

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

### CORPORATE INFORMATION

#### Business Registration Certificate

No. 4103005338 dated 29 September 2006 and the 15<sup>th</sup> amendment no. 0300452060 issued by the Department of Planning and Investment Department of Ho Chi Minh City 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
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#### 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 SEPARATE INTERIM FINANCIAL STATEMENTS

The Chairman is responsible for the separate interim financial statements of Petrovietnam General Services Joint Stock Company ("the Corporation") which give a true and fair view of the financial position of the Corporation as at 30 June 2015 and of the results of operation and cash flows for the six-month period then ended. In preparing these separate 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 separate 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 separate interim financial statements to be prepared which complies with the basis of accounting set out in Note 2 to the separate 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 SEPARATE INTERIM FINANCIAL STATEMENTS

I hereby approve the accompanying separate interim financial statements as set out on pages 4 to 34 which give a true and fair view of the financial position of the Corporation as at 30 June 2015 and of the 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 separate interim financial statements in Vietnam.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
6 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 separate interim financial statements of Petrovietnam General Services Joint Stock Company ("the Corporation") which were prepared on 30 June 2015 and approved by the Board of General Directors on 6 August 2015. These separate interim financial statements include the balance sheet as at 30 June 2015, the related income statement and cash flow statement for the six-month period then ended and selected notes to these separate interim financial statements, as set out on pages 4 to 34. The Chairman is responsible for the preparation and presentation of these separate interim financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the separate interim financial statements in Vietnam. Our responsibility is to express a conclusion on these separate 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 interim separate 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 separate 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 financial statements in Vietnam.



**PricewaterhouseCoopers (Vietnam) Limited**

Quách Thanh Châu  
Audit Practising Licence No. 0875-2013-006-1



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

Report reference number: HCM4887  
Ho Chi Minh City, 6 August 2015

As indicated in Note 2.1 to the separate interim financial statements, the accompanying separate 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.

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**
**Form B 01a – DN**
**BALANCE SHEET**

<b>Code</b>	<b>ASSETS</b>	<b>Note</b>	<b>As at 30.6.2015 VND</b>	<b>As at 31.12.2014 VND (Restated)</b>
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,169,882,434,912</b>	<b>1,440,320,837,929</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>686,616,547,457</b>	<b>966,565,242,989</b>
111	Cash		149,281,242,053	760,349,138,256
112	Cash equivalents		537,335,305,404	206,216,104,733
<b>130</b>	<b>Short-term receivables</b>		<b>362,318,616,542</b>	<b>286,406,587,872</b>
131	Short-term trade accounts receivable	5	90,266,724,058	87,838,813,400
132	Short-term prepayments to suppliers		13,058,474,426	1,738,409,292
136	Other short-term receivables	6	258,993,418,058	196,829,365,180
<b>140</b>	<b>Inventories</b>	<b>7</b>	<b>19,486,114,765</b>	<b>90,244,101,961</b>
141	Inventories		19,486,114,765	95,426,435,849
149	Provision for decline in value of inventories		-	(5,182,333,888)
<b>150</b>	<b>Other current assets</b>		<b>101,461,156,148</b>	<b>97,104,905,107</b>
151	Short-term prepaid expenses		2,774,038,432	1,464,069,520
152	Value Added Tax to be reclaimed		98,625,106,920	91,576,523,410
153	Other taxes receivable	8(a)	-	3,763,076,548
155	Other current assets		62,010,796	301,235,629
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>733,722,900,068</b>	<b>702,541,540,421</b>
<b>210</b>	<b>Other long-term receivables</b>		<b>1,322,750,000</b>	<b>1,078,250,000</b>
216	Other long-term receivables		1,322,750,000	1,078,250,000
<b>220</b>	<b>Fixed assets</b>		<b>128,791,162,325</b>	<b>129,622,822,899</b>
221	Tangible fixed assets	9(a)	28,597,623,272	29,412,062,850
222	Cost		73,570,870,134	72,557,106,498
223	Accumulated depreciation		(44,973,246,862)	(43,145,043,648)
227	Intangible fixed assets	9(b)	100,193,539,053	100,210,760,049
228	Cost		100,595,557,381	100,595,557,381
229	Accumulated amortisation		(402,018,328)	(384,797,332)
<b>240</b>	<b>Long-term assets in progress</b>		<b>25,595,822,813</b>	<b>6,106,206,704</b>
242	Construction in progress	10	25,595,822,813	6,106,206,704
<b>250</b>	<b>Long-term investments</b>		<b>468,534,211,668</b>	<b>455,034,211,668</b>
251	Investments in subsidiaries	4(a)	491,347,463,324	477,847,463,324
252	Investments in associate	4(b)	14,359,957,249	14,359,957,249
253	Investments in other entity	4(c)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(a)	(39,173,208,905)	(39,173,208,905)
<b>260</b>	<b>Other long-term assets</b>		<b>109,478,953,262</b>	<b>110,700,049,150</b>
261	Long-term prepaid expenses	11	109,478,953,262	110,700,049,150
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,903,605,334,980</b>	<b>2,142,862,378,350</b>

The notes on pages 8 to 34 are an integral part of these separate financial statements.

**BALANCE SHEET**  
(continued)

Code	RESOURCES	Note	As at 30.6.2015 VND	As at 31.12.2014 VND (Restated)
<b>300</b>	<b>LIABILITIES</b>		<b>584,511,228,825</b>	<b>854,041,451,816</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>443,324,670,081</b>	<b>849,218,529,436</b>
311	Short-term trade accounts payable	12	136,955,961,699	169,743,604,090
312	Short-term advances from customers		3,593,726,403	2,483,708,703
313	Taxes and other payables to the State Budget	8(b)	2,332,622,911	776,105,857
314	Payable to employees		7,761,497,241	10,407,797,126
315	Short-term accrued expenses		100,000,000	279,898,572
319	Other short-term payables	13	178,451,548,618	289,405,329,403
320	Short-term borrowings	14	73,087,206,255	323,937,310,587
322	Bonus and welfare funds		41,042,106,954	52,184,775,098
<b>330</b>	<b>Long-term liabilities</b>		<b>141,186,558,744</b>	<b>4,822,922,380</b>
332	Long-term advances from customers	15	136,363,636,364	-
333	Long-term accrued expenses		4,822,922,380	4,822,922,380
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,319,094,106,155</b>	<b>1,288,820,926,534</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,319,094,106,155</b>	<b>1,288,820,926,534</b>
411	Owners' capital	16, 17	831,101,240,000	698,420,000,000
412	Share premium	17	133,918,052,614	133,918,052,614
418	Investment and development funds	17	159,111,461,673	159,169,433,448
421	Undistributed earnings	17	194,963,351,868	297,313,440,472
421a	- Undistributed post-tax profits accumulated by the end of the previous year		164,392,536,392	132,847,831,957
421b	- Undistributed post-tax profits of the current period/year		30,570,815,476	164,465,608,515
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,903,605,334,980</b>	<b>2,142,862,378,350</b>

Ha Van Phuong  
Preparer

Dao Van Dai  
Chief Accountant



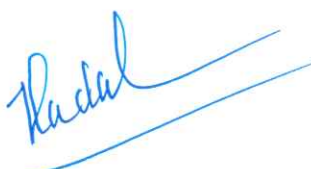
Phung Tuan Ha  
Chairman  
6 August 2015

INCOME STATEMENT

Code		Note	For the six-month period ended	
			30.6.2015 VND	30.6.2014 VND
01	Sales		633,116,264,504	890,750,430,109
02	Less deductions		-	-
10	Net sales	18	633,116,264,504	890,750,430,109
11	Cost of sales	19	(574,532,471,117)	(802,712,775,194)
20	Gross profit		58,583,793,387	88,037,654,915
21	Financial income	20	26,452,436,089	31,908,831,979
22	Financial expenses	21	(5,313,542,537)	(13,920,005,826)
23	- Including: Interest expenses		(3,793,235,730)	(8,949,292,368)
24	Selling expenses	22	(19,124,223,790)	(51,196,831,729)
25	General and administration expenses	23	(22,326,739,175)	(20,180,415,199)
30	Operating profit		38,271,723,974	34,649,234,140
31	Other income		38,346,572	1,629,716,342
32	Other expenses		(551,161,135)	(702,296,652)
40	Net other (expenses)/income		(512,814,563)	927,419,690
50	Net accounting profit before tax		37,758,909,411	35,576,653,830
51	Business income tax - current	24	(7,188,093,935)	(7,602,863,843)
60	Net profit after tax		30,570,815,476	27,973,789,987



Ha Van Phuong  
Preparer



Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman  
6 August 2015

The notes on pages 8 to 34 are an integral part of these separate financial statements.

**CASH FLOW STATEMENT**  
**(Indirect method)**

		For the six-month period ended	
Code	Note	30.6.2015 VND	30.6.2014 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>01</b>	<b>Net profit before tax</b>	<b>37,758,909,411</b>	<b>35,576,653,830</b>
	Adjustments for:		
02	Depreciation and amortisation	1,845,424,210	1,886,342,878
03	Reversal of provisions of inventory	(5,182,333,888)	-
04	Unrealised foreign exchange gains	37,381,605	1,359,333,842
05	Profits from investing activities	(25,065,280,298)	(29,076,448,677)
06	Interest expenses	3,793,235,730	8,949,292,368
<b>08</b>	<b>Operating profit before changes in working capital</b>	<b>13,187,336,770</b>	<b>18,695,174,241</b>
09	Increase in receivables	(82,866,524,457)	(30,267,747,095)
10	Decrease/(increase) in inventories	75,940,321,084	(52,514,134,284)
11	Decrease in payables	(21,452,633,560)	(106,849,869,052)
12	(Increase)/decrease in prepaid expenses	(88,873,024)	2,219,379,798
14	Interest paid	(3,993,134,302)	(2,854,790,816)
15	Business income tax paid	(1,636,425,219)	(5,244,518,371)
16	Other receipts on operating activities	-	276,093,842
17	Other payments receipts on operating activities	(5,275,167)	-
<b>20</b>	<b>Net cash outflows from operating activities</b>	<b>(20,915,207,875)</b>	<b>(176,540,411,737)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(23,686,565,198)	(2,846,551,818)
22	Proceeds from disposals of fixed assets	-	1,507,240,000
25	Investments in other entities	(13,500,000,000)	(16,757,312,301)
27	Dividends and interest received	28,951,227,934	10,970,101,050
<b>30</b>	<b>Net cash outflows from investing activities</b>	<b>(8,235,337,264)</b>	<b>(7,126,523,069)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from borrowings	242,917,922,019	820,537,259,968
34	Repayments of borrowings	(493,768,026,351)	(893,613,507,636)
36	Dividends paid	(89,535,075)	(48,889,400,000)
<b>40</b>	<b>Net cash outflows from financing activities</b>	<b>(250,939,639,407)</b>	<b>(121,965,647,668)</b>
<b>50</b>	<b>Net decrease in cash and cash equivalents</b>	<b>(280,090,184,546)</b>	<b>(305,632,582,474)</b>
<b>60</b>	<b>Cash and cash equivalents at beginning of period</b>	<b>966,565,242,989</b>	<b>917,258,358,210</b>
61	Effect of foreign exchange differences	141,489,014	306,375,992
<b>70</b>	<b>Cash and cash equivalents at end of period</b>	<b>686,616,547,457</b>	<b>611,932,151,728</b>

Major non-cash transaction for the period ended 30 June 2015 was the issuance of shares for dividends of VND132,681,240,000 (Note 17).

Ha Van Phuong  
Preparer

Dao Van Dai  
Chief Accountant

Phung Tuan Ha  
Chairman  
6 August 2015



The notes on pages 8 to 34 are an integral part of these separate financial statements.

**NOTE TO THE SEPARATE 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 Planning and Investment Department 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 warehouses, workshops, premises, office;
- sale of supplies, office equipment, audio-visual equipment.

The normal business cycle of the Corporation is 12 months.

As at 30 June 2015, the Corporation had 11 subsidiaries and 1 associate as disclosed in Note 4(a) - Investments in subsidiaries and 4(b) – Investment in associates.

As at 30 June 2015, the Corporation had 85 employees (31 December 2014: 80 employees).

**2 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES**

**2.1 Basis of preparation of separate financial statements**

The separate 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 separate financial statements have been prepared under the historical cost convention.

The accompanying separate 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.

Users of these separate interim financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries ("the Group") for the six-month period ended 30 June 2015 in order to obtain full information of the financial position and results of operations and cash flows of the Group.

**2.2 Significant changes in the Corporation's 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.

## **2 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES (continued)**

### **2.2 Significant changes in the Corporation's accounting policies (continued)**

The Corporation applied prospectively and retrospectively the changes of Circular 200 in accordance with Article 127 of Circular 200. The significant changes in accounting policies were applied prospectively as follows:

- Transactions in foreign currencies and translations of assets and liabilities dominated in foreign currencies - Note 2.4.
- Cash and cash equivalents – Note 2.5.

Certain comparative figures have been reclassified to conform with the presentation requirements under Circular 200. The details of such reclassifications were disclosed in Note 30.

### **2.3 Fiscal year**

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

### **2.4 Currency**

The separate 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 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 a remaining period of three months or less.

### **2.6 Form of records applied**

The Corporation uses general journal to record its transactions.

### **2.7 Accounting estimates**

The preparation of separate 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.

### **2.8 Accounts receivable**

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 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES (continued)

### 2.9 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 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.

### 2.10 Investments

#### (a) Investments in subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made at year end when there is an impairment of the investments.

#### (b) 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 at cost less provision for diminution in value. Provision for diminution in value is made at year end when there is a reduction in value of the investments.

#### (c) 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.

### 2.11 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. The principal annual rates used are:

Buildings	4% - 20%
Machinery and equipment	14.2% - 20%
Motor vehicles	14.2% - 20%
Office equipment	25% - 33%

**2 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES (continued)**

**2.11 Fixed assets (continued)**

**(a) Tangible fixed assets (continued)**

*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.

**(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 amortized. Computer software is amortised on a straight-line basis over the estimated useful life of eight (08) years.

**2.12 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.

**2.13 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.

**2.14 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.

**2.15 Prepaid expenses**

Prepaid expenses include short-term or long-term prepayments on the balance sheet and are mainly prepaid office rental/ warehouse rental. Prepaid expenses are recognised in the income statement by using the straight-line method or the allocated period.

**2.16 Liabilities**

Liabilities of the Corporation must be recorded in according to payment schedule, type of creditors, type of currencies and other informations 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 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES (continued)**

**2.17 Accrued expenses**

Accrued expenses include liabilities for goods and services received in the period but not yet paid due to pending invoice or sufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

**2.18 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.

**2.19 Share capital**

**(a) Ordinary shares:**

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.

**2.20 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 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES (continued)**

**2.21 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.

**2.22 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.

**2.23 Financial expense**

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.

**2.24 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.

**2.25 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 ACCOUNTING SYSTEM AND ACCOUNTING POLICIES (continued)****2.26 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.

**2.27 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.

**2.28 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, subsidiaries 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**

	<b>30.6.2015</b> <b>VND</b>	<b>31.12.2014</b> <b>VND</b>
Cash on hand	855,678,063	652,906,201
Demand deposit at banks	148,425,563,990	759,696,232,055
Cash equivalents (*)	537,335,305,404	206,216,104,733
	<u>686,616,547,457</u>	<u>966,565,242,989</u>

(\*) Cash equivalents included term deposits with remaining period of 3 months or less.

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**4 INVESTMENTS**

(a)	Investments in subsidiaries	30.6.2015				31.12.2014			
		Original value VND	Fair value VND	Provision for diminution in value VND		Original value VND	Fair value VND	Provision for diminution in value VND	
	(i)	113,600,000,000	363,520,000,000	-	-	113,600,000,000	393,056,000,000	-	-
	Petroleum General Distribution Services Joint Stock Company ("PSD")								
	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	101,328,000,000	(*)	-	-	101,328,000,000	(*)	-	-
	PetroVietnam Assets Management Joint Stock Company ("PSA")	66,160,637,417	(*)	-	-	66,160,637,417	(*)	-	-
	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	64,341,999,232	(*)	-	-	64,341,999,232	(*)	-	-
	Petroleum Offshore Trading and Services Company Limited ("POTS")	31,681,662,678	(*)	-	-	31,681,662,678	(*)	-	-
	Smart Convergence Joint Stock Company ("Smartcom")	16,500,000,000	(*)	-	-	16,500,000,000	(*)	-	-
	Petrotsetoo SSG Company Limited ("PSSSG")	9,985,163,997	(*)	-	-	9,985,163,997	(*)	-	-
	Petrotsetoo Retail Services Joint Stock Company ("PSR")	7,650,000,000	(*)	(7,650,000,000)	(7,650,000,000)	7,650,000,000	(*)	(7,650,000,000)	(7,650,000,000)
	Petroleum Logistics Service Joint Stock Company ("PSL")	6,600,000,000	(*)	-	-	6,600,000,000	(*)	-	-
	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	5,100,000,000	(*)	-	-	5,100,000,000	(*)	-	-
	ASSA Technology JSC ("ASSA")	18,500,000,000	(*)	-	-	5,000,000,000	(*)	-	-
	Petroleum Trading Services Company Limited ("PST")	39,500,000,000	(*)	(29,882,192,415)	(29,882,192,415)	39,500,000,000	(*)	(29,882,192,415)	(29,882,192,415)
	Petroleum Saigon General Services Company Limited ("PSG")	10,400,000,000	(*)	(1,641,016,490)	(1,641,016,490)	10,400,000,000	(*)	(1,641,016,490)	(1,641,016,490)
		<b>491,347,463,324</b>			<b>(39,173,208,905)</b>	<b>477,847,463,324</b>			<b>(39,173,208,905)</b>

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

**4 INVESTMENTS (continued)**

**(a) Investments in subsidiaries (continued)**

- (i) The fair value of PSD shares at the balance sheet date is based on the closing price of the latest trading date before the valuation date.
- (ii) ASSA was established in Vietnam in accordance with Business Registration Certificate No. 0313020773 dated 19 November 2014, in which Petrovietnam General Services Joint Stock Company owns VND24 billion, equivalent to 60% of charter capital.
- (iii) Pursuant to Decision No. 313/QD-DVTHDK-HDQT and 314/QD-DVTHDK-HDQT dated 26 December 2011, the Corporation's Board of Management had decided to dissolve Petrosetco Trading and Petrosetco Saigon since 1 January 2012. Currently, Petrosetco Trading and Petrosetco Saigon are under tax finalisation with the tax authorities to complete dissolution procedures. During fiscal years 2013, 2014 and the first 6 months of 2015, the two companies have had no business activities incurred.

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

<b>Subsidiaries</b>	<b>Place of incorporation</b>	<b>% interest</b>	<b>Voting rights</b>	<b>Principal activity</b>
PSD	Ho Chi Minh City	79.87%	79.87%	Distribution of telecom, electronic equipment
POTS	Ho Chi Minh City	100%	100%	Trading and rendering services
PSV	Vung Tau	70%	70%	Rendering services
PSMT	Quang Ngai	94.69%	94.69%	Trading and rendering services
PSA	Ha Noi	88.2%	88.2%	Operating in property management and services
PSSSG	Ho Chi Minh City	51%	51%	Real estates
Smartcom	Ho Chi Minh City	55%	55%	Distributing equipment, electronic components, peripheral devices, software
PSL	Ho Chi Minh City	44%	44%	Marine transportation service
PSR	Ho Chi Minh City	51%	51%	Retail of mobile phones
PHTD	Ho Chi Minh City	51%	51%	Distributing equipment, electronic components, peripheral devices
ASSA	Ho Chi Minh City	60%	60%	Processing electronic and telecommunication equipment
PST	Ho Chi Minh City	100%	100%	Stopped operation and on liquidation process
PSG	Ho Chi Minh City	100%	100%	Stopped operation and on liquidation process

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**4 INVESTMENTS (continued)**

**(b) Investments in associates**

	30.6.2015			31.12.2014		
	Original value VND	Fair value VND	Provision VND	Original value VND	Fair value VND	Provision VND
Petro Tower Limited Company	14,359,957,249	(*)	-	14,359,957,249	(*)	-

(\*) 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 is as follows:

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

**(c) Investments in other entities**

	30.6.2015			31.12.2014		
	Original value VND	Fair value VND	Provision VND	Original value VND	Fair value VND	Provision 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.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30.6.2015</b> <b>VND</b>	<b>31.12.2014</b> <b>VND</b>
<b>Third parties</b>		
Hao Cheng Company Ltd (Vietnam)	12,861,704,565	-
Da Nang Chemical And Plastic Joint Stock Company	12,713,156,127	-
A Dong Transport Commercial Joint Stock Company	12,358,450,000	13,382,015,220
PT. Kharisma InterPlast Pratama	10,917,225,000	20,377,440,000
Others	29,007,917,198	53,476,399,430
	<u>77,858,452,890</u>	<u>87,235,854,650</u>
<b>Related parties (Note 27(b)(i))</b>		
PSMT	9,425,636,433	-
Others	2,982,634,735	602,958,750
	<u>12,408,271,168</u>	<u>602,958,750</u>
	<u>90,266,724,058</u>	<u>87,838,813,400</u>

**6 OTHER SHORT-TERM RECEIVABLES**

	<b>30.6.2015</b> <b>VND</b>	<b>31.12.2014</b> <b>VND</b>
Receivables from subsidiaries (Note 27 (b)(vi))	251,994,286,208	178,907,803,812
Accrued interest receivables	5,936,324,435	1,094,094,444
Others	1,062,807,415	16,827,466,924
	<u>258,993,418,058</u>	<u>196,829,365,180</u>

**7 INVENTORIES**

	<b>30.6.2015</b>		<b>31.12.2014</b>	
	<b>Historical cost</b> <b>VND</b>	<b>Provision</b> <b>VND</b>	<b>Historical cost</b> <b>VND</b>	<b>Provision</b> <b>VND</b>
Goods in transit	-	-	3,329,906,880	-
Merchandises	19,486,114,765	-	92,096,528,969	(5,182,333,888)
	<u>19,486,114,765</u>	<u>-</u>	<u>95,426,435,849</u>	<u>(5,182,333,888)</u>

**8 OTHER TAXES RECEIVABLE AND TAXES PAYABLE TO THE STATE BUDGET**

**(a) Other taxes receivable**

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Value added tax	-	71,200,711
Corporate income tax	-	3,293,005,682
Other taxes	-	398,870,155
	<u>-</u>	<u>3,763,076,548</u>

**(b) Taxes and other payables to the State Budget**

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Corporate income tax	2,258,663,034	-
Personal income tax	73,959,877	776,105,857
	<u>2,332,622,911</u>	<u>776,105,857</u>

Movement of taxes receivable/payable to the State Budget is as follows:

	<b>31.12.2014 (Receivables)/ Payables VND</b>	<b>Incurred VND</b>	<b>Net off VND</b>	<b>Paid VND</b>	<b>30.06.2015 Payables VND</b>
Output value added tax	-	70,373,391,708	(62,128,614,443)	(8,244,777,265)	-
Corporate income tax	(3,293,005,682)	7,188,093,935	-	(1,636,425,219)	2,258,663,034
Personal income tax	776,105,857	1,486,920,812		(2,189,066,792)	73,959,877
	<u>-</u>	<u>7,188,093,935</u>	<u>(62,128,614,443)</u>	<u>(8,244,777,265)</u>	<u>2,258,663,034</u>

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**9 FIXED ASSETS**

**(a) Tangible fixed assets**

	<b>Buildings VND</b>	<b>Machinery and equipment VND</b>	<b>Motor vehicles VND</b>	<b>Office equipment VND</b>	<b>Total VND</b>
<b>Historical cost</b>					
At 1 January 2015	55,517,893,177	3,698,806,944	9,654,385,793	3,686,020,584	72,557,106,498
New purchases	-	-	59,181,818	954,581,818	1,013,763,636
At 30 June 2015	55,517,893,177	3,698,806,944	9,713,567,611	4,640,602,402	73,570,870,134
<b>Accumulated depreciation</b>					
At 1 January 2015	33,415,461,043	2,708,116,227	3,467,643,131	3,553,823,247	43,145,043,648
Charge for the period	874,592,280	123,836,340	725,671,542	104,103,052	1,828,203,214
At 30 June 2015	34,290,053,323	2,831,952,567	4,193,314,673	3,657,926,299	44,973,246,862
<b>Net book value</b>					
At 1 January 2015	22,102,432,134	990,690,717	6,186,742,662	132,197,337	29,412,062,850
At 30 June 2015	21,227,839,854	866,854,377	5,520,252,938	982,676,103	28,597,623,272

Cost of fully depreciated fixed assets but still in use as at 30 June 2015 was VND18.1 billion (31 December 2014: VND18 billion).

**9 FIXED ASSETS (continued)**

**(b) Intangible fixed assets**

	<b>Land use rights VND</b>	<b>Software VND</b>	<b>Total VND</b>
<b>Historical cost</b>			
At 1 January and 30 June 2015	100,112,600,381	482,957,000	<b>100,595,557,381</b>
<b>Accumulated amortisation</b>			
At 1 January 2015	-	384,797,332	<b>384,797,332</b>
Charge for the period	-	17,220,996	<b>17,220,996</b>
At 30 June 2015	-	402,018,328	<b>402,018,328</b>
<b>Net book value</b>			
At 1 January 2015	100,112,600,381	98,159,668	<b>100,210,760,049</b>
At 30 June 2015	100,112,600,381	80,938,672	<b>100,193,539,053</b>

**10 CONSTRUCTION IN PROGRESS**

Details of construction in progress are presented as follows:

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Residential zone and services project assisting Nghi Son Oil Refining and Petrochemical Company Limited	24,331,382,143	4,873,584,216
Other projects	1,264,440,670	1,232,622,488
	<b>25,595,822,813</b>	<b>6,106,206,704</b>

Movements of construction in progress are presented as follows:

	<b>6-month period ended 30.6.2015 VND</b>	<b>Year ended 31.12.2014 VND</b>
Beginning of period/year	6,106,206,704	1,110,684,306
Construction in the period/year	19,489,616,109	4,995,522,398
End of period/year	<b>25,595,822,813</b>	<b>6,106,206,704</b>

**11 LONG-TERM PREPAYMENTS**

Details of long-term prepayments are presented as follows:

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Office rental (*)	107,485,302,647	108,672,985,549
Warehouse rental	1,993,650,615	2,027,063,601
	<u>109,478,953,262</u>	<u>110,700,049,150</u>

Movement of long-term prepayments are as follows:

	<b>The 6-month period ended 30.6.2015 VND</b>	<b>The year ended 31.12.2014 VND</b>
Opening balance for the period/year	110,700,049,150	162,129,723,976
Amortisation for the period/year	(1,221,095,888)	(3,228,087,226)
Other decreases	-	(48,201,587,600)
Closing balance for the period/year	<u>109,478,953,262</u>	<u>110,700,049,150</u>

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

**12 TRADE ACCOUNTS PAYABLE**

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Third parties	<u>6,523,767,054</u>	<u>12,793,805,157</u>
<b>Related parties (Note 27(b)(ii))</b>		
Binh Son Refining and Petrochemical Company Limited	130,212,771,118	156,899,330,362
Others	219,423,527	50,468,571
	<u>130,432,194,645</u>	<u>156,949,798,933</u>
	<u>136,955,961,699</u>	<u>169,743,604,090</u>

**13 OTHER CURRENT PAYABLES**

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Payable to subsidiaries (Note 27(b)(vii))	146,811,249,113	259,050,305,937
Payable to Ba Ria - Vung Tau Province State Treasury (*)	7,860,023,652	8,669,828,884
Payable to Vietnam Oil and Gas Group (Note 27(b)(vii))	5,300,741,811	5,102,092,746
Others	18,479,534,042	16,583,101,836
	<u>178,451,548,618</u>	<u>289,405,329,403</u>

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

**14 SHORT-TERM BORROWINGS**

		<b>31.12.2014 Principal VND</b>	<b>During the period</b>		<b>30.6.2015 Principal VND</b>
			<b>Drawdowns VND</b>	<b>Repayments VND</b>	
ANZ Bank Ltd. (Vietnam)	(i)	161,319,903,297	149,202,551,542	(285,856,488,969)	24,665,965,870
Vietnam Public Joint Stock Commercial Bank					
(Note 27(b)(v))	(ii)	136,972,295,190	93,715,370,477	(182,266,425,282)	48,421,240,385
Others		25,645,112,100	-	(25,645,112,100)	-
		<u>323,937,310,587</u>	<u>242,917,922,019</u>	<u>(493,768,026,351)</u>	<u>73,087,206,255</u>

(i) This balance represents credit facilities which can be withdrawn in VND or USD with the maximum credit limit of USD8 million. The loans are secured by all inventories and receivables with the minimum value equivalent to the credit limit and bear interest rate prescribed/agreed at each time upon withdrawal.

(ii) This balance represents credit facilities which can be withdrawn in VND or USD with maximum credit limit of VND300 billion and due in August 2015. The loans are unsecured and bear interest rate as prescribed/agreed at each time upon withdrawal.

**15 LONG-TERM ADVANCES FROM CUSTOMERS**

This represents for the long-term advances from Nghi Son Refinery and Petrochemical Limited Liability Company for the Corporation in related to Agreement for Lease of Living Quarters for Employees and Staff of Nghi Son Refinery and Petrochemical Complex Project (Note 27(b)(iv)).

**16 OWNERS' CAPITAL**

**(a) Number of shares**

	<b>2015</b>		<b>2014</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
Number of shares registered (*)	83,110,124	-	69,842,000	-
Number of existing shares in issue	69,842,000	-	69,842,000	-

The Corporation has one class of ordinary issues ordinary shares which are not entitled to fixed dividend with a par value of VND10,000/share. The shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Corporation's shareholder meetings.

- (\*) Pursuant to the 4<sup>th</sup> 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 13,268,124 ordinary shares will be deposited at Vietnam Securities Depository from 2 July 2015 (Note 17).

**(b) Details of owners' shareholding**

Pursuant to the 15<sup>th</sup> amended Business Registration Certificate No. 0300452060 dated 21 October 2013, charter capital of the Corporation is VND699 billion.

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

As at 30 June 2015, the actual capital structure of the Corporation is as follow:

	<b>30.6.2015</b>	<b>%</b>	<b>31.12.2014</b>	<b>%</b>
	<b>VND</b>		<b>VND</b>	
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
	831,101,240,000	100	698,420,000,000	100

**(c) Movement of share capital**

	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Total</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>
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	831,101,240,000	-	831,101,240,000

- (\*) The new shares issued represents stock dividends according to Resolution No. 04/NQ-DVTHDK-ĐHĐCĐ dated 9 April 2015 (Note 17).

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**17 MOVEMENTS IN OWNERS' EQUITY**

	Share capital VND	Share premium VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2014	698,420,000,000	133,918,052,614	150,888,181,247	207,905,995,067	1,191,132,228,928
Profit for the year	-	-	-	164,465,608,515	164,465,608,515
Dividends paid	-	-	-	(48,889,400,000)	(48,889,400,000)
Appropriation to funds	-	-	8,281,252,201	(26,168,763,110)	(17,887,510,909)
As at 31 December 2014	698,420,000,000	133,918,052,614	159,169,433,448	297,313,440,472	1,288,820,926,534
Issuance of shares for dividends (*)	132,681,240,000	-	-	(132,681,240,000)	-
Profit for the period	-	-	-	30,570,815,476	30,570,815,476
Reversal of fund	-	-	(57,971,775)	57,971,775	-
Appropriation to funds	-	-	-	(297,635,855)	(297,635,855)
As at 30 June 2015	831,101,240,000	133,918,052,614	159,111,461,673	194,963,351,868	1,319,094,106,155

(\*) According to Resolution No. 04/NQ-DVTHDK-ĐHĐCĐ dated 9 April 2015, the Corporation's General Shareholders approved the 2014 dividends payment in the form of shares at the rate of 19%, equivalent to dividend rights of 100:19, in which the number of shares to be paid is rounded down to the units.

**18 REVENUE**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Sales of goods	596,214,275,234	852,205,237,266
Rendering of services	36,901,989,270	38,545,192,843
	<u>633,116,264,504</u>	<u>890,750,430,109</u>

**19 COST OF SALES**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Cost of merchandises sold	574,234,957,303	793,650,724,693
Cost of services rendered	5,479,847,702	9,062,050,501
Provision for decline in value of inventory	(5,182,333,888)	-
	<u>574,532,471,117</u>	<u>802,712,775,194</u>

**20 FINANCIAL INCOME**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Interest income from loans (Note 27(a)(vi))	5,161,162,930	6,144,129,660
Interest income from deposits	13,633,457,925	20,345,458,225
Dividend income (Note 27(a)(vii))	6,270,659,443	1,664,540,000
Realised foreign exchange gains	1,387,155,791	3,754,704,094
	<u>26,452,436,089</u>	<u>31,908,831,979</u>

**21 FINANCIAL EXPENSES**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Interest expenses	3,793,235,730	8,949,292,368
Realised foreign exchange losses	1,482,925,202	3,586,770,166
Net loss from foreign currency translation at year-end	37,381,605	1,359,333,842
Others	-	24,609,450
	<u>5,313,542,537</u>	<u>13,920,005,826</u>

**22 SELLING EXPENSES**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Transportation	12,680,888,785	37,711,908,527
Salary expenses	1,644,831,211	1,671,845,911
Depreciation expenses	498,741,324	571,021,872
Warehouse rental	125,589,613	2,467,456,364
Others	4,174,172,857	8,774,599,055
	<u>19,124,223,790</u>	<u>51,196,831,729</u>

**23 GENERAL AND ADMINISTRATION EXPENSES**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Salary expenses	8,910,665,327	6,974,974,297
Management fees (Note 27(a)(v))	2,550,000,000	3,040,213,959
Office expenses	2,079,790,588	2,053,053,804
Travelling expenses	1,730,597,602	1,754,663,071
Depreciation expenses	1,346,682,886	1,315,965,798
Professional fees	1,186,007,226	1,006,028,531
Others	4,522,995,546	4,035,515,739
	<u>22,326,739,175</u>	<u>20,180,415,199</u>

**24 TAXATION**

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

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Net accounting profit before tax	37,758,909,411	35,576,653,830
Tax calculated at a rate of 22%	8,306,960,070	7,826,863,843
Effect of:		
Income not subject to tax	(1,379,545,077)	(366,198,800)
Expenses not deductible for tax purposes	260,678,942	142,198,800
Business income tax charge	<u>7,188,093,935</u>	<u>7,602,863,843</u>

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

**25 EXPENSES BY FACTOR**

	For the six-month period ended	
	30.6.2015 VND	30.6.2014 VND
Raw materials and merchandises	574,234,957,303	796,708,997,192
Labour costs	10,555,496,538	8,646,820,208
Depreciation expenses	1,845,424,210	1,886,987,670
Outside service expenses	32,896,273,399	61,507,676,311
Other cash expenses	1,633,616,520	5,339,540,741
Reversal of provision for decline in value of inventory	(5,182,333,888)	-
	<u>615,983,434,082</u>	<u>874,090,022,122</u>

**26 FINANCIAL RISK MANAGEMENT**

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

**(a) Market risk**

Market risk is the risk that the fair value or 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 the USD is as follows:

	Original currency USD		Equivalent to VND	
	30.6.2015	31.12.2014	30.6.2015	31.12.2014
<b>Financial assets</b>				
Cash and bank deposits	284,390	4,104,017	6,235,508,196	87,677,568,909
Trade and other receivables	579,075	1,074,975	12,612,247,925	22,961,459,720
	<u>863,465</u>	<u>5,178,992</u>	<u>18,847,756,121</u>	<u>110,639,028,629</u>
<b>Financial liabilities</b>				
Borrowings	(1,132,505)	(6,414,610)	(24,678,576,758)	(136,972,295,190)
Trade and other payables	(3,720)	(298,980)	(81,032,054)	(6,386,212,800)
	<u>(1,136,225)</u>	<u>(6,713,590)</u>	<u>(24,759,608,812)</u>	<u>(143,358,507,990)</u>
<b>Currency exposure</b>	<u><u>(272,760)</u></u>	<u><u>(1,534,598)</u></u>	<u><u>(5,911,852,691)</u></u>	<u><u>(32,719,479,361)</u></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 VND59.1 million lower/higher as a result of foreign exchange losses/gains on translation of USD-denominated financial instruments.

**26 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 the 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 VND730 million 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 VND388 billion (2014: VND521 billion) which represented contractual undiscounted cash outflows payable in less than one year.

**27 RELATED PARTIES DISCLOSURES**

The largest shareholders of the Corporation is Vietnam Oil and Gas Group ("PVN") which owns 25.24% of share capital of the Corporation (Note 16).

**(a) Related parties transactions**

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

	<b>For the six-month period ended</b>	
	<b>30.6.2015</b>	<b>30.6.2014</b>
	<b>VND</b>	<b>VND</b>
<b>i) Sales of goods and services</b>		
Subsidiaries	49,498,277,786	16,935,715,340
Fellow PVN group subsidiaries	2,688,376,272	1,000,000,000
	<u>                    </u>	<u>                    </u>
<b>ii) Purchases of goods and services</b>		
PVN	5,606,974,800	-
Subsidiaries	3,121,403,337	215,633,909
Fellow PVN group subsidiaries	453,350,941,840	420,399,118,778
	<u>                    </u>	<u>                    </u>
<b>iii) Compensation of key management</b>		
Gross salaries and other benefits	5,145,453,791	6,152,368,409
	<u>                    </u>	<u>                    </u>
<b>iv) Financing activities</b>		
Vietnam Public Joint Stock Commercial Bank - Fellow group subsidiaries:		
- Drawdowns	93,715,370,477	463,645,138,295
- Repayments	182,266,425,282	480,000,000,000
	<u>                    </u>	<u>                    </u>
<b>v) Management fees</b>		
Fee charged by PVN (Note 23)	2,550,000,000	3,040,213,959
Fee charged to subsidiaries	17,558,423,130	17,859,750,000
	<u>                    </u>	<u>                    </u>
<b>vi) Interest income (Note 20)</b>		
Subsidiaries	5,161,162,930	6,144,129,660
	<u>                    </u>	<u>                    </u>

27 RELATED PARTIES DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	30.6.2015 VND	31.12.2014 VND
<i>vii) Dividend income (Note 20)</i>		
Subsidiaries	6,270,659,443	1,664,540,000
<i>viii) Capital contribution to subsidiaries (Note 4(b))</i>		
ASSA	13,500,000,000	-
PSMT	-	6,098,000,000
Smartcom	-	1,500,000,000
PHTD	-	5,100,000,000
PSL	-	6,000,000,000
<i>ix) Allocation of office rental</i>		
PVN	1,221,095,888	1,711,613,202

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

	30.6.2015 VND	31.12.2014 VND
<i>i) Short-term trade accounts receivable (Note 5)</i>		
Subsidiaries	10,640,447,949	-
Fellow PVN group subsidiaries	1,767,823,219	602,958,750
	12,408,271,168	602,958,750
<i>ii) Trade accounts payable (Note 12)</i>		
Subsidiaries	26,931,815	50,468,571
Fellow PVN group subsidiaries	130,405,262,830	156,899,330,362
	130,432,194,645	156,949,798,933

**27 RELATED PARTIES DISCLOSURES (continued)**

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

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
<b>iii) Short-term prepayments to suppliers</b>		
Fellow PVN group subsidiaries	2,465,444,372	718,927,097
<b>iv) Long-term advances from customers (Note 15)</b>		
Fellow PVN group subsidiaries	136,363,636,364	-
<b>v) Short-term borrowings (Note 14)</b>		
Fellow PVN group subsidiaries	48,421,240,385	136,972,295,190
<b>vi) Other short-term receivables (Note 6)</b>		
Subsidiaries	251,994,286,208	178,907,803,812
<b>vii) Other short-term payables (Note 13)</b>		
PVN	5,300,741,811	5,102,092,746
Subsidiaries	146,811,249,113	259,050,305,937
	152,111,990,924	264,152,398,683

**28 COMMITMENTS UNDER OPERATING LEASES**

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

	<b>30.6.2015 VND</b>	<b>31.12.2014 VND</b>
Within one year	13,882,020,948	14,143,636,883
Between one and five years	55,528,083,790	55,528,083,790
Over five years	567,998,612,430	574,947,034,246
	637,408,717,168	644,618,754,919

**29 OTHER COMMITMENTS**

**(a) Commitment of Credit guarantee**

As at 30 June 2015, the Corporation had non-cancellable guarantee commitment for loans at commercial banks (referred as "lenders") for the Corporation's subsidiaries with the total amount is VND2,130 billion. Accordingly, the Corporation is responsible for repaying loan principals, interests, guarantee costs and other underwriting expenses to lenders in case of guaranteed parties might not repay or repay lately.

**(b) Capital commitment**

As at 30 June 2015, the status of charter capital commitment to subsidiary is as follow:

	Capital commitment in investment certificate VND	Proportion of capital contribution (%)	Capital contributed as at 30.06.2015 VND	Capital to be contributed as at 30.6.2015 VND
Petrosetco SSG				
Company Limited	229,500,000,000	51	9,985,163,997	219,514,836,003
ASSA Technology JSC	24,000,000,000	60	18,500,000,000	5,500,000,000

**30 RESTATEMENTS**

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

**Extracted from Balance sheet**

Code	Items	As at 31 December 2014		
		As previously reported VND	Adjustments VND	As restated VND
<b>100</b>	<b>CURRENT ASSETS</b>	<b>1,458,697,629,024</b>	<b>(18,376,791,095)</b>	<b>1,440,320,837,929</b>
<b>130</b>	<b>Short-term receivables</b>	<b>286,406,587,872</b>	<b>-</b>	<b>286,406,587,872</b>
133	Intercompany receivables	178,907,803,812	(178,907,803,812)	-
136	Other short-term receivables	17,921,561,368	178,907,803,812	196,829,365,180
<b>120</b>	<b>Short-term financial investments</b>	<b>18,376,791,095</b>	<b>(18,376,791,095)</b>	<b>-</b>
	Short-term investments	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	-

30 RESTATEMENTS (continued)

Extracted from Balance sheet (continued)

Code	Items	As at 31 December 2014		
		As previously reported VND	Adjustments VND	As restated VND
200	LONG-TERM ASSETS	684,164,749,326	18,376,791,095	702,541,540,421
210	Long-term receivables	-	1,078,250,000	1,078,250,000
216	Other long-term receivables	-	1,078,250,000	1,078,250,000
250	Long-term investments	436,657,420,573	18,376,791,095	455,034,211,668
251	Investments in subsidiaries	427,947,463,324	49,900,000,000	477,847,463,324
254	Provision for long-term investments	(7,650,000,000)	(31,523,208,905)	(39,173,208,905)
260	Other long-term assets	111,778,299,150	(1,078,250,000)	110,700,049,150
268	Other long-term assets	1,078,250,000	(1,078,250,000)	-
300	LIABILITIES	854,041,451,816	-	854,041,451,816
310	Short-term liabilities	849,218,529,436	-	849,218,529,436
316	Intercompany payables	259,050,305,937	(259,050,305,937)	-
319	Other short-term payables	30,355,023,466	259,050,305,937	289,405,329,403
400	OWNERS' EQUITY	1,288,820,926,534	-	1,288,820,926,534
410	Capital and reserves	1,288,820,926,534	-	1,288,820,926,534
	Financial reserve funds	58,953,279,828	(58,953,279,828)	-
418	Investment and development funds	100,216,153,620	58,953,279,828	159,169,433,448

The separate interim financial statements were approved by the Chairman on 8 August 2015.



Ha Van Phuong  
Preparer



Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman

