

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**



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## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

### CORPORATE INFORMATION

#### Business Registration Certificate

No. 4103005338 dated 29 September 2006 was initially issued by the Department of Planning and Investment Department of Ho Chi Minh City and the 17<sup>th</sup> amendment dated 24 August 2015.

#### 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 and retired from 1 January 2016)
Mr Pham Quang Huy	Member
Ms Le Thi Chien	Member
Mr Vu Tien Duong	Member
Ms Pham Thi Hong Diep	Member (from 1 January 2016)

#### Board of Supervision

Mr Le Anh Quoc	Chief Supervisor
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 IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Chairman is responsible for the separate 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 31 December 2015 and the results of its operations and cash flows for the year then ended. In preparing these separate 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 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 kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable the separate financial statements to be prepared which complies with the basis of accounting set out in Note 2 to the separate 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 FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 5 to 38 which give a true and fair view of the financial position of the Corporation as at 31 December 2015 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the financial statements.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
9 March 2016





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

We have audited the accompanying separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 31 December 2015 and approved by the Chairman on 9 March 2016. These separate financial statements comprise the balance sheet as at 31 December 2015, the income statement, the cash flow statement for the year then ended, and explanatory notes to the separate financial statements, as set out on pages 5 to 38.

**The Chairman's Responsibility to the Separate financial statements**

The Chairman is responsible for the preparation and the true and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements and for such internal control which the Chairman determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

### Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2015, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

For and on behalf of  
**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: HCM5040  
Ho Chi Minh City, 9 March 2016

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



BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2015 VND	2014 VND (Restated - Note 31)
<b>100</b>	<b>CURRENT ASSETS</b>		<b>955,473,777,856</b>	<b>1,440,320,837,929</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>441,088,716,007</b>	<b>966,565,242,989</b>
111	Cash		209,415,910,458	760,349,138,256
112	Cash equivalents		231,672,805,549	206,216,104,733
<b>130</b>	<b>Short-term receivables</b>		<b>408,654,072,567</b>	<b>286,707,823,501</b>
131	Short-term trade accounts receivable	5	2,503,454,815	87,838,813,400
132	Short-term prepayments to suppliers		47,776,192,909	1,738,409,292
136	Other short-term receivables	6	358,374,424,843	197,130,600,809
<b>140</b>	<b>Inventories</b>	<b>7</b>	<b>-</b>	<b>90,244,101,961</b>
141	Inventories		-	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>105,730,989,282</b>	<b>96,803,669,478</b>
151	Short-term prepaid expenses		1,508,356,232	1,464,069,520
152	Value Added Tax to be reclaimed		20,337,459,698	91,576,523,410
153	Other taxes receivable	8(a)	83,885,173,352	3,763,076,548
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>770,474,119,572</b>	<b>702,541,540,421</b>
<b>210</b>	<b>Long-term receivables</b>		<b>259,681,863</b>	<b>1,078,250,000</b>
216	Other long-term receivables		259,681,863	1,078,250,000
<b>220</b>	<b>Fixed assets</b>		<b>137,094,888,873</b>	<b>129,622,822,899</b>
221	Tangible fixed assets	9(a)	36,555,655,851	29,412,062,850
222	Cost		83,095,470,652	72,557,106,498
223	Accumulated depreciation		(46,539,814,801)	(43,145,043,648)
227	Intangible fixed assets	9(b)	100,539,233,022	100,210,760,049
228	Cost		101,191,223,281	100,595,557,381
229	Accumulated amortisation		(651,990,259)	(384,797,332)
<b>240</b>	<b>Long-term assets in progress</b>		<b>102,376,512,124</b>	<b>6,106,206,704</b>
242	Construction in progress	10	102,376,512,124	6,106,206,704
<b>250</b>	<b>Long-term investments</b>		<b>422,485,179,338</b>	<b>455,034,211,668</b>
251	Investment in subsidiaries	4(a)	462,663,734,876	477,847,463,324
252	Investment in associate	4(b)	14,359,957,249	14,359,957,249
253	Investment in other entity	4(c)	2,000,000,000	2,000,000,000
254	Provision for long-term investments		(56,538,512,787)	(39,173,208,905)
<b>260</b>	<b>Other long-term assets</b>		<b>108,257,857,374</b>	<b>110,700,049,150</b>
261	Long-term prepaid expenses	11	108,257,857,374	110,700,049,150
<b>270</b>	<b>TOTAL ASSETS</b>		<b>1,725,947,897,428</b>	<b>2,142,862,378,350</b>

The notes on pages 9 to 38 are an integral part of these separate financial statements.

**BALANCE SHEET**  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2015 VND	2014 VND (Restated - Note 31)
<b>300</b>	<b>LIABILITIES</b>		<b>351,885,507,198</b>	<b>854,041,451,816</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>208,072,782,259</b>	<b>840,548,700,552</b>
311	Short-term trade accounts payable	12	14,842,082,993	169,743,604,090
312	Short-term advances from customers		-	2,483,708,703
313	Taxes and other payables to the State Budget	8(b)	271,881,403	776,105,857
314	Payable to employees		14,524,186,725	10,407,797,126
315	Short-term accrued expenses		3,500,000,000	279,898,572
319	Other short-term payables	13(a)	136,332,833,967	280,735,500,519
320	Short-term borrowings	14	-	323,937,310,587
322	Bonus and welfare funds		38,601,797,171	52,184,775,098
<b>330</b>	<b>Long-term liabilities</b>		<b>143,812,724,939</b>	<b>13,492,751,264</b>
332	Long-term advances from customers	15	136,363,636,364	-
333	Long-term accrued expenses		-	4,822,922,380
337	Other long-term payables	13(b)	7,449,088,575	8,669,828,884
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,374,062,390,230</b>	<b>1,288,820,926,534</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,374,062,390,230</b>	<b>1,288,820,926,534</b>
411	Owners' capital	16	846,001,240,000	698,420,000,000
411a	- Ordinary shares with voting rights		846,001,240,000	698,420,000,000
412	Share premium	16,17	133,918,052,614	133,918,052,614
418	Investment and development funds	16,17	159,111,461,673	159,169,433,448
421	Undistributed earnings	16,17	235,031,635,943	297,313,440,472
421a	- Undistributed post-tax profits accumulated by the end of the previous year		164,392,536,392	159,016,595,067
421b	- Undistributed post-tax profits of the current year		70,639,099,551	138,296,845,405
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>1,725,947,897,428</b>	<b>2,142,862,378,350</b>

Ha Van Phuong  
Preparer

Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman  
9 March 2016

The notes on pages 9 to 38 are an integral part of these separate financial statements.



INCOME STATEMENT

Code		Note	Year ended 31 December	
			2015 VND	2014 VND
01	Sales	20	769,699,141,552	1,634,448,133,278
02	Less deductions		-	-
10	Net sales		769,699,141,552	1,634,448,133,278
11	Cost of sales	21	(678,618,547,927)	(1,497,573,963,937)
20	Gross profit		91,080,593,625	136,874,169,341
21	Financial income	22	169,391,778,998	196,091,204,005
22	Financial expenses	23	(23,494,041,414)	(27,901,395,982)
23	- Including: Interest expenses		(4,049,858,229)	(13,571,795,466)
25	Selling expenses	24	(24,449,346,615)	(86,417,724,217)
26	General and administration expenses	25	(52,809,162,025)	(51,992,660,915)
30	Net operating profit		159,719,822,569	166,653,592,232
31	Other income		2,783,230,711	4,454,584,055
32	Other expenses		(632,923,137)	(1,077,723,687)
40	Net other income		2,150,307,574	3,376,860,368
50	Net accounting profit before tax		161,870,130,143	170,030,452,600
51	Business income tax - current	26	(8,120,906,592)	(5,564,844,085)
60	Net profit after tax		153,749,223,551	164,465,608,515



Ha Van Phuong  
Preparer



Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman  
9 March 2016

The notes on pages 9 to 38 are an integral part of these separate financial statements.

**CASH FLOW STATEMENT**  
(Indirect method)

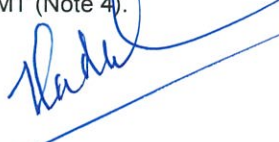
		Year ended 31 December	
Code	Note	2015 VND	2014 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net profit before tax	161,870,130,143	170,030,452,600
	Adjustments for:		
02	Depreciation and amortisation	4,504,112,120	3,732,020,723
03	Provisions	12,182,969,994	12,832,333,888
04	Unrealised foreign exchange losses/(gains)	83,078,520	(349,877,710)
05	Profits from investing activities	(167,584,283,728)	(192,058,285,366)
06	Interest expenses	4,049,858,229	13,571,795,466
08	Operating profit before changes in working capital	15,105,865,278	7,758,439,601
09	(Increase)/decrease in receivables	(67,261,139,128)	42,269,439,840
10	Decrease/(increase) in inventories	95,426,435,849	(23,979,771,124)
11	(Decrease)/increase in payables	(160,753,694,561)	214,500,894,383
12	Decrease in prepaid expenses	2,397,905,064	2,381,984,269
14	Interest paid	(4,049,858,229)	(13,571,795,466)
15	Business income tax paid	(4,855,420,423)	(11,066,208,124)
16	Other receipts on operating activities	1,119,803,766	836,068,371
17	Other payments receipts on operating activities	-	(58,250,000)
20	Net cash (outflows)/inflows from operating activities	(122,870,102,384)	219,070,801,750
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(100,122,243,987)	(9,699,253,307)
22	Proceeds from disposals of fixed assets	827,777,792	1,612,051,818
25	Investments in other entities	(18,600,000,000)	(24,298,000,000)
26	Proceeds from divestment in other entities	8,808,750,000	-
27	Dividends and interest received	98,583,651,284	44,791,024,791
30	Net cash (outflows)/inflows from investing activities	(10,502,064,911)	12,405,823,302
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issue of shares	14,900,000,000	-
33	Proceeds from borrowings	14 269,156,311,413	1,252,601,353,070
34	Repayments of borrowings	14 (593,093,622,000)	(1,386,351,938,887)
36	Dividends paid	18 (83,067,049,100)	(48,889,400,000)
40	Net cash outflows from financing activities	(392,104,359,687)	(182,639,985,817)
50	Net (decrease)/increase in cash and cash equivalents	(525,476,526,982)	48,836,639,235
60	Cash and cash equivalents at beginning of year	3 966,565,242,989	917,258,358,210
61	Effect of foreign exchange differences	-	470,245,544
70	Cash and cash equivalents at end of year	3 441,088,716,007	966,565,242,989

Major non-cash transactions for the year ended 31 December 2015 included:

- Issuing shares for dividends payment of VND132,681,240,000 (Note 17)
- Selling shares of PSMT to PSMT with the total value of VND26,586,000,000 of which the receivable from PSMT was netted off with the payable to PSMT (Note 4).



Ha Van Phuong  
Preparer



Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman  
9 March 2016

The notes on pages 9 to 38 are an integral part of these separate financial statements.



**NOTE TO THE SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**1 GENERAL INFORMATION**

PetroVietnam General Services Joint Stock Company ("the Corporation") was established in Vietnam in accordance with Business Registration Certificate No. 4103005338 dated 29 September 2006 and the 17<sup>th</sup> amendment issued by the Department of Planning and Investment Department of Ho Chi Minh City dated 24 August 2015. The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly State-owned subsidiary of Vietnam Oil and Gas Group ("PetroVietnam").

The principal activities of the Corporation include:

- trading plastic resins, textile fibres, 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 31 December 2015, the Corporation had 14 subsidiaries and 1 associate as disclosed in Note 4(a) - Investments in subsidiaries and 4(b) – Investment in associate.

As at 31 December 2015, the Corporation had 76 employees (31 December 2014: 80 employees).

**2 SUMMARY OF SIGNIFICANT 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. 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 and 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 financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries ("the Group") for the year ended 31 December 2015 in order to obtain full information of the financial position and results of operations and cash flows of the Group.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 beginning on or after 1 January 2015.

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

- Transactions in foreign currencies and translations of assets and liabilities dominated in foreign currencies - Note 2.4.

Under Decision 15, transactions arising in foreign currencies are translated at the exchange rates ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date.

According to Circular 200, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. 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.

- Investments – Note 4

According to Circular 200, the Corporation is required to disclose the fair value of the investments. In case the Corporation cannot determine the fair values of investments, the Corporation needs to disclose the reasons in the Notes to the financial statements.

Certain comparative figures have been reclassified to conform to the presentation requirements under Circular 200. The details of such reclassifications were disclosed in Note 31.

**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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **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 an original maturity of three months or less.

### **2.6 Accounts receivable**

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

### **2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the specific identification and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

### **2.8 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 Corporate controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made 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 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 when the entities make losses, except when the loss was anticipated by the Chairman in their business plan before the date of investment.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 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%

##### *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.

#### (a) Intangible fixed assets

Intangible fixed assets are stated at historical cost less accumulated amortisation, 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.

### 2.10 Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are stated at historical 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 depreciated.

### 2.11 Leased assets

Leases of property, plant and equipment where the lessor has transferred the ownership at the end of the lease period, and transferred substantially the risks and rewards, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charge, are included in long-term borrowings. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the shorter of the estimated useful life of the assets or the lease term. However, if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term, depreciation is calculated over the estimated useful life of the assets.



## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.11 Leased assets (continued)**

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.

### **2.12 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.

### **2.13 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 recorded at historical cost and allocated to expenses using the straight line method over the allocation period.

### **2.14 Payables**

Classifications of payables are based in their natures as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Intercompany payables: payables between the superior unit and the subordinate unit which has no legal status and in dependent cost-accounting.
- 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.

### **2.15 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.

### **2.16 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)**

**2.17 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.

**(c) Undistributed earnings**

Undistributed earnings record the Corporation's results (profit, loss) after business income tax at the reporting date.

**2.18 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.

**2.19 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 likely 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.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.19 Revenue recognition (continued)**

**(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.

**2.20 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.

**2.21 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 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.

**2.22 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, maintenance charges, packaging, and transportation.

**2.23 General and administration expenses**

General and 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 staffs, 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,...) and other cash expenses (entertainment, customer conference...).

**2.24 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.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.24 Current and deferred income tax (continued)**

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.

### **2.25 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 in the Corporation's General Meeting of shareholders.

### **2.26 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 of related party relationship, the Corporation considers the substance of the relationship but not merely the legal form

### **2.27 Segment reporting**

A segment is a component which can be separated by the Corporation engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Corporation's business segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Corporation's financial statements in order to help users of financial statements to understand and evaluate the situation the operations of the Corporation in a comprehensive way.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 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.

**3 CASH AND CASH EQUIVALENTS**

	<b>2015 VND</b>	<b>2014 VND</b>
Cash on hand	176,134,654	652,906,201
Cash at bank	209,239,775,804	759,696,232,055
Cash equivalents (*)	231,672,805,549	206,216,104,733
	<u>441,088,716,007</u>	<u>966,565,242,989</u>

(\*) Cash equivalents includes term deposits with the original maturity within three months.

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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**4 INVESTMENTS**

(a)	Investments in subsidiaries	2015			2014		
		Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
	Petroleum General Distribution Services Joint Stock Company ("PSD")	113,600,000,000	388,512,000,000	-	113,600,000,000	641,840,000,000	-
	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	74,742,000,000	(*)	(17,365,303,882)	101,328,000,000	(*)	-
	PetroVietnam Assets Management Joint Stock Company ("PSA")	58,962,908,969	(*)	-	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	(*)	-
	Petrosetco SSG Company Limited ("PSSSG")	9,985,163,997	(*)	-	9,985,163,997	(*)	-
	Petrosetco Retail Services Joint Stock Company ("PSR")	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	(*)	-
	Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	5,100,000,000	(*)	-	-	(*)	-
	Petroleum Trading Services Company Limited ("PST")	39,500,000,000	(*)	(29,882,192,415)	39,500,000,000	(*)	(29,882,192,415)
	Petroleum Saigon General Services Company Limited ("PSG")	10,400,000,000	(*)	(1,641,016,490)	10,400,000,000	(*)	(1,641,016,490)
		462,663,734,876		(56,538,512,787)	477,847,463,324		(39,173,208,905)

(\*) As at 31 December 2015 and 31 December 2014, fair values of the investments in subsidiaries were not available as these entities' shares are not publicly traded.

**4 INVESTMENTS (continued)**

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

- (i) The fair value of PSD's shares at the balance sheet date is based on the closing price of the latest trading date before the valuation date.
- (ii) According to the Share Transfer Agreement No. 01/2015/PETROSETCO - PSMT dated 24 December 2015, PSMT bought back 2,658,600 shares currently held by the Corporation at the price of VND10,000 per share, equivalent to VND26.5 billion. General Meeting of Shareholders of PSMT approved for this repurchase of treasury shares on 23 December 2015.
- (iii) According to Share Auction Minutes of PSA dated 28 December 2015, the Corporation transferred 652,500 shares of PSA to the Corporation's and PSA's employees at the price of VND13,500 per share, equivalent to VND8.81 billion.
- (iv) ASSA was established in Vietnam in accordance with Business Registration Certificate No. 0313020773 dated 19 November 2014, in which the Corporation owns VND24 billion, equivalent to 60% of charter capital. During the year, the Corporation additionally contributed VND13.5 billion capital to ASSA (Note 29(a)(iv)).
- (v) According to the Share Transfer Agreement No.01/2015/Petrosetco dated 1 July 2015, POTS transferred 510,000 shares of Petrosetco - Ale to the Corporation at the price of VND10,000 per share. Petrosetco - Ale was established under the initial Business Registration Certificate No. 0311810889 dated 17 March 2012 and obtained the third amendment of its Business Registration Certificate dated 2 October 2015, in which registered the Corporation owns VND5.1 billion, equivalent to 51% of the charter capital. As at 31 December 2015, Petrosetco – Ale was accordingly the Corporation's subsidiary (Note 29(a)(iv)).
- (vi) According to Decision No. 313/QD-DVTHDK-HDQT and 314/QD-DVTHDK-HDQT dated 26 December 2011, the Corporation's Board of Management decided to dissolve PST and PSG since 1 January 2012. Currently, PST and PSG are under tax finalisation with the tax authorities for dissolution. During 2013, 2014 and 2015, the two companies have had no business activities incurred.



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

Details of the Corporation's subsidiaries as at 31 December 2015 are as follows:

<b>No.</b>	<b>Subsidiary</b>	<b>Place of incorporation</b>	<b>% interest</b>	<b>% voting rights</b>	<b>Principal activity</b>
1	PSD	HCMC	79.87%	79.87%	Distribution of telecom, electronic equipment
2	POTS	HCMC	100%	100%	Trading and rendering services
3	PSV	Vung Tau	70%	70%	Rendering services
4	PSMT	Quang Ngai	99.79%	99.79%	Trading and rendering services
5	PSA	Ha Noi	78.61%	78.61%	Property management and services
6	PSSSG	HCMC	51%	51%	Real estates
7	Smartcom	HCMC	55%	55%	Distributing equipment, electronic components, peripheral devices, software
8	PSL (*)	HCMC	44%	60%	Marine transportation services
9	PSR	HCMC	51%	51%	Retails of mobile phones
10	PHTD	HCMC	51%	51%	Distributing equipment, electronic components, peripheral devices
11	ASSA	HCMC	60%	60%	Processing electronic and telecommunication equipment
12	Petrosetco - Ale	HCMC	51%	51%	Providing heavy transportation and lifting services
13	PST	HCMC	100%	100%	Stopped operation and on liquidation process
14	PSG	HCMC	100%	100%	Stopped operation and on liquidation process

(\*) As at 31 December 2015, although the ownership of the Corporation at PSL reduced to 44% due to the increase in charter capital of PSL in 2014, voting rights of the Corporation at PSL was maintained at 60%. Therefore, the Corporation was still holding the power to control financial and operational policies of PSL, and PSL has remained a subsidiary of the Corporation.



**4 INVESTMENTS (continued)**

**(b) Investment in associate**

	2015			2014		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Petro Tower Limited Company	14,359,957,249	(*)	-	14,359,957,249	(*)	-

(\*) At the date of report, the fair value of the investment in associate was not available as the entity's shares are not publicly traded.

Details of the Corporation's associate as at 31 December 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) Investment in other entity**

	2015			2014		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	-	2,000,000,000	(*)	-

(\*) At the date of report, the fair value of the investment in other entity was not available as the entity's shares are not publicly traded.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	2015 VND	2014 VND
Third parties		
A Dong Transport Commercial Joint Stock Company	-	13,382,015,220
PT. Kharisma InterPlast Pratama	-	20,377,440,000
Others	513,725,442	53,476,399,430
Related parties (Note 29(b)(ii))	1,989,729,373	602,958,750
	<u>2,503,454,815</u>	<u>87,838,813,400</u>

**6 OTHER SHORT-TERM RECEIVABLES**

	<b>2015 VND</b>	<b>2014 VND</b>
Receivables from subsidiaries (Note 29(b)(v))	342,018,213,997	178,907,803,812
Accrued interest receivables	1,847,569,444	1,094,094,444
Others	14,508,641,402	17,128,702,553
	<u>358,374,424,843</u>	<u>197,130,600,809</u>

**7 INVENTORIES**

	<b>2015</b>		<b>2014</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Goods in transit	-	-	3,329,906,880	-
Merchandise	-	-	92,096,528,969	(5,182,333,888)
	<u>-</u>	<u>-</u>	<u>95,426,435,849</u>	<u>(5,182,333,888)</u>

Movements in the provision for inventories during the year were as follows:

	<b>2015 VND</b>	<b>2014 VND</b>
Beginning of year	5,182,333,888	-
Increase	-	5,182,333,888
Reversal	(5,182,333,888)	-
End of year	<u>-</u>	<u>5,182,333,888</u>

During 2015, the Corporation transferred the plastic resins trading business to its subsidiary, PSMT. Therefore, the balance of inventory at 31 December 2015 was nil.

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

**(a) Other taxes receivable**

	<b>2015 VND</b>	<b>2014 VND</b>
VAT to be refunded (*)	83,681,659,609	-
Corporate income tax	27,519,513	3,293,005,682
Other taxes	175,994,230	470,070,866
	<u>83,885,173,352</u>	<u>3,763,076,548</u>

(\*) Represents the VAT to be refunded by Ho Chi Minh City Tax Department according to Decision No.2088/QD-GT-CT dated 9 October 2015.

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

	<b>2015 VND</b>	<b>2014 VND</b>
Personal income tax	<u>271,881,403</u>	<u>776,105,857</u>

Movements of taxes receivable/payable to the State Budget were as follows:

	<b>31.12.2014 (Receivables)/ Payables VND</b>	<b>Incurred VND</b>	<b>Net off VND</b>	<b>To be refunded /Paid VND</b>	<b>31.12.2015 (Receivables)/ Payables VND</b>
Value added tax	(91,576,523,410)	(86,134,916,163)	73,692,320,266	83,681,659,609	(20,337,459,698)
Business income tax					
- current	(3,293,005,682)	8,120,906,592	-	(4,855,420,423)	(27,519,513)
Personal income tax	<u>776,105,857</u>	<u>3,846,441,524</u>	<u>-</u>	<u>(4,350,665,978)</u>	<u>271,881,403</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	<b>72,557,106,498</b>
New purchases	7,608,750,031	2,986,141,710	954,581,818	404,070,363	<b>11,953,543,922</b>
Disposals	-	-	(1,415,179,768)	-	<b>(1,415,179,768)</b>
At 31 December 2015	<u>63,126,643,208</u>	<u>6,684,948,654</u>	<u>9,193,787,843</u>	<u>4,090,090,947</u>	<u><b>83,095,470,652</b></u>
<b>Accumulated depreciation</b>					
At 1 January 2015	33,415,461,043	2,708,116,227	3,467,643,131	3,553,823,247	<b>43,145,043,648</b>
Charge for the year	2,196,960,372	475,284,876	1,324,212,924	240,461,021	<b>4,236,919,193</b>
Disposals	-	-	(842,148,040)	-	<b>(842,148,040)</b>
At 31 December 2015	<u>35,612,421,415</u>	<u>3,183,401,103</u>	<u>3,949,708,015</u>	<u>3,794,284,268</u>	<u><b>46,539,814,801</b></u>
<b>Net book value</b>					
At 1 January 2015	<u>22,102,432,134</u>	<u>990,690,717</u>	<u>6,186,742,662</u>	<u>132,197,337</u>	<u><b>29,412,062,850</b></u>
At 31 December 2015	<u>27,514,221,793</u>	<u>3,501,547,551</u>	<u>5,244,079,828</u>	<u>295,806,679</u>	<u><b>36,555,655,851</b></u>

Cost of fully depreciated fixed assets but still be in use as at 31 December 2015 was VND18.15 billion (2014: VND18 billion).



**11 LONG-TERM PREPAID EXPENSES**

Details of long-term prepaid expenses are as follows:

	<b>2015 VND</b>	<b>2014 VND</b>
Office rental (*)	106,297,619,745	108,672,985,549
Warehouse rental	1,960,237,629	2,027,063,601
	<u>108,257,857,374</u>	<u>110,700,049,150</u>

(\*) The amount represents the prepayment to PetroVietnam for office leasing of 1,881.14 m2. This office rental prepaid expense is allocated on a straight-line basis over 50 years from 1 October 2010.

Movements in long-term prepaid expenses during the year were as follows:

	<b>2015 VND</b>	<b>2014 VND</b>
Beginning of year	110,700,049,150	162,129,723,976
Allocation	(2,442,191,776)	(3,228,087,226)
Other decreases	-	(48,201,587,600)
	<u>108,257,857,374</u>	<u>110,700,049,150</u>

**12 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>2015 VND</b>	<b>2014 VND</b>
Third parties		
Petroleum Industrial and Civil Construction Joint Stock Company	5,642,750,900	-
Industry Construction Corporation	3,054,520,355	-
Others	5,208,482,964	12,793,805,157
	<u>13,905,754,219</u>	<u>12,793,805,157</u>
Related parties (Note 29(b)(iii))		
Binh Son Refining and Petrochemical Company Limited	936,328,774	156,899,330,362
Others	-	50,468,571
	<u>936,328,774</u>	<u>156,949,798,933</u>
	<u>14,842,082,993</u>	<u>169,743,604,090</u>

**9 FIXED ASSETS (continued)**

**(b) Intangible fixed assets**

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
At 1 January 2015	100,112,600,381	482,957,000	<b>100,595,557,381</b>
New purchases	-	595,665,900	<b>595,665,900</b>
At 31 December 2015	100,112,600,381	1,078,622,900	<b>101,191,223,281</b>
<b>Accumulated amortisation</b>			
At 1 January 2015	-	384,797,332	<b>384,797,332</b>
Charge for the year	-	267,192,927	<b>267,192,927</b>
At 31 December 2015	-	651,990,259	<b>651,990,259</b>
<b>Net book value</b>			
At 1 January 2015	100,112,600,381	98,159,668	<b>100,210,760,049</b>
At 31 December 2015	100,112,600,381	426,632,641	<b>100,539,233,022</b>

Cost of fully depreciated intangible assets but still be in use as at 31 December 2015 was VND379 million (31 December 2014: VND379 million).

**10 CONSTRUCTION IN PROGRESS**

Details of construction in progress are presented as follows:

	2015 VND	2014 VND
Residential zone and services project for Nghi Son		
Refinery and Petrochemical Company Limited	101,112,071,454	4,873,584,216
Other projects	1,264,440,670	1,232,622,488
	102,376,512,124	6,106,206,704

Movements of construction in progress during the year were as follows:

	2015 VND	2014 VND
Beginning of year	6,106,206,704	1,110,684,306
Construction	96,270,305,420	4,995,522,398
End of year	102,376,512,124	6,106,206,704



**13 OTHER PAYABLES**

**(a) Other short-term payables**

	<b>2015 VND</b>	<b>2014 VND</b>
Payable to subsidiaries (Note 29(b)(vi))	124,767,802,031	259,050,305,937
Payable to PetroVietnam (Note 29(b)(vi))	5,179,078,436	5,102,092,746
Others	6,385,953,500	16,583,101,836
	<u>136,332,833,967</u>	<u>280,735,500,519</u>

**(b) Long-term other payables**

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

**14 SHORT-TERM BORROWINGS**

	<b>At as 1.1.2015 VND</b>	<b>During the year Increase VND</b>	<b>Decrease VND</b>	<b>At as 31.12.2015 VND</b>
ANZ Bank Ltd. (Vietnam)	161,319,903,297	149,276,609,796	(310,596,513,093)	-
Vietnam Public Joint Stock Commercial Bank (Note 29(a)(iv))	136,972,295,190	93,715,370,477	(230,687,665,667)	-
Others	25,645,112,100	26,164,331,140	(51,809,443,240)	-
	<u>323,937,310,587</u>	<u>269,156,311,413</u>	<u>(593,093,622,000)</u>	<u>-</u>

**15 LONG-TERM ADVANCES FROM CUSTOMERS**

The balance represents the long-term advances from Nghi Son Refinery and Petrochemical Company Limited in accordance with the Agreement for Lease of Living Quarters for Employees and Staff of Nghi Son Refinery and Petrochemical Complex Project (Note 29(b)(vii)).

**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	84,600,124	-	69,842,000	-
Number of existing shares in issue	84,600,124	-	69,842,000	-

The Corporation has one class of 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 and entitled to one vote per share at the Corporation's shareholder meetings.

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

Pursuant to the 17<sup>th</sup> amended Business Registration Certificate dated 24 August 2015, charter capital of the Corporation is VND846 billion.

As at 31 December 2015, the detail of owners' shareholding of the Corporation is as follows:

	<b>2015</b>		<b>2014</b>	
	<b>VND</b>	<b>%</b>	<b>VND</b>	<b>%</b>
PetroVietnam	209,738,510,000	24.79	176,250,850,000	25.24
Other shareholders	636,262,730,000	75.21	522,169,150,000	74.76
	846,001,240,000	100	698,420,000,000	100

**(c) Movement of share capital**

	<b>Ordinary shares VND</b>	<b>Preference shares VND</b>	<b>Total VND</b>
As at 1 January 2014	698,420,000,000	-	698,420,000,000
As at 31 December 2014	698,420,000,000	-	698,420,000,000
New shares issued	147,581,240,000	-	147,581,240,000
As at 31 December 2015	846,001,240,000	-	846,001,240,000

Par value per share: VND10,000.

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN**

**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)	-
Interim dividend of 2015 (**)	-	-	-	(83,110,124,000)	(83,110,124,000)
Issuance of shares to employees (phase one) (***)	14,900,000,000	-	-	-	14,900,000,000
Profit for the year	-	-	-	153,749,223,551	153,749,223,551
Reversal of fund	-	-	(57,971,775)	57,971,775	-
Appropriation to funds	-	-	-	(297,635,855)	(297,635,855)
As at 31 December 2015	846,001,240,000	133,918,052,614	159,111,461,673	235,031,635,943	1,374,062,390,230

(\*) According to the Resolution No. 04/NQ-DVTHDK-DHĐCĐ dated 9 April 2015, the Corporation's General Shareholders approved the 2014 dividends payment in the form of share 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 unit.

(\*\*) According to the Resolution No. 14/NQ-DVTHDK dated 7 July 2015, the Corporation's Board of Management decided to pay 2015 interim dividend at the rate of 10% of par value corresponding to share capital of VND831,101,240,000 (which is the capital before issuing shares to employees).

(\*\*\*) According to the Resolution No. 04/NQ-DVTHDK-DHĐCĐ dated 9 April 2015, the Corporation's General Shareholders approved the share issuance plan to its employees in 2 phases: 1,490,000 shares in phase 1 and 2,000,000 shares in phase 2 at VND10,000 per share for 2 phases. Phase 1 was completed on 24 August 2015.



**18 DIVIDENDS PAYABLE**

	<b>2015 VND</b>	<b>2014 VND</b>
Beginning of year	1,157,459,500	1,157,459,500
Dividends payable during the year	215,791,364,000	48,889,400,000
Dividends paid by share	(132,681,240,000)	-
Dividends paid in cash	(83,067,049,100)	(48,889,400,000)
End of year	<u>1,200,534,400</u>	<u>1,157,459,500</u>

**19 OFF BALANCE SHEET ITEMS**

	<b>2015 VND</b>	<b>2014 VND</b>
Foreign currencies	<u>1,409,990,938</u>	<u>87,191,608,633</u>

Included in cash and cash equivalents as at 31 December 2015 are balances held in foreign currencies of US\$62,806 (31 December 2014: US\$4,104,017).

**20 REVENUE**

	<b>2015 VND</b>	<b>2014 VND</b>
Sales of goods (*)	696,785,410,152	1,559,455,623,265
Rendering of services	72,913,731,400	74,992,510,013
	<u>769,699,141,552</u>	<u>1,634,448,133,278</u>

(\*) During the year, the Corporation transferred the plastic resins trading business to its subsidiary, PSMT, resulting in lower revenue than that of last year (Note 7).

**21 COST OF SALES**

	<b>2015 VND</b>	<b>2014 VND</b>
Cost of merchandises sold	668,897,893,411	1,479,716,247,395
Cost of services rendered	14,902,988,404	12,675,382,654
(Reversal of provision)/provision for decline in value of inventory	(5,182,333,888)	5,182,333,888
	<u>678,618,547,927</u>	<u>1,497,573,963,937</u>

**22 FINANCIAL INCOME**

	<b>2015 VND</b>	<b>2014 VND</b>
Interest income from deposits and loans	35,674,551,823	44,791,024,791
Dividend income (Note 29(a)(viii))	130,043,964,289	146,344,939,783
Realised foreign exchange gains	1,996,249,501	4,057,179,907
Income from share transfers	1,611,021,552	-
Others	65,991,833	898,059,524
	<u>169,391,778,998</u>	<u>196,091,204,005</u>

**23 FINANCIAL EXPENSES**

	<b>2015 VND</b>	<b>2014 VND</b>
Interest expenses	4,049,858,229	13,571,795,466
Realised foreign exchange losses	1,995,800,783	6,654,991,066
Provision for diminution in value of investments	17,365,303,882	7,650,000,000
Others	83,078,520	24,609,450
	<u>23,494,041,414</u>	<u>27,901,395,982</u>

**24 SELLING EXPENSES**

	<b>2015 VND</b>	<b>2014 VND</b>
Transportation	14,742,412,867	52,034,132,024
Utilities	5,189,445,584	19,680,117,495
Warehouse rental	1,394,604,236	5,209,679,585
Salary expenses	1,644,831,211	3,788,167,899
Depreciation expenses	769,168,479	1,080,608,580
Others	708,884,238	4,625,018,634
	<u>24,449,346,615</u>	<u>86,417,724,217</u>

**25 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2015 VND</b>	<b>2014 VND</b>
Salary expenses	20,986,160,795	20,140,675,996
Management fees (Note 29(a)(v))	6,392,362,882	5,003,050,673
Office expenses	1,972,215,000	3,818,666,254
Travelling expenses	2,808,991,422	2,749,924,131
Depreciation expenses	3,734,943,641	2,651,412,143
Professional fees	2,887,324,140	1,753,924,131
Others	14,027,164,145	15,875,007,587
	<u>52,809,162,025</u>	<u>51,992,660,915</u>

**26 BUSINESS INCOME TAX**

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

	<b>2015 VND</b>	<b>2014 VND</b>
Net accounting profit before tax	161,870,130,143	170,030,452,600
Tax calculated at a rate of 22%	35,611,428,631	37,406,699,572
Effect of:		
Income not subject to tax	(28,609,672,143)	(32,195,886,753)
Expenses not deductible for tax purposes	1,119,150,104	354,031,266
Business income tax charge	<u>8,120,906,592</u>	<u>5,564,844,085</u>

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

**27 EXPENSES BY FACTOR**

	<b>2015 VND</b>	<b>2014 VND</b>
Raw materials and merchandises	668,897,893,411	1,479,716,247,395
Labour costs	22,630,992,006	23,928,843,895
Depreciation expenses	4,504,112,120	3,732,020,723
Outside service expenses	43,897,981,653	102,924,876,947
Provision for decline in value inventory	(5,182,333,888)	5,182,333,888
Others	21,128,411,265	20,500,026,221
	<u>755,877,056,567</u>	<u>1,635,984,349,069</u>

**28 SEGMENT REPORTING**

*Geographical segments*

The Corporation does not have any operation outside the territory of Vietnam; therefore, no business reports by geography are presented.



**28 SEGMENT REPORTING (continued)**

*Business activity segments*

Information of segment revenue and cost of sales based on the activities of the Corporation is as follows:

	<b>2015</b>		
	<b>Trading of plastic resins, textile fibres, and cassava VND</b>	<b>Support and management services, lease of warehouses, workshops, premises, office VND</b>	<b>Total VND</b>
Revenue	692,138,119,021	77,561,022,531	<b>769,699,141,552</b>
Cost of sale	(663,715,559,523)	(14,902,988,404)	<b>(678,618,547,927)</b>
Gross profit	<u>28,422,559,498</u>	<u>62,658,034,127</u>	<u><b>91,080,593,625</b></u>
	<b>2014</b>		
	<b>Trading of plastic resins, textile fibres, and cassava VND</b>	<b>Support and management services, lease of warehouses, workshops, premises, office VND</b>	<b>Total VND</b>
Revenue	1,559,455,623,265	74,992,510,013	<b>1,634,448,133,278</b>
Cost of sale	(1,481,840,308,784)	(15,733,655,153)	<b>(1,497,573,963,937)</b>
Gross profit	<u>77,615,314,481</u>	<u>59,258,854,860</u>	<u><b>136,874,169,341</b></u>

**29 RELATED PARTIES DISCLOSURES**

The largest shareholder of the Corporation is Vietnam Oil and Gas Group ("PetroVietnam") which owns 24.79% of share capital of the Corporation (Note 16(b)).

**(a) Related parties transactions**

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

	<b>2015 VND</b>	<b>2014 VND</b>
<b>i) Sales of goods and services</b>		
Subsidiaries	51,437,232,174	30,620,793,906
Fellow PetroVietnam group subsidiaries	<u>2,705,827,276</u>	<u>3,191,890,917</u>
<b>ii) Purchases of goods and services</b>		
PetroVietnam	11,199,837,600	12,143,741,400
Subsidiaries	59,700,712,993	6,906,276,813
Fellow PetroVietnam group subsidiaries	<u>472,273,072,028</u>	<u>909,724,482,305</u>

**29 RELATED PARTIES DISCLOSURES (continued)**
**(a) Related parties transactions (continued)**

	2015 VND	2014 VND
<b>iii) Compensation of key management</b>		
Gross salaries and other benefits	6,753,763,018	8,137,498,552
<b>iv) Financing activities</b>		
<b>Borrowing activities (Note 14)</b>		
Vietnam Public Joint Stock Commercial Bank - Fellow group subsidiary:		
- Drawdowns	93,715,370,477	633,532,910,126
- Repayments	230,687,665,667	580,763,547,999
<b>Investments in subsidiaries – Capital contribution</b>		
Capital contributed to ASSA	13,500,000,000	5,000,000,000
Capital contributed to Smartcom	-	1,500,000,000
Capital contributed to PHTD	-	5,100,000,000
Capital contributed to PSL	-	6,600,000,000
Treasury shares repurchased by PSMT	26,586,000,000	-
Acquisition of Petrosetco-Ale shares from POTS	5,100,000,000	-
<b>v) Management fees</b>		
Fee charged by PetroVietnam (Note 25)	6,392,362,882	5,003,050,673
Fee charged to subsidiaries	33,090,746,695	34,722,932,650
<b>vi) Interest income from loans</b>		
Subsidiaries	11,933,120,464	8,121,505,690
Fellow PetroVietnam group subsidiaries	40,222,414	7,488,701,533
<b>vii) Dividends paid</b>		
Subsidiaries	2,150,841,000	-
PetroVietnam	20,602,999,700	12,339,684,560
<b>viii) Dividend income (Note 22)</b>		
Subsidiaries	130,043,964,289	146,344,939,783

29 RELATED PARTIES DISCLOSURES (continued)

(b) Year-end balances with related parties

	2015 VND	2014 VND
<b>i) Cash at bank and cash equivalents at Vietnam Public Joint Stock Commercial Bank</b>		
Cash at bank	5,471,833,644	51,774,992,916
Cash equivalents	-	38,905,060,722
	<u>5,471,833,644</u>	<u>90,680,053,638</u>
<b>ii) Short-term trade accounts receivable (Note 5)</b>		
Subsidiaries	910,555,572	-
Fellow PetroVietnam group subsidiaries	1,079,173,801	602,958,750
	<u>1,989,729,373</u>	<u>602,958,750</u>
<b>iii) Trade accounts payable (Note 12)</b>		
Subsidiaries	-	50,468,571
Fellow PetroVietnam group subsidiaries	936,328,774	156,899,330,362
	<u>936,328,774</u>	<u>156,949,798,933</u>
<b>iv) Short-term borrowings (Note 14)</b>		
Fellow PetroVietnam group subsidiaries	-	136,972,295,190
	<u>-</u>	<u>136,972,295,190</u>
<b>v) Other short-term receivables (Note 6)</b>		
Subsidiaries	342,018,213,997	178,907,803,812
	<u>342,018,213,997</u>	<u>178,907,803,812</u>
<b>vi) Other short-term payables (Note 13)</b>		
PetroVietnam	5,179,078,436	5,102,092,746
Subsidiaries	124,767,802,031	259,050,305,937
	<u>129,946,880,467</u>	<u>264,152,398,683</u>
<b>vii) Long-term advances from customers (Note 15)</b>		
Fellow PetroVietnam group subsidiaries	136,363,636,364	-
	<u>136,363,636,364</u>	<u>-</u>



**30 CAPITAL COMMITMENTS****(a) Capital expenditure**

Capital expenditure for at the balance sheet date but not recognised in the financial statements is as follows:

	<b>2015</b> <b>VND</b>	<b>2014</b> <b>VND</b>
Residential zone and services for Nghi Son Refinery and Petrochemical Company Limited	505,989,640,465	-

**(b) Commitments under operating leases**

The Corporation signed the non-cancellable operating land leases with Management Board of Nghi Son Economic Zone. The future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2015</b> <b>VND</b>	<b>2014</b> <b>VND</b>
Over five years	51,191,290,810	51,191,290,810

**(c) Capital contribution commitment**

As at 31 December 2015, the status of charter capital commitment to subsidiaries is as follow:

	<b>As per Business Registration Certificate (VND)</b>	<b>% Ownership (%)</b>	<b>Capital contributed as at 31.12.2015 (VND)</b>	<b>Capital to be contributed as at 31.12.2015 (VND)</b>
PSSSG	229,500,000,000	51	9,985,163,997	219,514,836,003
ASSA	24,000,000,000	60	18,500,000,000	5,500,000,000

**(d) Commitment of Credit guarantee**

As at 31 December 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 VND2,132 billion. Accordingly, the Corporation is responsible for repayment of principals, interests, guarantee costs and other underwriting expenses to lenders in case of guaranteed parties might not repay or repay lately.

31 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation following Circular 200 as follows:

Balance sheet

Code	Items	As at 31 December 2014		
		As previously reported VND	Adjustments VND	As restated VND
100	<b>CURRENT ASSETS</b>	<b>1,458,697,629,024</b>	<b>(18,376,791,095)</b>	<b>1,440,320,837,929</b>
130	Short-term receivables	286,406,587,872	301,235,629	286,707,823,501
133	Intercompany receivables	178,907,803,812	(178,907,803,812)	-
136	Other short-term receivables	17,921,561,368	179,209,039,441	197,130,600,809
120	<b>Short-term financial investments</b>	<b>18,376,791,095</b>	<b>(18,376,791,095)</b>	<b>-</b>
121	Short-term investments	49,900,000,000	(49,900,000,000)	-
122	Provision for diminution in value of short-term investments	(31,523,208,905)	31,523,208,905	-
155	<b>Other current assets</b>	<b>301,235,629</b>	<b>(301,235,629)</b>	<b>-</b>
155	Other current assets	301,235,629	(301,235,629)	-
200	<b>LONG-TERM ASSETS</b>	<b>684,164,749,326</b>	<b>18,376,791,095</b>	<b>702,541,540,421</b>
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	<b>Long-term investments</b>	<b>436,657,420,573</b>	<b>18,376,791,095</b>	<b>455,034,211,668</b>
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	<b>Other long-term assets</b>	<b>111,778,299,150</b>	<b>(1,078,250,000)</b>	<b>110,700,049,150</b>
268	Other long-term assets	1,078,250,000	(1,078,250,000)	-
300	<b>LIABILITIES</b>	<b>854,041,451,816</b>	<b>-</b>	<b>854,041,451,816</b>
310	<b>Short-term liabilities</b>	<b>849,218,529,436</b>	<b>(8,669,828,884)</b>	<b>840,548,700,552</b>
316	Intercompany payables	259,050,305,937	(259,050,305,937)	-
319	Other short-term payables	30,355,023,466	250,380,477,053	280,735,500,519
330	<b>Long-term liabilities</b>	<b>4,822,922,380</b>	<b>8,669,828,884</b>	<b>13,492,751,264</b>
337	Other long-term payables	-	8,669,828,884	8,669,828,884
400	<b>OWNERS' EQUITY</b>	<b>1,288,820,926,534</b>	<b>-</b>	<b>1,288,820,926,534</b>
410	<b>Capital and reserves</b>	<b>1,288,820,926,534</b>	<b>-</b>	<b>1,288,820,926,534</b>
	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 financial statements were approved by the Chairman on 9 March 2016.



Ha Van Phuong  
Preparer



Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman