,134,239,528,252
Cost of services rendered	377,609,451,883	153,618,120,931
Provision for decline in value of inventory	(6,731,911,031)	-
	<u>4,950,451,121,401</u>	<u>5,287,857,649,183</u>

24 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Interest income from deposits and loans	33,106,595,590	30,751,937,663
Realised foreign exchange gains	3,373,825,159	4,844,740,546
Other financial income	1,084,568,989	4,536,222,363
	<u>37,564,989,738</u>	<u>40,132,900,572</u>

25 FINANCIAL EXPENSES

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Interest expenses	50,921,955,778	66,635,594,736
Realised foreign exchange losses	6,880,513,546	4,949,529,969
Net loss from foreign currency translation at period-end	1,152,555,294	2,903,363,802
Other financial expenses	2,357,560,154	2,154,283,527
	<u>61,312,584,772</u>	<u>76,642,772,034</u>

26 SELLING EXPENSES

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Staff costs	45,469,410,732	36,641,490,921
Transportations	31,021,740,371	46,661,389,193
Marketing expenses	21,654,309,024	19,254,802,684
Depreciation	1,748,721,358	1,398,854,835
Outside expenses	7,480,775,655	22,267,968,425
Other cash expenses	24,527,677,473	24,423,518,071
	<u>131,902,634,613</u>	<u>150,648,024,129</u>

27 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Staff costs	32,774,555,725	34,700,579,194
Depreciation	2,950,695,689	3,501,264,484
Outside services	21,771,910,647	30,898,296,961
Provision for doubtful debts	22,785,070,847	1,325,396,107
Other cash expenses	18,931,523,375	14,846,703,383
	<u>99,213,756,283</u>	<u>85,272,240,129</u>

28 NET OTHER INCOME

	For the six-month period ended	
	30.6.2015	30.6.2014
	VND	VND
Other income		
Proceeds from disposals of fixed assets	100,909,091	91,170,961,818
Sundry income	5,013,516,267	14,827,752,822
	<u>5,114,425,358</u>	<u>105,998,714,640</u>
Other expenses		
Net book value of fixed assets disposed	4,545,463	58,004,064,421
Sundry expenses	4,380,592,724	5,179,277,835
	<u>4,385,138,187</u>	<u>63,183,342,256</u>
Net other income	<u>729,287,171</u>	<u>42,815,372,384</u>

29 TAXATION

The tax on the Corporation's profit before tax differs from the theoretical amount that would arise using the tax rate of 22% as under current tax regulations as follows:

	For the six-month period ended	
	30.6.2015	30.6.2014
	VND	VND
Net accounting profit before tax	161,839,731,118	154,486,695,133
Tax calculated at a rate of 22%	35,604,740,846	33,987,072,929
Effect of:		
Income not subject to tax	373,474,479	859,857,111
Non-assessable losses	1,975,197,061	3,184,465,135
Current corporate income tax expense	<u>37,953,412,386</u>	<u>38,031,395,175</u>

The business income tax charge for the period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

30 COST OF OPERATIONS BY FACTOR

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Raw materials and merchandises	4,672,247,681,416	5,039,363,738,994
Labour costs	210,473,518,135	161,659,002,388
Depreciation expenses	13,556,309,426	13,528,562,216
Outside service expenses	221,318,426,353	272,700,578,194
Provision for doubtful debts	14,840,625,829	(2,744,189,805)
Other cash expenses	49,130,951,138	39,270,221,454
	<u>5,181,567,512,297</u>	<u>5,523,777,913,441</u>

31 FINANCIAL RISK MANAGEMENT

The Corporation's activities expose it to market risk, credit risk and liquidity risk. The corporation's overall risk management strategy seeks to minimise the adverse effect of these risks on the Corporation's financial performance.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

(i) Currency risk

The Corporation's business is exposed to foreign currency risk arising from various currency exposures, primarily USD.

The Corporation's currency exposure to USD is as follows:

	Original currency USD		Equivalent to VND	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
Financial assets				
Cash and cash equivalents	3,454,460	5,372,673	75,250,756,658	114,771,699,333
Trade and other receivables	7,604,622	5,617,463	164,459,999,438	121,226,231,903
Prepayment to suppliers	161,500	561,123	3,472,310,000	11,937,684,459
	<u>11,220,582</u>	<u>11,551,259</u>	<u>243,183,066,096</u>	<u>247,935,615,695</u>
Financial liabilities				
Short-term borrowings	(3,454,460)	(9,427,186)	(75,250,756,658)	(201,320,918,550)
Trade and other payables	(19,186,904)	(23,619,687)	(416,904,208,492)	(504,728,578,644)
	<u>(22,641,364)</u>	<u>(33,046,873)</u>	<u>(492,154,965,150)</u>	<u>(706,049,497,194)</u>
Currency exposure	<u>(11,420,782)</u>	<u>(21,495,614)</u>	<u>(248,971,899,054)</u>	<u>(458,113,881,499)</u>

At 30 June 2015, if the USD has strengthened/weakened by 1% against the VND with all other variables being held constant, the Corporation's profit before tax for the year would have been VND2.5 billion lower/higher as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments.

31 FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)***(ii) Price risk*

Price risk management

The Corporation is exposed to equity price risks arising from investments in subsidiaries and associates. The Board of Management of the Corporation assesses and approves decisions on investments in subsidiaries and associates such as industries, investees,... Investments in subsidiaries and associates are held for strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

Commodity price risk management

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

(iii) Interest rate risk

The Corporation is exposed to significant interest rate risk on its borrowings. At 30 June 2015, if the VND interest rates had increased/decreased by 1% with all other variables (including tax rates) being held constant, the Corporation's profit before tax for the period would have been lower/higher by VND22 billion as a result of higher/lower interest expenses on these borrowings.

(b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Corporation adopts the policy of dealing with customers of appropriate credit history to mitigate credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with financial liabilities. As at 30 June 2015, the Corporation had financial liabilities comprising short-term borrowings, trade and other payables, accrued expenses amounting to VND3,494 billion (2014: VND4,009 billion), which represented contractual undiscounted cash outflows payable in less than one year.

The largest shareholder of the Corporation is Vietnam Oil and Gas Group (“PVN”) which owns 25.24% of shares capital of the Corporation (Note 18(b)).

During the period, the following significant transactions were carried out with related parties:

	For the six-month period ended	
	30.6.2015	30.6.2014
	VND	VND
i) Sales of goods and services		
PVN	64,763,858,031	60,444,852,099
Fellow PVN group subsidiaries	125,050,822,768	75,101,179,819
Affiliates	359,528,113,600	214,626,128,155
ii) Purchases of goods and services		
PVN	8,746,542,000	3,514,825,543
Fellow PVN group subsidiaries	706,266,633,024	714,397,997,766
Affiliates	5,608,263,772	7,936,443,418
iii) Financing activities (Note 15)		
Vietnam Public Joint Stock Commercial Bank -		
Fellow PVN group subsidiary:		
- Drawdowns	93,715,370,477	463,645,138,295
- Repayments	200,917,182,900	625,213,671,740
iv) Allocation of office rental		
PVN	1,221,095,888	1,711,613,202
v) Compensation of key management		
Gross salaries and other benefits	5,145,453,791	6,152,368,409

32 RELATED PARTY DISCLOSURES (continued)

(b) Period/year-end balances with related parties

	30.6.2015 VND	31.12.2014 VND
i) Short-term trade accounts receivable (Note 5)		
PVN	25,428,168,632	12,024,518,621
Fellow PVN group subsidiaries	48,387,013,762	34,995,548,506
Affiliates	140,099,967,173	43,189,551,893
	<u>213,915,149,567</u>	<u>90,209,619,020</u>
ii) Short-term trade accounts payable (Note 11)		
PVN	6,665,078,564	3,350,612,156
Fellow PVN group subsidiaries	214,611,415,672	244,056,347,433
Affiliates	130,850,000	-
	<u>221,407,344,236</u>	<u>247,406,959,589</u>
iii) Short-term advances from customers		
PVN	1,651,644,750	-
Fellow PVN group subsidiaries	18,570,182,217	18,577,595,307
Affiliates	16,839,117,867	-
	<u>37,060,944,834</u>	<u>18,577,595,307</u>
iv) Other long-term payables (Note 14)		
PVN	<u>5,300,741,811</u>	<u>5,102,092,746</u>
v) Short-term borrowings (Note 15)		
Vietnam Public Joint Stock Commercial Bank	<u>48,421,240,385</u>	<u>155,623,052,808</u>
vi) Other long-term payables		
Fellow PVN group subsidiaries	<u>4,251,955,577</u>	<u>4,638,970,481</u>
vii) Long-term advances from customers (Note 16)		
Fellow PVN group subsidiaries	<u>136,363,636,364</u>	<u>-</u>

33 COMMITMENTS UNDER OPERATING LEASES

The future minimum lease payments under non-cancellable operating leases are as follows:

	30.6.2015 VND	31.12.2014 VND
Within one year	41,291,392,880	57,908,047,975
Between one and five years	76,906,036,740	84,845,238,276
Over five years	569,977,688,430	574,947,034,246
	<u>688,175,118,050</u>	<u>717,700,320,497</u>

34 RESTATEMENTS

In the period ended 30 June 2015, due to changes in financial statements presentation required by the Circular 200 and Circular 202, the Corporation has restated certain comparative figures of prior year presented on the consolidated interim financial statements for the six-month period ended 30 June 2015.

Extracted from consolidated balance sheet

Code	Items	As at 31 December 2014		
		As previously reported VND	Adjustments VND	As restated VND
100	CURRENT ASSETS	5,282,004,772,886	(15,245,969,289)	5,266,758,803,597
150	Other current assets	382,736,979,175	3,130,821,806	385,867,800,981
155	Other current assets	6,237,539,531	3,130,821,806	9,368,361,337
120	Short-term financial investments	18,376,791,095	(18,376,791,095)	-
	Short-term investment	49,900,000,000	(49,900,000,000)	-
	Provision for diminution in value of short-term investments	(31,523,208,905)	31,523,208,905	-
200	LONG-TERM ASSETS	482,538,987,085	-	482,538,987,085
210	Long-term receivables	-	7,500,112,082	7,500,112,082
216	Other long-term receivables	-	7,500,112,082	7,500,112,082
260	Other long-term assets	218,808,291,775	(7,500,112,082)	211,308,179,693
268	Other long-term assets	7,500,112,082	(7,500,112,082)	-
270	TOTAL ASSETS	5,764,543,759,971	(15,245,969,289)	5,749,297,790,682

34 RESTATEMENTS (continued)

Extracted from consolidated balance sheet (continued)

		As at 31 December 2014		
Code	Items	As previously reported VND	Adjustments VND	As restated VND
300	LIABILITIES	4,265,313,985,196	(15,245,969,289)	4,250,068,015,907
310	Current liabilities	4,206,313,866,131	(12,297,860,619)	4,194,016,005,512
318	Short-term unearned revenue	-	2,948,108,670	2,948,108,670
319	Other short-term payables	121,757,313,077	(15,245,969,289)	106,511,343,788
330	Long-term liabilities	59,000,119,065	(2,948,108,670)	56,052,010,395
336	Long-term unearned revenue	2,948,108,670	(2,948,108,670)	-
410	OWNERS' EQUITY	1,351,864,916,364	147,364,858,411	1,499,229,774,775
418	Investment and development funds	116,094,540,843	59,534,079,099	175,628,619,942
	Financial reserve funds	59,534,079,099	(59,534,079,099)	-
429	Non-controlling interests	-	147,364,858,411	147,364,858,411
	NON-CONTROLLING INTERESTS	147,364,858,411	(147,364,858,411)	-
440	TOTAL RESOURCES	5,764,543,759,971	(15,245,969,289)	5,749,297,790,682

Extracted from consolidated income statement

		For the six-month period ended 30 June 2014		
Code	Items	As previously reported VND	Adjustments VND	As restated VND
24	Share of profit in associates	-	293,877,844	293,877,844
30	Operating profit	111,377,444,905	293,877,844	111,671,322,749
	Share of profit in associates	293,877,844	(293,877,844)	-
70	Earnings per share	1,385	(19)	1,366

The consolidated interim financial statements were approved by the Chairman on 7 August 2015.



Ha Van Phuong
Preparer



Dao Van Dai
Chief Accountant



Phung Tuan Ha
Chairman