

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016**



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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 of Ho Chi Minh City and the 18<sup>th</sup> amendment dated 23 May 2016.

### Board of Management

Mr. Phung Tuan Ha	Chairman
Mr. Vu Xuan Lung	Member (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 on 1 January 2016)

### Board of Supervision

Mr. Phan Khac Vinh	Chief Supervisor (From 8 April 2016)
Mr. Le Anh Quoc	Chief Supervisor (Until 8 April 2016)
	Member (From 8 April 2016)
Ms. Nguyen Thi My Dung	Member (From 8 April 2016)
Mr. Nguyen Cao Ky	Member (Until on 8 April 2016)
Mr. Pham Thanh Tuan	Member (Until on 8 April 2016)

### Board of General Directors

Mr. Vu Tien Duong	General Director
Mr. Bui Anh Dung	Deputy General Director
Ms. Pham Thi Hong Diep	Deputy General Director
Mr. Nguyen Thanh Tu	Deputy General Director
Mr. Phan Quang Tuan Anh	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, Vietnam

### Auditor

PricewaterhouseCoopers (Vietnam) Limited

## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

### STATEMENT OF THE RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Chairman is responsible for the interim consolidated financial statements of PetroVietnam General Services Joint Stock Company and its subsidiaries ("the Corporation") which give a true and fair view of the financial position of the Corporation as at 30 June 2016 and of the results of its operations and cash flows for the six-month period then ended. In preparing these interim consolidated 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 interim consolidated 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 interim consolidated financial statements to be prepared which complies with the basis of accounting set out in Note 2 to the interim consolidated 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying interim consolidated financial statements as set out on pages 4 to 45 which give a true and fair view of the financial position of the Corporation as at 30 June 2016 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 consolidated financial statements.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
11 August 2016





## REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION TO THE SHAREHOLDERS AND BOARD OF MANAGEMENT OF PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

We have reviewed the accompanying interim consolidated financial statements of PetroVietnam General Services Joint Stock Company and its subsidiaries ("the Corporation") which were prepared on 30 June 2016 and approved by the Chairman on 11 August 2016. The interim consolidated financial statements comprise the consolidated balance sheet as at 30 June 2016, the consolidated income statement, the consolidated cash flow statement for the six-month period then ended, and explanatory notes to these interim consolidated financial statements including significant accounting policies, as set out on pages 4 to 45.

### Chairman's Responsibility to the Interim Consolidated Financial Statements

The Chairman is responsible for the preparation and the true and fair presentation of these interim consolidated 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 the interim financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on this interim consolidated financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 interim consolidated financial information does not present fairly, in all material respects, the consolidated financial position of the Corporation as at 30 June 2016, its consolidated financial performance and consolidated 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 consolidated financial statements.

For and on behalf of PricewaterhouseCoopers (Vietnam) Limited



Quach Thanh Chau  
Audit Practising Licence No. 0875-2013-006-1  
Authorised signatory  
Report reference number: HCM5543  
Ho Chi Minh City, 11 August 2016

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

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 30.6.2016 VND	As at 31.12.2015 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>3,994,068,317,507</b>	<b>4,542,240,259,676</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>1,370,624,574,114</b>	<b>1,461,210,798,980</b>
111	Cash		435,228,256,207	514,566,693,431
112	Cash equivalents		935,396,317,907	946,644,105,549
<b>120</b>	<b>Short-term investments</b>		<b>7,000,000,000</b>	<b>9,222,550,381</b>
123	Investments held to maturity	4(a)	7,000,000,000	9,222,550,381
<b>130</b>	<b>Short-term receivables</b>		<b>1,309,720,628,527</b>	<b>1,334,417,481,376</b>
131	Short-term trade accounts receivable	5	1,047,884,499,060	1,036,279,774,307
132	Short-term prepayments to suppliers	6	88,180,722,549	91,559,376,897
136	Other short-term receivables	7	213,372,156,536	252,094,613,712
137	Provision for doubtful debts – short term	8	(39,747,758,606)	(45,516,283,540)
139	Shortage of assets awaiting resolution		31,008,988	-
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>936,377,299,375</b>	<b>1,300,928,166,252</b>
141	Inventories		955,244,156,546	1,331,014,880,337
149	Provision for decline in value of inventories		(18,866,857,171)	(30,086,714,085)
<b>150</b>	<b>Other current assets</b>		<b>370,345,815,491</b>	<b>436,461,262,687</b>
151	Short-term prepaid expenses		6,986,847,496	4,327,375,667
152	Value Added Tax to be reclaimed		360,757,334,650	345,097,101,659
153	Other taxes receivable	10(a)	2,601,633,345	87,036,785,361

The notes on pages 9 to 45 are an integral part of these interim consolidated financial statements.



**CONSOLIDATED BALANCE SHEET**  
(continued)

Code	ASSETS (continued)	Note	As at 30.6.2016 VND	As at 31.12.2015 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>918,671,330,936</b>	<b>602,421,642,023</b>
<b>210</b>	<b>Long-term receivables</b>		<b>2,831,268,342</b>	<b>2,779,901,205</b>
211	Long-term accounts receivable		15,250,000	1,401,380,590
212	Long-term advances to suppliers		-	18,000,000
216	Other long-term receivables		2,816,018,342	1,360,520,615
<b>220</b>	<b>Fixed assets</b>		<b>236,183,221,550</b>	<b>238,559,735,806</b>
221	Tangible fixed assets	11(a)	132,933,627,035	135,004,626,018
222	Cost		333,349,985,378	319,609,651,137
223	Accumulated depreciation		(200,416,358,343)	(184,605,025,119)
227	Intangible fixed assets	11(b)	103,249,594,515	103,555,109,788
228	Cost		106,511,251,569	106,332,751,569
229	Accumulated amortisation		(3,261,657,054)	(2,777,641,781)
<b>230</b>	<b>Investment properties</b>		<b>4,998,000,000</b>	<b>5,304,000,000</b>
231	Cost		6,120,000,000	6,120,000,000
232	Accumulated depreciation		(1,122,000,000)	(816,000,000)
<b>240</b>	<b>Long-term assets in progress</b>		<b>459,100,100,950</b>	<b>133,979,477,868</b>
242	Construction in progress	12	459,100,100,950	133,979,477,868
<b>250</b>	<b>Long-term investments</b>		<b>17,864,273,174</b>	<b>18,428,759,180</b>
252	Investment in associates	4(b)	15,864,273,174	16,428,759,180
253	Investment in other entities	4(c)	2,000,000,000	2,000,000,000
<b>260</b>	<b>Other long-term assets</b>		<b>197,694,466,920</b>	<b>203,369,767,964</b>
261	Long-term prepaid expenses	13	196,490,954,290	202,166,255,334
262	Deferred income tax assets		1,203,512,630	1,203,512,630
<b>270</b>	<b>TOTAL ASSETS</b>		<b>4,912,739,648,443</b>	<b>5,144,661,901,699</b>

The notes on pages 9 to 45 are an integral part of these interim consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
(continued)

Code	RESOURCES	Note	As at 30.6.2016 VND	As at 31.12.2015 VND
<b>300</b>	<b>LIABILITIES</b>		<b>3,280,282,558,350</b>	<b>3,570,295,234,266</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>2,872,388,338,194</b>	<b>3,376,319,221,450</b>
311	Short-term trade accounts payable	14	902,455,580,110	1,175,310,245,507
312	Short-term advances from customers		15,141,597,264	33,438,469,654
313	Tax and other payables to the State Budget	10(b)	27,563,220,952	21,637,413,700
314	Payable to employees		76,845,183,423	96,524,772,732
315	Short-term accrued expenses	15	16,027,895,511	16,649,614,765
318	Short-term unearned revenue		2,062,446,710	2,300,367,758
319	Other short-term payables	16	38,055,922,339	105,728,121,564
320	Short-term borrowings	17(a)	1,730,895,808,258	1,864,401,640,693
322	Bonus and welfare funds		63,340,683,627	60,328,575,077
<b>330</b>	<b>Long-term liabilities</b>		<b>407,894,220,156</b>	<b>193,976,012,816</b>
332	Long-term advances from customers	18	136,363,636,364	136,363,636,364
336	Long-term unearned revenue		190,606,667	77,806,667
337	Other long-term payables	19	59,483,174,289	57,534,569,785
338	Long-term borrowings	17(b)	211,856,802,836	-
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,632,457,090,093</b>	<b>1,574,366,667,433</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,632,457,090,093</b>	<b>1,574,366,667,433</b>
411	Owners' capital	20,21	866,001,240,000	846,001,240,000
411a	- Ordinary shares with voting rights		866,001,240,000	846,001,240,000
412	Share premium	21	133,918,052,614	133,918,052,614
414	Owners' other capital	21	56,740,087,775	56,740,087,775
415	Treasury shares	21	(35,523,322,342)	(35,523,322,342)
418	Investment and development funds	21	172,435,682,835	173,203,515,481
421	Undistributed earnings	21	260,443,462,783	241,130,930,168
421a	- Undistributed post-tax profits of the previous years		174,322,787,029	156,145,909,360
421b	- Post-tax profits of the current period/year		86,120,675,754	84,985,020,808
429	Non-controlling interests	22	178,441,886,428	158,896,163,737
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>4,912,739,648,443</b>	<b>5,144,661,901,699</b>

Ha Van Phuong  
Preparer

Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman  
11 August 2016

The notes on pages 9 to 45 are an integral part of these interim consolidated financial statements.



## CONSOLIDATED INCOME STATEMENT

Code	Note	For the six-month period ended	
		30.6.2016 VND	30.6.2015 VND
<b>01 Sales</b>		<b>4,891,969,487,105</b>	<b>5,471,026,960,396</b>
02 Less deductions		(93,478,046,253)	(104,678,896,203)
<b>10 Net sales</b>	26	<b>4,798,491,440,852</b>	<b>5,366,348,064,193</b>
<b>11 Cost of sales</b>	27	<b>(4,463,236,735,530)</b>	<b>(4,950,451,121,401)</b>
<b>20 Gross profit</b>		<b>335,254,705,322</b>	<b>415,896,942,792</b>
21 Financial income	28	28,780,617,129	37,564,989,738
22 Financial expenses	29	(43,978,377,477)	(61,312,584,772)
23 - Including: Interest expenses		(38,179,184,198)	(50,600,873,566)
24 (Loss)/profit sharing from investment in associate		(564,486,006)	77,487,085
25 Selling expenses	30	(121,238,516,760)	(131,902,634,613)
26 General and administration expenses	31	(67,733,974,194)	(99,213,756,283)
<b>30 Net operating profit</b>		<b>130,519,968,014</b>	<b>161,110,443,947</b>
31 Other income		5,629,998,221	5,114,425,358
32 Other expenses		(7,868,752,408)	(4,385,138,187)
<b>40 Net other income</b>	32	<b>(2,238,754,187)</b>	<b>729,287,171</b>
<b>50 Net accounting profit before tax</b>		<b>128,281,213,827</b>	<b>161,839,731,118</b>
<b>51 Business income tax - current</b>	33	<b>(23,246,272,332)</b>	<b>(37,953,412,386)</b>
<b>52 Business income tax - deferred</b>	33	-	<b>(3,207,512,000)</b>
<b>60 Net profit after tax</b>		<b>105,034,941,495</b>	<b>120,678,806,732</b>
<b>Attributable to:</b>			
61 Owners of the parent company		86,120,675,754	100,528,931,424
62 Non-controlling interests		18,914,265,741	20,149,875,308
<b>70 Earnings per share</b>	25	<b>996</b>	<b>1,321</b>



Ha Van Phuong  
Preparer



Dao Van Dai  
Chief Accountant

Phung Tuan Ha  
Chairman  
11 August 2016

The notes on pages 9 to 45 are an integral part of these interim consolidated financial statements.



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

Code	Note	For the six-month period ended	
		30.6.2016 VND	30.6.2015 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net profit before tax	128,281,213,827	161,839,731,118
	Adjustments for:		
02	Depreciation and amortisation	16,601,348,497	13,556,309,426
03	Provisions	(16,988,381,848)	14,840,625,829
04	Unrealised foreign exchange losses	1,336,924	1,152,555,294
05	Profits from investing activities	(19,005,507,526)	(33,202,959,218)
06	Interest expenses	38,179,184,198	50,921,955,778
08	Operating profit before changes in working capital	147,069,194,072	209,108,218,227
09	Decrease/(increase) in receivables	102,288,653,618	(126,759,522,715)
10	Decrease in inventories	375,770,723,791	240,969,456,822
11	Decrease in payables	(365,804,087,833)	(168,344,092,348)
12	Decrease/(increase) in prepaid expenses	3,015,829,215	(2,207,232,657)
14	Interests paid	(38,800,903,452)	(56,352,867,114)
15	Business income tax paid	(28,707,015,785)	(37,864,462,444)
16	Other receipts from operating activities	-	311,663,957
17	Other payments on operating activities	(11,733,324,125)	(13,530,694,072)
20	Net cash inflows from operating activities	183,099,069,501	45,330,467,656
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(307,491,572,568)	(48,331,731,720)
22	Proceeds from disposals of fixed assets	2,222,550,381	100,909,091
23	Loans granted, purchases of debt instruments of other entities	-	(4,000,000,000)
27	Dividends and interests received	15,066,138,995	26,883,525,993
30	Net cash outflows from investing activities	(290,202,883,192)	(25,347,296,636)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issue of shares	22,850,000,000	-
32	Payments for share repurchases	-	(35,518,252,566)
33	Proceeds from borrowings	2,886,924,990,227	3,639,081,930,843
34	Repayments of borrowings	(2,808,574,019,826)	(4,016,480,135,325)
36	Dividends paid	(84,682,044,652)	(20,707,166,925)
40	Net cash inflows/(outflows) from financing activities	16,518,925,749	(433,623,623,973)
50	Net decrease in cash and cash equivalents	(90,584,887,942)	(413,640,452,953)
60	Cash and cash equivalents at beginning of period	3 1,461,210,798,980	2,050,148,166,048
61	Effect of foreign exchange differences	(1,336,924)	373,518,608
70	Cash and cash equivalents at end of period	3 1,370,624,574,114	1,636,881,231,703

Ha Van Phuong  
Preparer

Dao Van Dai  
Chief Accountant



Phung Tuan Ha  
Chairman  
11 August 2016

The notes on pages 9 to 45 are an integral part of these interim consolidated financial statements.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016**

**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 18th amendment issued by the Department of Planning and Investment of Ho Chi Minh City dated 23 May 2016. 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 fibers, and cassava;
- support and management services;
- lease of warehouse, workshops, premises, office;
- sales of supplies, office equipment, audio-visual equipment.

The normal business cycle of the Corporation is within 12 months.

As at 30 June 2016, the Corporation and its subsidiaries had 2,310 employees (31 December 2015: 2,390 employees).

As at 30 June 2016, the Corporation had 14 subsidiaries and 1 associate with details as follows:

No.	Subsidiary name	Principal activity	Place of incorporation and operation	% of ownership	% of voting rights
1	Petroleum General Distribution Services Joint Stock Company ("PSD")	Distribution of telecom, electronic equipment	HCMC	79.87%	79.87%
2	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering services	HCMC	100%	100%
3	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering services	Vung Tau	70%	70%
4	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering services	Quang Ngai	99.79%	99.79%
5	PetroVietnam Assets Management Joint Stock Company ("PSA")	Property management and services	Ha Noi	78.61%	78.61%
6	Petrosetco SSG Company Limited ("PSSSG")	Real estates	HCMC	51%	51%
7	Smart Convergence Joint Stock Company ("Smartcom")	Distribution of equipment, electronic, components, peripheral devices, software	HCMC	55%	55%



1 GENERAL INFORMATION (continued)

No.	Subsidiary name (continued)	Principal activity	Place of incorporation and operation	% of ownership	% of voting rights
8	Petrosetco Retail Services Joint Stock Company ("PSR")	Retail of mobile phones	HCMC	51%	51%
9	Petroleum Logistics Service Joint Stock Company ("PSL") (*)	Marine transportation service	HCMC	44%	60%
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distribution of equipment, electronic components, peripheral devices	HCMC	51%	51%
11	ASSA Technology JSC ("ASSA")	Processing electronic and telecommunication equipment	HCMC	60%	60%
12	Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	Providing heavy transportation and lifting services	HCMC	51%	51%
13	Petroleum Trading Services Company Limited ("PST") (**)	Stopped operation and on liquidation process	HCMC	100%	100%
14	Petroleum Saigon General Services Company Limited ("PSG") (**)	Stopped operation and on liquidation process	HCMC	100%	100%
Associate		Principal activity	Place of incorporation and operation	% of ownership	% of voting rights
Petro Tower Limited Company		Office for lease	Ba Ria - Vung Tau	24%	24%

(\*) As at 30 June 2016, although the Corporation's interest at PSL is only 44% after PSL increased its charter capital in 2015, the Corporation's voting ratio at PSL is 60%. Therefore, the Corporation still has the authority to control over the financial policy and performance of PSL, and PSL is treated as a subsidiary of the Corporation.

(\*\*) 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 from 1 January 2012. Currently, PST and PSG are under tax finalisation with the tax authorities for dissolution. From 2013 until now, the two companies have had no business activities incurred.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation of interim consolidated financial statements**

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

The accompanying interim consolidated 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.

### **2.2 Significant changes in the Corporation's accounting policy applied**

Circular No. 53/2016/TT- BTC ("Circular 53") - Amended some articles of Circular No. 200/2014/TT-BTC ("Circular 200") – Providing guidance on Corporate Accounting System dated 21 March 2016. Circular 53 is applicable to fiscal years beginning on or after 1 January 2016. However, enterprises can choose to apply those changes relating to foreign exchange rates for the fiscal year 2015.

According to Circular 200, transactions arising in foreign currencies are translated at actual 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 of the commercial 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 commercial bank where the Corporation holds the foreign currency accounts.

According to Circular 53, the actual exchange rate can be the approximate exchange rate that is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Corporation regularly trades. The approximate exchange rate disparity must not exceed +/- 1% compared with the average transfer exchange rate. The average transfer exchange rate is determined daily or weekly or monthly based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank.

In addition, under Circular 53, if the Corporation uses the approximate exchange rate to account for transactions denominated in foreign currencies in the accounting period, the Corporation must use the transfer rate of the commercial bank where it regularly trades to revalue balances denominated in foreign currencies at end of the accounting period. The transfer rate can be the buying or selling rate or average transfer rate of the commercial bank.

### **2.3 Fiscal year**

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

### **2.4 Currency**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Currency (continued)**

Transactions arising in foreign currencies are translated at an exchange rate which is the rate approximating the average transfer exchange rate of the buying and selling rates of the commercial bank where the Corporation regularly trades. The Corporation ensures that the disparity of the approximate exchange rate does not exceed +/- 1% compared with the average transfer exchange rate. The average transfer exchange rate is determined daily based on the average between the daily buying transfer rate and selling transfer rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the transfer rate at the balance sheet date of the commercial bank where the Corporation regularly trades. The transfer rate is the buying rate or selling rate of the commercial bank. Foreign exchange differences arising from these translations are recognised in the income statement.

**2.5 Basis of consolidation****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. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Corporation. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

**Non-controlling transactions and interests**

The Corporation applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Corporation.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Changes in the Corporation's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Corporation's share of net assets of the subsidiary and any consideration paid or received is recorded directly in the undistributed earnings under equity.



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

### **2.5 Basis of consolidation (continued)**

#### **Associates**

Associates are all entities over which the Corporation has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Corporation's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Corporation's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Corporation's share of losses in a associate equals or exceeds its interest in the associate, the Corporation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains and losses on transactions between the Corporation and its associates are eliminated to the extent of the Corporation's interest in the associates. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

### **2.6 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.

### **2.7 Trade receivables**

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

### **2.8 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investments****(a) Investments held-to-maturity**

Investments held to maturity are investments which the Corporation's Board of General Directors has positive intention and ability to hold until maturity.

Investment held-to-maturity includes term deposits, treasury bills, bonds, callable preference shares which should be repurchased by issuer at certain time in the future, loans held-to-maturity for interest earning and other held-to-maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held to maturity is made when there is evidence that part or whole of investment is uncollectible.

**(b) Investments in equity of other entities**

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the 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 Board of General Directors in their business plan before the date of investment.

**2.10 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

Fixed assets are depreciated and amortised 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%

Land use rights with indefinite useful life are recorded at historical cost and are not amortised. Computer software is amortised on a straight-line basis over the estimated useful life of eight (08) years.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 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.

#### *Construction in progress*

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

### 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.

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 Investment properties

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

#### *Depreciation*

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

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

Investment properties held for price appreciation are not depreciated. Impairment of investment properties held for price appreciation is recognised when there are objective evidences of the impairment in the value of investment properties compared to the market price and the impairment allowance can be estimated reliably. Impairment allowance is recorded to cost of sales.

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

### **2.12 Investment properties (continued)**

#### *Disposals*

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

### **2.13 Prepaid expenses**

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

### **2.14 Payables**

Classifications of payables are based on their nature 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 into long-term and short-term payable from the balance sheet date to the maturity date.

### **2.15 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.

### **2.16 Accrued expenses**

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

### **2.17 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 an interest expense.



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

**2.18 Unearned revenue**

Unearned revenue mainly comprises of the amounts of customers paid in advance for one or many accounting periods for asset lease. The Corporation records unearned revenue for the future obligations that the Corporation has to conduct.

**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.

**(c) Other capital**

Other capital shall be recorded in owners' other capital at the reporting date.

**(d) Undistributed earnings**

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

**2.20 Appropriation of net profit**

Net profit after income tax could be distributed to shareholders after approval at Annual General Meeting, and after appropriation to other funds in accordance with the Corporation's charter and Vietnamese regulations.

The Corporation's funds are as below:

**(a) 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.

**(b) 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 SUMMARY OF SIGNIFICANT 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 likely return of goods.

Revenue is recognised based on principle of “substance over form” and allocated to each sales obligation. In case that the Corporation gives promotional goods to customers associated with customers’ purchase, the Corporation allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the income statement.

**(b) Sales of services**

Revenue from the sale 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 Sales deductions**

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the period but are incurred after the balance sheet date but before the issuance of the financial statements are recorded as deduction of revenue of the period.

**2.23 Cost of sales**

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

**2.24 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 foreign exchange differences, payment discounts.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.25 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, maintenance charges, packaging, and transportation.

**2.26 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly including salary expenses of administrative staffs (salaries, wages, allowances, etc.); 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, outside services, utilities and other cash expenses.

**2.27 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 at 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 interim consolidated 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.

**2.28 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.29 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 the related party relationship, the Corporation considers the substance of the relationship but not merely the legal form.

### 2.30 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 interim consolidated financial statements in order to help users of interim consolidated financial statements to understand and evaluate the situation the operations of the Corporation in a comprehensive way.

### 2.31 Accounting estimates

The preparation of interim consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of General Directors 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 interim consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of General Directors' best knowledge, actual results may differ from those estimates.

## 3 CASH AND CASH EQUIVALENTS

	30.6.2016 VND	31.12.2015 VND
Cash on hand	4,595,952,354	6,557,591,838
Cash at banks	430,632,303,853	507,957,754,593
Cash in transit	-	51,347,000
Cash equivalents (*)	935,396,317,907	946,644,105,549
	<u>1,370,624,574,114</u>	<u>1,461,210,798,980</u>

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

**4 INVESTMENTS**

**(a) Investments held to maturity**

This is term deposits with the original maturity of six months at Nam A Commercial Joint Stock Bank.

**(b) Investment in associate**

	<b>30.6.2016</b>		<b>31.12.2015</b>	
	<b>Cost VND</b>	<b>Carrying value VND</b>	<b>Cost VND</b>	<b>Carrying value VND</b>
Petro Tower Limited Company	14,359,957,249	15,864,273,174	14,359,957,249	16,428,759,180

Details of the Corporation's associate as at 30 June 2016 are as follows:

	<b>Place of incorporation</b>	<b>% Interest</b>	<b>% Voting rights</b>	<b>Principal activity</b>
Petro Tower Limited Company	Ba Ria – Vung Tau	24%	24%	Office leasing service

Movements in investment in associate are as follows:

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Beginning of the period/year	16,428,759,180	17,878,373,578
Share of loss	(564,486,006)	(1,449,614,398)
End of period/year	15,864,273,174	16,428,759,180

**(c) Investment in other entity**

	<b>30.6.2016</b>			<b>31.12.2015</b>		
	<b>Cost VND</b>	<b>Fair value VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Fair value VND</b>	<b>Provision VND</b>
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 is not listed on the stock exchange.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Third parties:		
<i>Mobile World Joint Stock Company</i>	64,111,998,894	79,215,627,167
<i>Other</i>	794,326,029,225	849,421,759,130
	<hr/>	<hr/>
	858,438,028,119	928,637,386,297
	<hr/>	<hr/>
Related parties (Note 36(b)(ii)):		
<i>Joint Venture "Vietsovpetro"</i>	152,674,557,814	49,670,108,359
<i>Others</i>	36,771,913,127	57,972,279,651
	<hr/>	<hr/>
	189,446,470,941	107,642,388,010
	<hr/>	<hr/>
	1,047,884,499,060	1,036,279,774,307
	<hr/>	<hr/>

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Third parties	78,080,722,549	91,289,376,897
Related parties (Note 36(b)(vii)):		
<i>PetroVietnam</i>	10,000,000,000	-
<i>Others</i>	100,000,000	270,000,000
	<hr/>	<hr/>
	10,100,000,000	270,000,000
	<hr/>	<hr/>
	88,180,722,549	91,559,376,897
	<hr/>	<hr/>

**7 OTHER SHORT-TERM RECEIVABLES**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Receivable from trade discounts	181,483,707,301	202,274,264,049
Interest income receivable	3,773,861,643	4,273,525,646
Deposits	4,650,644,186	4,249,774,738
Others	23,463,943,406	41,297,049,279
	<hr/>	<hr/>
	213,372,156,536	252,094,613,712
	<hr/>	<hr/>



**8 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM**

<b>30.6.2016</b>				
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Days overdue</b>
Receivables that are past due	59,076,794,081	19,329,035,475	(39,747,758,606)	Less than 2 years

<b>31.12.2015</b>				
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Days overdue</b>
Receivables that are past due	159,522,404,717	114,006,121,177	(45,516,283,540)	Less than 2 years

**9 INVENTORIES**

	<b>30.6.2016</b>		<b>31.12.2015</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Goods in transit	66,985,271,122	-	48,797,395,361	-
Raw materials	1,921,255,513	-	2,531,723,986	-
Tools and supplies	7,205,764,281	-	534,489,929	-
Work in progress	2,749,263,652	-	-	-
Merchandises	810,303,431,643	(18,866,857,171)	1,127,642,665,885	(30,086,714,085)
Goods on consignment	66,079,170,335	-	151,508,605,176	-
	<u>955,244,156,546</u>	<u>(18,866,857,171)</u>	<u>1,331,014,880,337</u>	<u>(30,086,714,085)</u>

The Corporation has pledged a part of inventories to secure the bank loan (Note 17).

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

	<b>For the six-month period ended 30.6.2016 VND</b>	<b>For the year ended 31.12.2015 VND</b>
Beginning of period/year	30,086,714,085	35,952,925,192
Increase	4,145,226,302	7,253,136,088
Reversal	(15,365,083,216)	(13,119,347,195)
End of period/year	<u>18,866,857,171</u>	<u>30,086,714,085</u>

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

**(a) Other taxes receivable**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
VAT to be refunded	400,501,930	83,681,659,609
Business income tax	1,017,366,711	1,434,941,758
Personal income tax	1,112,563,993	769,859,445
Other taxes	71,200,711	1,150,324,549
	<u>2,601,633,345</u>	<u>87,036,785,361</u>

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

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
VAT output	14,291,545,803	3,992,280,733
Personal income tax	2,367,398,131	1,279,112,516
Business income tax	10,904,277,018	16,365,020,471
Other taxes	-	999,980
	<u>27,563,220,952</u>	<u>21,637,413,700</u>



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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

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

	<b>1.1.2016</b>		<b>During the period</b>		<b>30.6.2016</b>	
	<b>Payables</b>	<b>Incurred</b>	<b>Net off</b>	<b>Paid</b>	<b>Payables</b>	<b>VND</b>
	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>	<b>VND</b>
VAT output	3,992,280,733	168,374,939,904	(29,734,343,656)	(128,341,331,178)	14,291,545,803	
Business income tax	16,365,020,471	23,246,272,332	-	(28,707,015,785)	10,904,277,018	
Personal income tax	1,279,112,516	3,913,221,675	-	(2,824,936,060)	2,367,398,131	
Other taxes	999,980	20,273,000	-	(21,272,980)	-	

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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11 FIXED ASSETS

(a) Tangible fixed assets

	Buildings VND	Machinery, equipment VND	Motor vehicles VND	Office Equipment VND	Total VND
<b>Historical cost</b>					
At 1 January 2016	90,402,864,980	101,807,466,895	113,623,032,816	13,776,286,446	319,609,651,137
New purchases	8,620,895,464	2,324,711,130	2,660,232,727	134,494,920	13,740,334,241
At 30 June 2016	99,023,760,444	104,132,178,025	116,283,265,543	13,910,781,366	333,349,985,378
<b>Accumulated depreciation</b>					
At 1 January 2016	48,034,903,149	56,617,474,060	68,926,195,035	11,026,452,875	184,605,025,119
Charge for the period	2,903,991,194	4,285,396,221	7,682,998,108	938,947,701	15,811,333,224
At 30 June 2016	50,938,894,343	60,902,870,281	76,609,193,143	11,965,400,576	200,416,358,343
<b>Net book value</b>					
At 1 January 2016	42,367,961,831	45,189,992,835	44,696,837,781	2,749,833,571	135,004,626,018
At 30 June 2016	48,084,866,101	43,229,307,744	39,674,072,400	1,945,380,790	132,933,627,035

Cost of fully depreciated fixed assets but still be in use as at 30 June 2016 was VND113.34 billion (2015: VND96.8 billion).



**11 FIXED ASSETS (continued)**

**(b) Intangible fixed assets**

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
At 1 January 2016	101,988,494,434	4,344,257,135	<b>106,332,751,569</b>
New purchases	-	178,500,000	<b>178,500,000</b>
At 30 June 2016	101,988,494,434	4,522,757,135	<b>106,511,251,569</b>
<b>Accumulated amortisation</b>			
At 1 January 2016	-	2,777,641,781	<b>2,777,641,781</b>
Charge for the period	-	484,015,273	<b>484,015,273</b>
At 30 June 2016	-	3,261,657,054	<b>3,261,657,054</b>
<b>Net book value</b>			
At 1 January 2016	101,988,494,434	1,566,615,354	<b>103,555,109,788</b>
At 30 June 2016	101,988,494,434	1,261,100,081	<b>103,249,594,515</b>

Cost of fully depreciated intangible fixed assets but still be in use as at 30 June 2016 was VND1.7 billion (2015: VND1.6 billion).

**12 CONSTRUCTION IN PROGRESS**

Details of construction in progress are presented as follows:

	30.6.2016 VND	31.12.2015 VND
Residential zone and services project for Nghi Son Refinery and Petrochemical Company Limited ("Nghi Son Project")	423,183,016,995	101,112,071,454
Petrosetco SSG Tower	33,504,461,467	31,602,965,744
Other projects	2,412,622,488	1,264,440,670
	<b>459,100,100,950</b>	<b>133,979,477,868</b>

**12 CONSTRUCTION IN PROGRESS (continued)**

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

	<b>For the six-month period ended 30.6.2016 VND</b>	<b>For the year ended 31.12.2015 VND</b>
Beginning of period/year	133,979,477,868	32,561,674,286
Construction	325,120,623,082	101,417,803,582
End of period/year	<u>459,100,100,950</u>	<u>133,979,477,868</u>

**13 LONG-TERM PREPAID EXPENSES**

Details of long-term prepaid expenses are as follows:

	<b>For the six-month period ended 30.6.2016 VND</b>	<b>For the year ended 31.12.2015 VND</b>
Office rental (*)	105,109,936,843	110,696,745,961
Cost of gas cylinders	64,057,556,859	66,766,950,430
Others	27,323,460,588	24,702,558,943
	<u>196,490,954,290</u>	<u>202,166,255,334</u>

(\*) The amount represents the prepayment to PetroVietnam for office leasing of 1,881.44 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 period/year were as follows:

	<b>For the six-month period ended 30.6.2016 VND</b>	<b>For the year ended 31.12.2015 VND</b>
Opening balance	202,166,255,334	208,100,667,693
Increase	6,225,688,953	17,178,907,172
Allocation	(11,900,989,997)	(23,113,319,531)
Closing balance	<u>196,490,954,290</u>	<u>202,166,255,334</u>



**14 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Third parties:		
<i>Samsung Electronics Vietnam Thai Nguyen Company Limited</i>	261,797,342,660	143,723,625,100
<i>Dell Global B.V. (Singapore Branch)</i>	109,621,238,596	101,689,677,900
<i>Other third parties</i>	353,145,457,372	633,106,501,750
	<u>724,564,038,628</u>	<u>878,519,804,750</u>
Related parties (Note 36(b)(iii)):		
<i>PetroVietnam</i>	20,325,186,418	19,433,233,494
<i>Binh Son Refining and Petrochemical Company Limited</i>	151,469,855,423	272,489,604,727
<i>Other related parties</i>	6,096,499,641	4,867,602,536
	<u>177,891,541,482</u>	<u>296,790,440,757</u>
	<u>902,455,580,110</u>	<u>1,175,310,245,507</u>

The Corporation has ability to pay off trade accounts payable when they are on due.  
As at 30 June 2016, the Corporation did not have any overdue trade accounts payable.

**15 SHORT-TERM ACCRUED EXPENSES**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Warehouse rental and transportation	56,793,006	1,751,315,848
Interest expenses	3,151,490,517	3,363,462,425
Office rental	347,170,707	3,300,000,000
Others	12,472,441,281	8,234,836,492
	<u>16,027,895,511</u>	<u>16,649,614,765</u>

**16 OTHER SHORT-TERM PAYABLES**

	<b>30.6.2016 VND</b>	<b>31.12.2015 VND</b>
Payable to PetroVietnam (Note 36(b)(v))	5,790,220,545	8,535,573,233
Payable to agents, customers	9,305,764,429	47,131,703,889
Dividend payable (Note 23)	1,950,890,801	34,158,820,320
Others	21,009,046,564	15,902,024,122
	<u>38,055,922,339</u>	<u>105,728,121,564</u>

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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**17 BORROWINGS**

**(a) Short-term borrowings**

	As at 1.1.2016 VND	During the period		As at 30.6.2016 VND
		Increase VND	Decrease VND	
Joint Stock Commercial Bank for Foreign Trade of Vietnam	605,326,076,759	1,041,996,479,626	(963,683,626,074)	683,638,930,311
ANZ Bank (Vietnam) Limited	342,220,393,572	163,484,934,800	(342,220,393,572)	163,484,934,800
Military Commercial Joint Stock Bank	487,703,802,260	680,786,879,033	(662,014,316,491)	506,476,364,802
HSBC Bank (Vietnam) Limited	75,652,862,527	78,491,793,000	(123,720,189,927)	30,424,465,600
Vietnam Joint Stock Commercial Bank for Industry and Trade	353,498,505,575	482,701,768,352	(716,935,493,762)	119,264,780,165
Standard Chartered Bank (Vietnam) Limited	-	213,281,714,179	-	213,281,714,179
Vietnam International Commercial Joint Stock Bank	-	14,324,618,401	-	14,324,618,401
	<u>1,864,401,640,693</u>	<u>2,675,068,187,391</u>	<u>(2,808,574,019,826)</u>	<u>1,730,895,808,258</u>

These represent loans from commercial banks in the form of short-term loans, credit terms or letter of credit. As at 30 June 2016, the Corporation had non-cancellable guarantee commitment for loans at commercial banks for the Corporation's subsidiaries with total amount of VND2,132 billion. Those short-term borrowings are secured by inventories worth VND822.6 billion as at 30 June 2016. The interest rates are determined by those announced by the banks at the withdrawal date or by interest rate adjustable from time to time announced by the banks.



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**17 BORROWINGS (continued)**

**(b) Long-term borrowings**

	As at 1.1.2016 VND	During the period		As at 30.6.2016 VND
		Increase VND	Decrease VND	
Asia Commercial Bank	-	211,856,802,836	-	211,856,802,836

The loans represent a credit limit of VND400 billion and will expire on 26 January 2017 to finance the Nghi Son Project (Note 12) and bear interest rate adjustable from time to time by the Bank. The loans will be settled in a period up to 9 years and are secured by Nghi Son Project's assets which are formed in the future; receivables; rights prescribed in the lease contract at Nghi Son Project and 5,345,200 shares of PSA owned by the Corporation.

As at 30 June 2016, the borrowing costs relating to Nghi Son Project were capitalised into historical cost of the Nghi Son Project as the construction is still in progress.

**18 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 36(b)(vi)).

**19 OTHER LONG-TERM PAYABLES**

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>VND</b>	<b>VND</b>
Payable to Ba Ria - Vung Tau Province State Treasury (*)	7,030,627,285	7,449,088,575
Gas cylinders deposits	36,608,068,794	37,823,913,087
Others	15,844,478,210	12,261,568,123
	<u>59,483,174,289</u>	<u>57,534,569,785</u>

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

**20 OWNERS' CAPITAL**

**(a) Number of shares**

	<b>30.6.2016</b>		<b>31.12.2015</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
Number of shares registered	86,600,124	-	84,600,124	-
Number of existing shares in issue	86,600,124	-	84,600,124	-

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 and entitled to one vote per share at the Corporation's shareholder meetings.



**20 OWNERS' CAPITAL (continued)**

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

Pursuant to the 18<sup>th</sup> amended Business Registration Certificate dated 23 May 2016, charter capital of the Corporation is VND866 billion.

The detail of owners' shareholding of the Corporation is as follows:

	<b>30.6.2016</b>		<b>31.12.2015</b>	
	<b>VND</b>	<b>%</b>	<b>VND</b>	<b>%</b>
PVN	209,738,510,000	24.22	209,738,510,000	24.79
Other shareholders	656,262,730,000	75.78	636,262,730,000	75.21
	<u>866,001,240,000</u>	<u>100</u>	<u>846,001,240,000</u>	<u>100</u>

**(c) Movement of share capital**

	<b>Ordinary shares VND</b>	<b>Preference shares VND</b>	<b>Total VND</b>
As at 1 January 2015	698,420,000,000	-	<b>698,420,000,000</b>
New shares issued	147,581,240,000	-	<b>147,581,240,000</b>
As at 31 December 2015	<u>846,001,240,000</u>	<u>-</u>	<u><b>846,001,240,000</b></u>
New shares issued	20,000,000,000	-	<b>20,000,000,000</b>
As at 30 June 2016	<u>866,001,240,000</u>	<u>-</u>	<u><b>866,001,240,000</b></u>

Par value per share: VND10,000.

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**21 MOVEMENTS IN OWNERS' EQUITY**

	Share capital VND	Share premium VND	Other capital VND	Investment and development funds VND	Undistributed earnings VND	Treasury shares VND	Total VND
As at 1 January 2015	698,420,000,000	160,547,882,393	-	175,628,619,942	317,268,414,029	-	1,351,864,916,364
Profit for the year	-	-	-	-	172,904,848,911	-	172,904,848,911
Net profit from transferring shares	-	-	-	-	1,611,021,552	-	1,611,021,552
Issuance of shares for dividends (*)	132,681,240,000	-	-	-	(132,681,240,000)	-	-
Issuance of shares to employees (phase one) (**)	14,900,000,000	-	-	-	-	-	14,900,000,000
Dividend settlement by share by a subsidiary	-	(26,629,829,779)	56,740,087,775	(3,975,810,036)	(26,134,447,960)	-	-
Repurchases of treasury shares	-	-	-	-	-	(35,523,322,342)	(35,523,322,342)
Reversal of appropriated funds	-	-	-	(57,971,775)	57,971,775	-	-
Appropriations to funds	-	-	-	1,608,677,350	(8,785,514,139)	-	(7,176,836,789)
Interim dividend of 2015	-	-	-	-	(83,110,124,000)	-	(83,110,124,000)
As at 31 December 2015	846,001,240,000	133,918,052,614	56,740,087,775	173,203,515,481	241,130,930,168	(35,523,322,342)	1,415,470,503,696
Profit for the period	-	-	-	-	86,120,675,754	-	86,120,675,754
Issuance of shares to employees (phase two) (**)	20,000,000,000	-	-	-	-	-	20,000,000,000
Reversal of appropriated funds	-	-	-	(767,832,646)	767,832,646	-	-
Appropriations to funds	-	-	-	-	(16,806,837,179)	-	(16,806,837,179)
Final dividend of 2015 (**)	-	-	-	-	(50,769,138,606)	-	(50,769,138,606)
As at 30 June 2016	866,001,240,000	133,918,052,614	56,740,087,775	172,435,682,835	260,443,462,783	(35,523,322,342)	1,454,015,203,665

**21 MOVEMENTS IN OWNERS' EQUITY (continued)**

- (\*) According to the Resolution No. 04/NQ-DVTHDK-ĐHĐCĐ dated 9 April 2015, the Corporation's General Shareholders approved the share issuance plan to its employees in 2 phases: 1,490,000 shares on phase 1 and 2,000,000 shares on phase 2 at VND10,000 per share for 2 phases. Phase one and phase two were completed on 24 August 2015 and 28 April 2016 respectively.
- (\*\*) According to the Resolution No. 17/NQ-DVTHDK-ĐHĐCĐ dated 8 April 2016, the Corporation's General Shareholders approved the final dividend for 2015 at the rate 16% of the charter capital. Accordingly, the Corporation issued the Announcement No. 539/TB-SGDHCM dated 9 May 2016 to pay additional dividend using the 2015 undistributed post-tax profits at the rate of 6% on par value corresponding to share capital of VND866,001,240,000 (which is the capital after the issuance of shares to employees in phase two).

**22 NON-CONTROLLING INTERESTS**

Details of non-controlling interests are as follows:

	<b>30.6.2016</b>	<b>31.12.2015</b>
	<b>VND</b>	<b>VND</b>
Share capital	148,510,402,225	145,660,402,225
Investment and development funds	7,067,065,003	7,276,045,572
Undistributed earnings	22,864,419,200	5,959,715,940
	<u>178,441,886,428</u>	<u>158,896,163,737</u>

Movements in non-controlling interest are as follows:

	<b>For the six-month period ended 30.6.2016</b>	<b>For the year ended 31.12.2015</b>
	<b>VND</b>	<b>VND</b>
Beginning of period/year	158,896,163,737	147,364,858,411
Capital increased	2,850,000,000	7,197,728,448
Share of net profit	18,914,265,741	38,989,984,705
Appropriations to bonus and welfare fund	(513,566,524)	(1,732,673,903)
Dividends declared	(1,704,976,526)	(32,923,733,924)
	<u>178,441,886,428</u>	<u>158,896,163,737</u>



**23 DIVIDENDS PAYABLE**

	<b>30.6.2016</b> <b>VND</b>	<b>31.12.2015</b> <b>VND</b>
Opening balance	34,158,820,320	31,418,233,319
Dividends payable during the period/year	52,474,115,133	251,455,684,925
Dividends paid by share	-	(132,681,240,000)
Dividends paid in cash during the period/year	(84,682,044,652)	(116,033,857,924)
Closing balance	<u>1,950,890,801</u>	<u>34,158,820,320</u>

**24 OFF BALANCE SHEET ITEMS**

	<b>As at</b> <b>30.6.2016</b>	<b>As at</b> <b>31.12.2015</b>
Bad debts written off (VND)	17,928,448,762	17,918,448,762
Foreign currencies:		
- USD	6,275,586	4,179,211
- EUR	289	25,579
- GBP	205	205

**25 EARNINGS PER SHARE**

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

	<b>30.6.2016</b> <b>VND</b>	<b>30.6.2015</b> <b>VND</b>
Net profit after tax attributable to the shareholders of the parent company	86,120,675,754	100,528,931,424
Less appropriation to bonus and welfare fund	(990,400,849)	(318,622,344)
Net profit for the year attributable to the shareholders of the parent company	<u>85,130,274,905</u>	<u>100,210,309,080</u>
Weighted average number of ordinary shares in issue (shares)	85,450,953	75,886,368
Basic earnings per share	<u>996</u>	<u>1,321</u>

According to Decision No.04/NQ-DVTHDK-DHCHĐ date 8 April 2016, bonus and welfare fund is appropriated at 6% of 2016 net profit on the separate financial statements of the Corporation.

26 REVENUE

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
<b>Sales</b>		
Sales of goods	4,335,334,739,439	4,859,375,997,845
Rendering of services	556,634,747,666	611,650,962,551
	<u>4,891,969,487,105</u>	<u>5,471,026,960,396</u>
<b>Sales deductions</b>		
Trade discounts	(44,474,448,965)	(39,848,089,807)
Sales allowances	(20,742,327,228)	(31,350,714,338)
Sales returns	(28,261,270,060)	(33,480,092,058)
	<u>(93,478,046,253)</u>	<u>(104,678,896,203)</u>
<b>Net revenue</b>		
Net sales from sales of goods	4,241,155,135,913	4,754,697,101,642
Net sales from rendering of services	557,336,304,939	611,650,962,551
	<u>4,798,491,440,852</u>	<u>5,366,348,064,193</u>

27 COST OF SALES

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
Cost of goods sold	3,992,267,622,205	4,579,573,580,549
Cost of services rendered	482,188,970,239	377,609,451,883
Reversal of provision in value of inventory	(11,219,856,914)	(6,731,911,031)
	<u>4,463,236,735,530</u>	<u>4,950,451,121,401</u>

28 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
Interest income from deposits and loans	19,569,993,532	33,106,595,590
Realised foreign exchange gains	4,175,287,556	3,373,825,159
Others	5,035,336,041	1,084,568,989
	<u>28,780,617,129</u>	<u>37,564,989,738</u>

**29 FINANCIAL EXPENSES**

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
Interest expenses	38,179,184,198	50,921,955,778
Realised foreign exchange losses	1,793,756,817	6,880,513,546
Net loss from foreign currency translation at period end	1,336,924	1,152,555,294
Others	4,004,099,538	2,357,560,154
	<u>43,978,377,477</u>	<u>61,312,584,772</u>

**30 SELLING EXPENSES**

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
Staff costs	45,120,774,774	45,469,410,732
Transportation	19,289,050,373	31,021,740,371
Marketing	9,057,107,509	21,654,309,024
Depreciation	1,129,890,021	1,748,721,358
Warehouse rentals	3,355,785,483	5,099,944,722
Outside expenses	10,116,457,985	7,480,775,655
Others	33,169,450,615	19,427,732,751
	<u>121,238,516,760</u>	<u>131,902,634,613</u>

**31 GENERAL AND ADMINISTRATION EXPENSES**

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
Staff costs	26,877,014,839	32,774,555,725
Depreciation	4,613,370,728	2,950,695,689
Outside services	20,321,177,762	21,771,910,647
(Reversal of provision)/provision for doubtful debts	(5,768,524,934)	22,785,070,847
Management fees (Note 36(a)(v))	2,621,425,494	2,550,000,000
Others	19,069,510,305	16,381,523,375
	<u>67,733,974,194</u>	<u>99,213,756,283</u>



**32 NET OTHER INCOME/EXPENSES**

	<b>For the six-month period ended</b>	
	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>VND</b>	<b>VND</b>
<b>Other income</b>		
Fines	954,629,982	261,407,810
Sundry income	4,675,368,239	4,853,017,548
	<u>5,629,998,221</u>	<u>5,114,425,358</u>
<b>Other expenses</b>		
Fines	7,070,934,467	3,158,907,665
Sundry expenses	797,817,941	1,226,230,522
	<u>7,868,752,408</u>	<u>4,385,138,187</u>
<b>Net other (expenses)/income</b>	<u>(2,238,754,187)</u>	<u>729,287,171</u>

**33 BUSINESS INCOME TAX**

The tax on the Corporation's profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% (2015: 22%) as under current tax regulations as follows:

	<b>For the six-month period ended</b>	
	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>VND</b>	<b>VND</b>
Net accounting profit before tax	128,281,213,827	161,839,731,118
Tax calculated at a rate of 20% (2015: 22%)	25,656,242,765	35,604,740,846
Effect of:		
Income not subject to tax	(3,390,413,856)	-
Expenses not deductible for tax purposes	571,710,507	3,580,986,479
Under-provision in previous year	1,173,557,913	-
Non-assessable losses	509,717,419	1,975,197,061
Utilisation of previously unrecognised tax losses	(1,274,542,416)	-
Business income tax charge	<u>23,246,272,332</u>	<u>41,160,924,386</u>
Charged to income statement:		
Business income tax – current	23,246,272,332	37,953,412,386
Business income tax – deferred	-	3,207,512,000
	<u>23,246,272,332</u>	<u>41,160,924,386</u>

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

34 COST OF OPERATION BY FACTOR

	For the six-month period ended	
	30.6.2016 VND	30.6.2015 VND
Raw materials and merchandises	4,159,644,577,100	4,672,247,681,416
Staff costs	176,150,426,816	210,473,518,135
Depreciation expenses	16,295,348,497	13,556,309,426
(Reversal of provision)/provision for doubtful debts	(5,768,524,934)	22,785,070,847
Outside services	246,144,953,142	221,318,426,353
Others	59,742,445,863	41,186,506,120
	<u>4,652,209,226,484</u>	<u>5,181,567,512,297</u>





**36 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is Vietnam Oil and Gas Group (“PetroVietnam”), which owns 24.22% of share capital of the Corporation (Note 20(b)).

**(a) Related party transactions**

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

	<b>For the six-month period ended</b>	
	<b>30.6.2016</b>	<b>30.6.2015</b>
	<b>VND</b>	<b>VND</b>
<b>i) Sales of goods and services</b>		
PetroVietnam	76,697,467,519	64,763,858,031
Fellow PetroVietnam group subsidiaries	98,631,324,494	125,050,822,768
Affiliates	328,485,880,821	359,528,113,600
<b>ii) Purchases of goods and services</b>		
PetroVietnam	22,387,979,537	8,746,542,000
Fellow PetroVietnam group subsidiaries	287,889,476,748	706,266,633,024
Affiliates	20,848,182	5,608,263,772
<b>iii) Financing activities (Note 17)</b>		
Vietnam Public Joint Stock Commercial Bank - Fellow PetroVietnam group subsidiary:		
- Drawdowns	-	93,715,370,477
- Repayments	-	200,917,182,900
<b>iv) Compensation of key management</b>		
Gross salaries and other benefits	2,264,809,250	3,376,881,509
<b>v) Others</b>		
Dividend paid to PetroVietnam	12,584,310,600	-
Management fee paid to PetroVietnam (Note 31)	2,621,425,494	2,550,000,000

36 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2016 VND	31.12.2015 VND
<b>i) Cash at bank and cash equivalents at Vietnam Public Joint Stock Commercial Bank</b>		
Cash at bank	57,159,844,502	93,263,469,157
<b>ii) Short-term trade accounts receivable (Note 5)</b>		
PetroVietnam	26,257,799,787	1,925,000
Fellow PetroVietnam group subsidiaries	10,174,811,783	46,173,164,863
Affiliates	153,013,859,371	61,467,298,147
	189,446,470,941	107,642,388,010
<b>iii) Short-term trade accounts payable (Note 14)</b>		
PetroVietnam	20,325,186,418	19,433,233,494
Fellow PetroVietnam group subsidiaries	157,334,805,064	276,659,604,859
Affiliates	231,550,000	697,602,404
	177,891,541,482	296,790,440,757
<b>iv) Short-term advances from customers</b>		
PetroVietnam	211,683,236	7,492,510,418
Affiliates	-	16,839,117,867
	211,683,236	24,331,628,285
<b>v) Other short-term payables (Note 16)</b>		
PetroVietnam	5,790,220,545	8,535,573,233
<b>vi) Long-term advances from customers (Note 18)</b>		
Fellow PetroVietnam group subsidiaries	136,363,636,364	136,363,636,364

**36 RELATED PARTY DISCLOSURES (continued)**

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

	30.6.2016 VND	31.12.2015 VND
<b>vii) Short-term prepayments to suppliers (Note 6)</b>		
PetroVietnam	10,000,000,000	-
Fellow PetroVietnam group subsidiaries	100,000,000	270,000,000
	<u>10,100,000,000</u>	<u>270,000,000</u>

**37 COMMITMENTS**

**(a) Capital expenditures**

Construction contracted for at the balance sheet date but not recognised in the interim consolidated financial statements is as follows:

	30.6.2016 VND	31.12.2015 VND
Residential and services for Nghi Son Refinery and Petrochemical Company Limited	263,006,419,140	505,989,640,465

**(b) Commitments under operating leases**

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

	30.6.2016 VND	31.12.2015 VND
Over five years	54,191,290,810	54,191,290,810

**(c) Capital contribution commitment**

As at 30 June 2016, the status of charter capital commitment is as follow:

	As per Business Registration Certificate VND	% Ownership %	Capital contributed as at 30.6.2016 VND	Capital to be contributed as at 30.6.2016 VND
ITS (*)	20,000,000,000	40	-	20,000,000,000

(\*) According to Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Management decided to invest in ITS with the capital contribution of 40% of its charter capital, equivalent to VND20 billion. As at 30 June 2016, shareholders of ITS have not yet contributed the capital.



(d) **Commitments of credit guarantees**

As at 30 June 2016, the Corporation had non-cancellable guarantee commitments for loans at commercial banks (referred as “lenders”) for the Corporation's subsidiaries with the total amount of VND2,132 billion. Accordingly, the Corporation is responsible for repayment of principals, interests, guarantee costs and other underwriting expenses to lenders in case guaranteed parties might not repay or repay lately.

The interim consolidated financial statements were approved by the Chairman on 11 August 2016.

Ha Van Phuong  
Preparer

Dao Van Dai  
Chief Accountant

