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**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Chairman	2
Report on review of interim consolidated financial information	3
Interim consolidated balance sheet (Form B 01 – DN/HN)	5
Interim consolidated income statement (Form B 02 – DN/HN)	8
Interim consolidated cash flow statement (Form B 03 – DN/HN)	9
Notes to the interim consolidated financial statements (Form B 09 – DN/HN)	10

## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

### CORPORATE INFORMATION

#### Business Registration Certificate

No. 4103005338 dated 29 September 2006 which 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 Tien Duong	Member
Mr. Pham Quang Huy	Member
Ms. Le Thi Chien	Member
Ms. Pham Thi Hong Diep	Member

#### Board of Supervision

Mr. Phan Khac Vinh	Chief Supervisor
Mr. Le Anh Quoc	Member
Ms. Nguyen Thi My Dung	Member

#### Board of 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

6<sup>th</sup> Floor, PetroVietnam Tower, No. 1 - 5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

#### Auditor

PwC (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 of the Board of Management ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Parent Company") is responsible for preparing the interim consolidated financial statements of the Parent Company and its subsidiaries (collectively known as "the Corporation") which give a true and fair view of the financial position of the Corporation as at 30 June 2017, and the results of its operations and its 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 comply 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 5 to 55 which give a true and fair view of the financial position of the Corporation as at 30 June 2017 and of the results of its operations and its 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 interim consolidated financial statements.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
14 August 2017





**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 (the Parent company) and its subsidiaries (collectively known as "the Corporation") which were prepared on 30 June 2017 and approved by the Chairman on 14 August 2017. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2017, the interim consolidated income statement and the interim 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 10 to 55.

**The 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 interim consolidated financial statements and for such internal control which the Chairman determines is necessary to enable the preparation and fair presentation of the interim consolidated 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 statements 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."

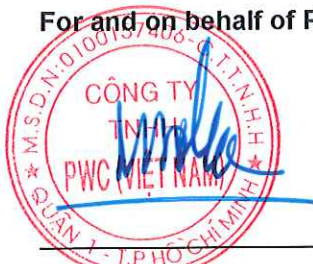
A review of interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese 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 statements do not present fairly, in all material respects, the financial position of the Corporation as at 30 June 2017, its financial performance 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 interim consolidated financial statements.

### For and on behalf of PwC (Vietnam) Limited



Mai Viet Hung Tran  
Audit Practising Licence No. 0048-2017-006-1  
Authorised signatory

Report reference number: HCM6394  
Ho Chi Minh City, 14 August 2017

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 SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2017 VND	31.12.2016 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>4,226,939,717,751</b>	<b>4,741,485,264,868</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>1,266,226,813,547</b>	<b>1,694,402,253,760</b>
111	Cash		197,762,814,003	388,862,253,760
112	Cash equivalents		1,068,463,999,544	1,305,540,000,000
<b>120</b>	<b>Short-term investment</b>		<b>7,500,000,000</b>	<b>13,500,000,000</b>
123	Investments held to maturity	4(a)	7,500,000,000	13,500,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>1,766,580,187,088</b>	<b>1,631,677,896,355</b>
131	Short-term trade accounts receivable	5	1,517,537,897,603	1,425,783,612,685
132	Short-term prepayments to suppliers	6	104,299,917,935	76,220,418,183
136	Other short-term receivables	7	189,442,926,196	173,194,455,448
137	Provision for doubtful debts – short term	8	(45,362,836,285)	(44,259,869,663)
139	Shortage of assets awaiting resolution		662,281,639	739,279,702
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>768,414,696,250</b>	<b>969,659,943,435</b>
141	Inventories		784,503,259,248	985,760,389,976
149	Provision for decline in value of inventories		(16,088,562,998)	(16,100,446,541)
<b>150</b>	<b>Other current assets</b>		<b>418,218,020,866</b>	<b>432,245,171,318</b>
151	Short-term prepaid expenses		10,648,388,656	6,617,348,798
152	Value Added Tax to be reclaimed		402,203,554,397	423,299,760,670
153	Other taxes receivable	10(a)	5,366,077,813	2,328,061,850

The notes on pages 10 to 55 are an integral part of these interim consolidated financial statements.



INTERIM CONSOLIDATED BALANCE SHEET  
(continued)

Code	ASSETS (continued)	Note	As at	
			30.6.2017 VND	31.12.2016 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,478,330,829,611</b>	<b>1,485,521,151,402</b>
<b>210</b>	<b>Long-term receivables</b>		<b>9,596,712,525</b>	<b>5,308,517,717</b>
211	Long-term trade accounts receivable		-	1,256,100,000
216	Other long-term receivables		9,596,712,525	4,052,417,717
<b>220</b>	<b>Fixed assets</b>		<b>222,559,544,315</b>	<b>233,964,209,561</b>
221	Tangible fixed assets	11(a)	119,548,850,943	130,931,767,076
222	Cost		340,192,262,896	339,681,880,486
223	Accumulated depreciation		(220,643,411,953)	(208,750,113,410)
227	Intangible fixed assets	11(b)	103,010,693,372	103,032,442,485
228	Cost		106,982,807,737	106,704,875,769
229	Accumulated amortisation		(3,972,114,365)	(3,672,433,284)
<b>230</b>	<b>Investment properties</b>	12	<b>891,843,195,123</b>	<b>915,227,460,670</b>
231	Cost		934,841,178,219	934,696,415,019
232	Accumulated depreciation		(42,997,983,096)	(19,468,954,349)
<b>240</b>	<b>Long-term asset in progress</b>		<b>101,488,912,428</b>	<b>77,085,251,139</b>
242	Construction in progress	13	101,488,912,428	77,085,251,139
<b>250</b>	<b>Long-term investments</b>	4	<b>35,930,098,846</b>	<b>37,063,714,702</b>
252	Investment in associates	4(b)	15,770,098,846	16,903,714,702
253	Investment in other entities	4(c)	22,160,000,000	22,160,000,000
254	Provision for long-term investments		(2,000,000,000)	(2,000,000,000)
<b>260</b>	<b>Other long-term assets</b>		<b>216,912,366,374</b>	<b>216,871,997,613</b>
261	Long-term prepaid expenses	14	202,184,622,495	201,267,567,590
262	Deferred income tax assets	22	189,110,129	189,110,129
269	Goodwill	15	14,538,633,750	15,415,319,894
<b>270</b>	<b>TOTAL ASSETS</b>		<b>5,705,270,547,362</b>	<b>6,227,006,416,270</b>

The notes on pages 10 to 55 are an integral part of these interim consolidated financial statements.

INTERIM CONSOLIDATED BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			30.6.2017 VND	31.12.2016 VND (As restated – Note 43)
<b>300</b>	<b>LIABILITIES</b>		<b>3,972,122,827,106</b>	<b>4,582,547,844,658</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>3,534,668,228,869</b>	<b>4,162,315,961,176</b>
311	Short-term trade accounts payable	16	1,002,608,589,010	1,446,414,809,155
312	Short-term advances from customers		14,223,057,361	19,037,977,620
313	Taxes and other payables to the State Budget	10(b)	20,092,851,589	21,287,963,647
314	Payable to employees		69,263,626,623	64,202,977,309
315	Short-term accrued expenses	17	80,420,624,391	72,948,847,410
318	Short-term unearned revenue	18(a)	40,947,145,419	30,362,744,050
319	Other short-term payables	19	86,061,552,911	140,627,818,410
320	Short-term borrowings	20(a)	2,156,979,293,922	2,302,634,027,522
322	Bonus and welfare fund		64,071,487,643	64,798,796,053
<b>330</b>	<b>Long-term liabilities</b>		<b>437,454,598,237</b>	<b>420,231,883,482</b>
336	Long-term unearned revenue	18(b)	88,636,363,643	102,350,533,942
337	Other long-term payables	21	57,326,241,404	66,576,995,606
338	Long-term borrowings	20(b)	291,491,993,190	251,304,353,934
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,733,147,720,256</b>	<b>1,644,458,571,612</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,733,147,720,256</b>	<b>1,644,458,571,612</b>
411	Owners' capital	23, 24	866,001,240,000	866,001,240,000
411a	- Ordinary shares with voting rights		866,001,240,000	866,001,240,000
412	Share premium	24	133,918,052,614	133,918,052,614
414	Owners' other capital	24	56,740,087,775	56,740,087,775
415	Treasury shares	24	(35,523,322,342)	(35,523,322,342)
418	Investment and development fund	24	172,453,174,126	172,453,174,126
421	Undistributed earnings	24	339,451,908,337	270,142,492,969
421a	- Undistributed post-tax profits of the previous years		261,568,850,094	126,460,602,490
421b	- Post-tax profit of the current period/year		77,883,058,243	143,681,890,479
429	Non-controlling interests	25	200,106,579,746	180,726,846,470
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>5,705,270,547,362</b>	<b>6,227,006,416,270</b>

Ha Van Phuong  
Preparer

Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman  
14 August 2017



INTERIM CONSOLIDATED INCOME STATEMENT

Code	Note	For the six-month period ended	
		30.6.2017 VND	30.6.2016 VND
01	Revenue from sale of goods and rendering of services	4,750,628,901,118	4,891,969,487,105
02	Less deductions	(53,943,713,566)	(93,478,046,253)
10	Net revenue from sale of goods and rendering of services	4,696,685,187,552	4,798,491,440,852
11	Cost of goods sold and services rendered	(4,340,941,649,706)	(4,463,236,735,530)
20	Gross profit	355,743,537,846	335,254,705,322
21	Financial income	29,703,094,718	28,780,617,129
22	Financial expenses	(53,527,642,187)	(43,978,377,477)
23	- Including: Interest expense	(49,849,271,347)	(38,179,184,198)
24	Share of loss from investments in associates	(1,133,615,856)	(564,486,006)
25	Selling expenses	(120,982,453,502)	(121,238,516,760)
26	General and administration expenses	(93,742,861,960)	(67,733,974,194)
30	Net operating profit	116,060,059,059	130,519,968,014
31	Other income	8,640,378,627	5,629,998,221
32	Other expenses	(3,649,258,503)	(7,868,752,408)
40	Net other income/(expenses)	4,991,120,124	(2,238,754,187)
50	Net accounting profit before tax	121,051,179,183	128,281,213,827
51	Business income tax – current	(24,433,920,805)	(23,246,272,332)
60	Net profit after tax	96,617,258,378	105,034,941,495
Attributable to:			
61	Shareholders of the Parent Company	77,883,058,2	86,120,675,754
62	Non-controlling interests	18,734,200,135	18,914,265,741
70	Earnings per share	884	996



Ha Van Phuong  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman  
14 August 2017

The notes on pages 10 to 55 are an integral part of these interim consolidated financial statements.

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

Code	Note	For the six-month period ended	
		30.6.2017 VND	30.6.2016 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>121,051,179,183</b>	<b>128,281,213,827</b>
	Net profit before tax		
	Adjustments for:		
02	Depreciation, amortisation and goodwill allocation	37 38,734,254,079	16,295,348,497
03	Provisions	37 1,091,083,079	(16,988,381,848)
04	Unrealised foreign exchange losses	-	1,336,924
05	Profits from investing activities	(27,072,240,192)	(19,005,507,526)
06	Interest expense	32 49,849,271,347	38,179,184,198
08	<b>Operating profit before changes in working capital</b>	<b>183,653,547,496</b>	<b>146,763,194,072</b>
09	(Increase)/decrease in receivables	(94,049,165,420)	102,594,653,618
10	Decrease in inventories	201,257,130,728	375,770,723,791
11	Decrease in payables	(489,244,410,257)	(365,804,087,833)
12	(Increase)/decrease in prepaid expenses	(4,948,094,763)	3,015,829,215
14	Interest paid	(53,582,344,517)	(38,800,903,452)
15	Business income tax paid	10 (27,551,806,956)	(28,707,015,785)
17	Other payments on operating activities	(9,473,271,145)	(11,733,324,125)
20	<b>Net cash (outflows)/inflows from operating activities</b>	<b>(293,938,414,834)</b>	<b>183,099,069,501</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases and construction of fixed assets and other long-term assets	(27,572,679,803)	(307,491,572,568)
22	Proceeds from disposals of fixed assets and other long-term assets	475,257,565	2,222,550,381
24	Investments in term deposits	6,000,000,000	-
27	Dividends and interest income received	-	15,066,138,995
30	<b>Net cash outflows from investing activities</b>	<b>(21,097,422,238)</b>	<b>(290,202,883,192)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from issuance of shares	24, 25 1,589,773,000	22,850,000,000
33	Proceeds from borrowings	39(b) 2,997,129,106,977	2,886,924,990,227
34	Repayments of borrowings	39(c) (3,102,596,201,321)	(2,808,574,019,826)
36	Dividends paid	28 (9,262,281,797)	(84,682,044,652)
40	<b>Net cash (outflows)/inflows from financing activities</b>	<b>(113,139,603,141)</b>	<b>16,518,925,749</b>
50	<b>Net decrease in cash and cash equivalents</b>	<b>(428,175,440,213)</b>	<b>(90,584,887,942)</b>
60	<b>Cash and cash equivalents at beginning of period</b>	<b>4 1,694,402,253,760</b>	<b>1,461,210,798,980</b>
61	Effect of foreign exchange differences	-	(1,336,924)
70	<b>Cash and cash equivalents at end of period</b>	<b>4 1,266,226,813,547</b>	<b>1,370,624,574,114</b>



Ha Van Phuong  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman  
14 August 2017



**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017**

**1 GENERAL INFORMATION**

PetroVietnam General Services Joint Stock Company ("the Parent Company") was established in SR Vietnam pursuant to Business Registration Certificate No. 4103005338 dated 29 September 2006 and the 18<sup>th</sup> amendment dated 23 May 2016 which were issued by the Department of Planning and Investment of Ho Chi Minh City. The Parent Company was transformed from PetroVietnam Tourism and Services Company, a wholly State-owned subsidiary of Vietnam Oil and Gas Group ("PetroVietnam").

The Parent Company's shares were officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 12 September 2007 with symbol "PET" pursuant to Decision No. 94/QD-SGDHCM issued by the General Director of HOSE on 13 August 2007.

The principal activities of the Corporation (the Parent Company and its subsidiaries) include:

- Trading plastic resins, textile fibers, and cassava;
- Support and management services;
- Lease of warehouse, workshops, premises, office;
- Wholesale of computers and equipment;
- Trading of telecommunication equipment;
- Supply of specialised materials and equipment in oil and gas industry;
- Heavy transportation and lifting services;
- Catering services and commodities for oil and gas industry;
- LPG trading and distributing, gas filling;
- Real estate trading and management;
- Property management (office, hotel, residential); and
- Processing electronic components, IT and communications equipment.

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

As at 30 June 2017, the Corporation had 2,351 employees (31 December 2016: 2,375 employees).

As at 30 June 2017, the Corporation had 14 direct subsidiaries, 2 indirect subsidiaries, 1 direct associate and 1 indirect associate as follows:

No.	Name	Principal activities	Place of incorporation and operation	Total % of voting right	Total % of ownership
<b>I. Direct subsidiaries</b>					
1	Petroleum General Distribution Services Joint Stock Company ("PSD")	Distribution of telecom, electronic equipment	HCMC	80.02%	80.02%
2	Petroleum Offshore Trading and Services Joint Stock Company ("POTS")	Trading and rendering services	HCMC	60%	60%
3	Petrosetco Vung Tau General Services Joint Stock Company ("PSV")	Rendering services	Vung Tau	70%	70%

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

No.	Name	Principal activities	Place of incorporation and operation	Total % of voting right	Total % of ownership
<b>I. Direct subsidiaries (continued)</b>					
4	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering services	Quang Ngai	99.79%	99.79%
5	Petrosetco Assets Management Joint Stock Company ("PSA")	Operating in property management and services	Ha Noi	78.61%	78.61%
6	Petrosetco SSG Company Limited ("PSSSG")	Real estates	HCMC	51%	21%
7	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic, components, peripheral devices, software	HCMC	55%	55%
8	Petroleum Retail Services Joint Stock Company ("PSR")	Retail of mobile phones	HCMC	75%	72.74%
9	Vietnam Petroleum Logistics Services Joint Stock Company ("PSL")	Marine transportation service	HCMC	44%	44%
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components, peripheral devices	HCMC	56%	56%
11	ASSA Technology Joint Stock Company ("ASSA")	Processing electronic and telecommunication equipment	HCMC	100%	100%
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 under liquidation process	HCMC	100%	100%
14	Petroleum Saigon General Services Company Limited ("PSG") (**)	Stopped operation and under liquidation process	HCMC	100%	100%
<b>II. Indirect subsidiaries</b>					
1	Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Trading in electronic devices, refrigeration appliances, electronic household appliances	HCMC	51%	40.81%
2	Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Wholesale of solid, liquid and gaseous fuels and related products	Nha Trang	100%	99.79%



**1 GENERAL INFORMATION (continued)**

No.	Name	Principal activities	Place of incorporation and operation	Total % of voting right	Total % of ownership
<b>III. Direct associate</b>					
1	Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau	24%	24%
<b>IV. Indirect associate</b>					
1	Vietecom Digital Trade and Investment Joint Stock Company (***)	Trading electronic components, information technology, technology transfer services, delivery services	Ha Noi	20%	16%

(\*) As at 30 June 2017, although the Parent Company's voting right at PSL was only 44%, the Parent Company still had the authority to exercise its power over the financial and operational policies of PSL via the representatives in the Board of Directors of PSL. Therefore, the Parent Company controlled PSL and PSL has been classified and presented consequently as a subsidiary of the Parent Company for the consolidation purpose.

(\*\*) According to Decisions No. 313/QD-DVTHDK-HDQT and Decisions No. 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 2012 until now, the two companies have had no business activities operated.

(\*\*\*) The liquidation of Vietecom is in progress.

**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 Fiscal year**

The Corporation's fiscal year is from 1 January to 31 December. The interim consolidated financial statements are prepared for the 6-month period from 1 January to 30 June.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.3 Currency**

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

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 monthly 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.

**2.4 Basis of consolidation****Subsidiaries**

Subsidiaries are 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 Corporation 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 external parties to the Corporation.

Non-controlling interests 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)****2.4 Basis of consolidation (continued)****Associates**

Associates are 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 interim 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 an 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.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

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.

**2.5 Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Corporation's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition as accordance with current accounting requirements. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on the straight-line basis over its estimated period of benefit but not exceed 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Corporation does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Corporation records the impairment immediately in the accounting period.

**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 Chairman of all outstanding amounts at the year end. Bad debts are written off when identified.

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

**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 and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion (if any) and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

**2.9 Investments**

**(a) Investments held-to-maturity**

Investments held to maturity are investments which the Chairman has positive intention and ability to hold until maturity.

Investments held-to-maturity include 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 the whole of the 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 at year-end, except when the loss was anticipated 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	2% - 20%
Machinery and equipment	8% - 33%
Motor vehicles	10% - 20%
Office equipment	10% - 33%
Computer software	33%

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

*Disposals*

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



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

**2.10 Fixed assets (continued)**

*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 are 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 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 term 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%
Buildings	3% - 20%
Equipment	10% - 33%

*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 to expenses using the straight line method over the allocation period.

The cost of Liquefied Petroleum Gas ("LPG") cylinders is allocated into interim consolidated income statement on a straight-line basis over 10 years, in accordance with Circular No. 118/2010/TT-BTC dated 10 August 2010 of the Ministry of Finance governing the Financial and Taxation regimes with regard to entities trading LPG cylinders.

**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 classified into long-term and short-term payables on the balance sheet based on remaining period from the balance sheet date to the maturity date.

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

**2.18 Unearned revenue**

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

**2.19 Share capital****(a) Ordinary shares**

Contributed capital of the shareholders is recorded according to actual amount contributed. Contributions from owners are recorded according to par value of the share.

**b) Share premium**

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

**(c) Treasury shares**

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

**(d) Undistributed earnings**

Undistributed earnings record the Corporation's results after business income tax at the reporting date.

**(e) Other capital**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Appropriation of net profit**

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

Dividend of the Corporation is recognised as a liability in the Corporation's interim consolidated financial statements based on the date before ex-dividend date.

The Corporation's funds are as below:

**(a) Investment and development fund**

Investment and development fund is appropriated from net profit of the Corporation and approved by shareholders in the General Meeting. This fund is used for expanding and developing the business of the Corporation.

**(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 General Meeting. This fund is used for rewarding and encouraging, enhancing the physical and mental well-being of the employees.

**2.21 Revenue recognition****(a) Sales of goods**

Revenue from the sale of goods is recognised in the income statement when all five (5) following conditions are satisfied:

- The Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Revenue recognition (continued)****(b) Rendering of services**

Revenue from rendering 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. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(c) Interest income**

Interest income is recognised on an earned basis, and is determined based on the amount of deposits and their interest rates.

**(d) Dividend income**

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

**(e) Allocation of LPG cylinders deposits**

LPG cylinders deposits received from customers are allocated into interim consolidated income statement on a straight-line basis over 10 years, which is in line with allocation of LPG cylinders cost (Note 2.13), following Circular No. 118/2010/TT-BTC dated 10 August 2010 of the Ministry of Finance governing the Financial and Taxation regimes with regard to entities trading LPG cylinders.

**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 interim consolidated financial statements are recorded as deduction of revenue of the period.

**2.23 Cost of goods sold and services rendered**

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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, and payment discounts.

**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 include salary expenses of administrative staffs (salaries, wages, allowances, etc.); social insurance, medical insurance, labour 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, 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 financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Corporation, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including Chairman, 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 the related party relationship, the Corporation considers the substance of the relationship not merely the legal form.

**2.29 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 consolidated financial statements understand and evaluate the Corporation's operations in a comprehensive way.

**2.30 Accounting estimates**

The preparation of interim consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements 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 interim consolidated financial statements and the reported amounts of revenues and expenses during the period. Although these accounting estimates are based on the Chairman's best knowledge, actual results may differ from those estimates and assumptions.



**3 CASH AND CASH EQUIVALENTS**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	5,287,122,277	7,892,234,694
Cash at banks	192,475,691,726	380,970,019,066
Cash equivalents (*)	1,068,463,999,544	1,305,540,000,000
	<u>1,266,226,813,547</u>	<u>1,694,402,253,760</u>

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

As at 30 June 2017, term deposits at commercial banks with total value of VND22 billion (Note 39(a)) have been pledged with commercial banks as collateral assets for borrowings granted to Industry Construction Corporation (Note 16), a constructor of the Corporation and Smart Convergence Joint Stock Company and Binh Minh Electronics Refrigeration Joint Stock Company, subsidiaries of the Corporation.

**4 INVESTMENTS**

**(a) Investments held to maturity**

Investments held to maturity represent VND-term deposits with the original maturity of more than three months and less than one year at commercial banks, with interest rates ranging from 5.6% to 5.7% per annum (31 December 2016: 5.6% to 6% per annum).

**(b) Investment in associates**

	<u>30.6.2017</u>		<u>31.12.2016</u>	
	Cost VND	Carrying value VND	Cost VND	Carrying value VND
Petro Tower Limited Company	14,359,957,249	15,770,098,846	14,359,957,249	16,050,446,622
Vietecom Digital Trade and Investment Joint Stock Company	853,268,080	-	853,268,080	853,268,080
	<u>15,213,225,329</u>	<u>15,770,098,846</u>	<u>15,213,225,329</u>	<u>16,903,714,702</u>

Details of the Corporation's associates as at 30 June 2017 are disclosed in Note 1.



4 INVESTMENTS (continued)

(b) Investment in associates (continued)

Movements in investment in associates are as follows:

	For the 6-month period ended 30.6.2017 VND	For the year ended 31.12.2016 VND
Beginning of the period/year	16,903,714,702	16,428,759,180
Acquisitions	-	853,268,080
Share of loss for the period/year	(1,133,615,856)	(378,312,558)
End of period/year	<u>15,770,098,846</u>	<u>16,903,714,702</u>

(c) Investment in other entities

	30.6.2017			31.12.2016		
	Cost VND	Fair value		Cost VND	Fair value	
		VND	VND		VND	VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	(2,000,000,000)	2,000,000,000	(*)	(2,000,000,000)
Vietnam Coolpad Co., Ltd	20,160,000,000	(*)	-	20,160,000,000	(*)	-
	<u>22,160,000,000</u>		<u>(2,000,000,000)</u>	<u>22,160,000,000</u>		<u>(2,000,000,000)</u>

(\*) At the date of report, the fair value of the investment in other entities was not available as these entities are not listed on the Stock Exchange.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Third parties		
<i>Viettronics Corporation</i>	108,496,059,685	110,341,725,392
<i>Mobile World Joint Stock Company</i>	75,738,255,939	37,687,183,365
<i>Icool Technology Limited Company</i>	72,210,248,974	121,214,494,359
<i>Others</i>	1,042,203,434,860	1,045,586,820,267
	<u>1,298,647,999,458</u>	<u>1,314,830,223,383</u>
Related parties (Note 40(b)(i))		
<i>Joint Venture "Vietsovpetro"</i>	73,815,201,124	27,607,958,118
<i>Nghi Son Refinery and Petrochemical Company Limited</i>	33,064,030,915	32,045,013,639
<i>Others</i>	112,010,666,106	51,300,417,545
	<u>218,889,898,145</u>	<u>110,953,389,302</u>
	<u><u>1,517,537,897,603</u></u>	<u><u>1,425,783,612,685</u></u>

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Third parties		
<i>Tan Lien Phat Investment and Constrution Joint Stock Company</i>	42,662,223,802	42,025,456,603
<i>Cuu Long Petroleum and Maritime Services Trading Company Limited</i>	17,243,250,000	-
<i>Itel Mobile Limited</i>	9,645,782,803	6,612,510,000
<i>Others</i>	33,397,651,772	27,582,451,580
	<u>102,948,908,377</u>	<u>76,220,418,183</u>
Related parties (Note 40(b)(v))	1,351,009,558	-
	<u><u>104,299,917,935</u></u>	<u><u>76,220,418,183</u></u>



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

7 OTHER SHORT-TERM RECEIVABLES

	30.6.2017 VND	31.12.2016 VND
Receivables from trade discounts	59,405,396,671	66,412,185,181
Interest income receivable	2,195,870,121	7,572,079,938
Other receivables from suppliers	81,646,798,073	79,819,833,522
Others	46,194,861,331	19,390,356,807
	<u>189,442,926,196</u>	<u>173,194,455,448</u>

8 PROVISION FOR DOUBTFUL DEBTS

	30.6.2017			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Receivables that are past due	86,363,045,981	41,000,209,696	(45,362,836,285)	Over 6 months and under 5 years
	<u>86,363,045,981</u>	<u>41,000,209,696</u>	<u>(45,362,836,285)</u>	<u>Over 6 months and under 5 years</u>
	31.12.2016			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Receivables that are past due	69,673,553,721	25,413,684,058	(44,259,869,663)	Over 6 months and under 5 years
	<u>69,673,553,721</u>	<u>25,413,684,058</u>	<u>(44,259,869,663)</u>	<u>Over 6 months and under 5 years</u>

9 INVENTORIES

	30.6.2017		31.12.2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	90,606,320,896	-	33,931,135,537	-
Raw materials	1,351,409,647	-	1,792,014,813	-
Tools and supplies	1,743,483,513	-	2,505,719,355	-
Work in progress	454,547,282	-	469,936,562	-
Merchandises	617,120,124,195	(16,088,562,998)	844,153,414,096	(16,100,446,541)
Finished goods	325,602,370	-	2,596,848	-
Goods on consignment	72,901,771,345	-	102,905,572,765	-
	<u>784,503,259,248</u>	<u>(16,088,562,998)</u>	<u>985,760,389,976</u>	<u>(16,100,446,541)</u>

The Corporation has pledged a part of inventories with a commercial bank as a collateral asset for long-term borrowings granted by the commercial bank (Note 20).

Movements in the provision for decline in value of inventories during the period/year are as follows:

	For the 6-month period ended 30.6.2017 VND	For the year ended 31.12.2016 VND
Beginning of period/year	16,100,446,541	30,086,714,085
Reversal of provision (Note 30, 37)	(11,883,543)	(14,346,225,198)
Increase from acquisition of indirect subsidiaries	-	359,957,654
End of period/year	<u>16,088,562,998</u>	<u>16,100,446,541</u>

10 TAXES RECEIVABLE FROM AND PAYABLE TO THE STATE BUDGET

(a) Taxes receivable from the State Budget

	30.6.2017 VND	31.12.2016 VND
Business income tax	1,006,920,315	1,083,452,440
Personal income tax	599,362,077	613,448,058
Overpaid VAT	2,894,820,042	455,167,122
Other taxes	864,975,379	175,994,230
	<u>5,366,077,813</u>	<u>2,328,061,850</u>



10 TAXES RECEIVABLE FROM AND PAYABLE TO THE STATE BUDGET (continued)

(b) Taxes payable to the State Budget

	30.6.2017 VND	31.12.2016 VND (As restated – Note 43)
VAT output	7,093,356,702	5,060,854,446
Business income tax	11,569,052,443	14,763,470,719
Personal income tax	1,430,442,444	1,455,661,282
Other taxes	-	7,977,200
	<u>20,092,851,589</u>	<u>21,287,963,647</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

10 TAXES RECEIVABLE FROM AND PAYABLE TO THE STATE BUDGET (continued)

Movements of taxes receivable from the State Budget during the period are as follows:

	As at 1.1.2017		During the period			As at 30.6.2017	
	Receivable VND	Incurring VND	Settled VND	Net off VND	Reclassification VND	Receivable VND	
Business income tax	1,083,452,440	-	-	(245,859,321)	169,327,196	1,006,920,315	
Personal income tax	613,448,058	-	-	(613,448,058)	599,362,077	599,362,077	
Overpaid VAT	455,167,122	-	-	-	2,439,652,920	2,894,820,042	
Other taxes	175,994,230	-	-	(175,994,230)	864,975,379	864,975,379	
	<u>2,328,061,850</u>	<u>-</u>	<u>-</u>	<u>(1,035,301,609)</u>	<u>4,073,317,572</u>	<u>5,366,077,813</u>	

Movements of taxes payable to the State Budget during the period are as follows:

	As at 1.1.2017		During the period			As at 30.6.2017	
	Payable (As restated – Note 43) VND	Incurring VND	Settled VND	Net off VND	Reclassification VND	Payable VND	
VAT output	5,060,854,446	741,039,803,335	(170,043,965,952)	(571,402,988,047)	2,439,652,920	7,093,356,702	
Business income tax	14,763,470,719	24,433,920,805	(27,551,806,956)	(245,859,321)	169,327,196	11,569,052,443	
Personal income tax	1,455,661,282	10,585,916,857	(10,597,049,714)	(613,448,058)	599,362,077	1,430,442,444	
Other taxes	7,977,200	18,694,526,943	(19,391,485,292)	(175,994,230)	864,975,379	-	
	<u>21,287,963,647</u>	<u>794,754,167,940</u>	<u>(227,584,307,914)</u>	<u>(572,438,289,656)</u>	<u>4,073,317,572</u>	<u>20,092,851,589</u>	



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

11	FIXED ASSETS	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	<b>Historical cost</b>					
	At as 1 January 2017	98,775,127,871	105,314,513,695	121,943,249,525	13,648,989,395	339,681,880,486
	New purchases	162,717,100	803,310,000	1,470,039,818	226,041,714	2,662,108,632
	Disposals	-	(145,500,000)	(2,006,226,222)	-	(2,151,726,222)
	At as 30 June 2017	<u>98,937,844,971</u>	<u>105,972,323,695</u>	<u>121,407,063,121</u>	<u>13,875,031,109</u>	<u>340,192,262,896</u>
	<b>Accumulated depreciation</b>					
	At as 1 January 2017	52,180,777,751	67,120,235,558	76,855,077,439	12,594,022,662	208,750,113,410
	Charge for the period	2,294,323,266	5,772,326,054	5,953,729,434	8,479,354	14,028,858,108
	Disposals	-	(129,333,344)	(2,006,226,221)	-	(2,135,559,565)
	At as 30 June 2017	<u>54,475,101,017</u>	<u>72,763,228,268</u>	<u>80,802,580,652</u>	<u>12,602,502,016</u>	<u>220,643,411,953</u>
	<b>Net book value</b>					
	At as 1 January 2017	<u>46,594,350,120</u>	<u>38,194,278,137</u>	<u>45,088,172,086</u>	<u>1,054,966,733</u>	<u>130,931,767,076</u>
	At as 30 June 2017	<u>44,462,743,954</u>	<u>33,209,095,427</u>	<u>40,604,482,469</u>	<u>1,272,529,093</u>	<u>119,548,850,943</u>

Cost of fully depreciated fixed assets but still be in use as at 30 June 2017 was VND100 billion (31 December 2016: VND84.1 billion).

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

11	FIXED ASSETS	Buildings VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	<b>Historical cost</b>					
	At as 1 January 2017	98,775,127,871	105,314,513,695	121,943,249,525	13,648,989,395	339,681,880,486
	New purchases	162,717,100	803,310,000	1,470,039,818	226,041,714	2,662,108,632
	Disposals	-	(145,500,000)	(2,006,226,222)	-	(2,151,726,222)
	At as 30 June 2017	98,937,844,971	105,972,323,695	121,407,063,121	13,875,031,109	340,192,262,896
	<b>Accumulated depreciation</b>					
	At as 1 January 2017	52,180,777,751	67,120,235,558	76,855,077,439	12,594,022,662	208,750,113,410
	Charge for the period	2,294,323,266	5,772,326,054	5,953,729,434	8,479,354	14,028,858,108
	Disposals	-	(129,333,344)	(2,006,226,221)	-	(2,135,559,565)
	At as 30 June 2017	54,475,101,017	72,763,228,268	80,802,580,652	12,602,502,016	220,643,411,953
	<b>Net book value</b>					
	At as 1 January 2017	46,594,350,120	38,194,278,137	45,088,172,086	1,054,966,733	130,931,767,076
	At as 30 June 2017	44,462,743,954	33,209,095,427	40,604,482,469	1,272,529,093	119,548,850,943

Cost of fully depreciated fixed assets but still be in use as at 30 June 2017 was VND100 billion (31 December 2016: VND84.1 billion).



11 **FIXED ASSETS (continued)**

(b) **Intangible fixed assets**

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
At as 1 January 2017	101,988,494,434	4,716,381,335	<b>106,704,875,769</b>
New purchases	-	277,931,968	<b>277,931,968</b>
	<hr/>	<hr/>	<hr/>
At as 30 June 2017	101,988,494,434	4,994,313,303	<b>106,982,807,737</b>
	<hr/>	<hr/>	<hr/>
<b>Accumulated amortisation</b>			
At as 1 January 2017	-	3,672,433,284	<b>3,672,433,284</b>
Charge for the period	-	299,681,081	<b>299,681,081</b>
	<hr/>	<hr/>	<hr/>
At as 30 June 2017	-	3,972,114,365	<b>3,972,114,365</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At as 1 January 2017	101,988,494,434	1,043,948,051	<b>103,032,442,485</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At as 30 June 2017	101,988,494,434	1,022,198,938	<b>103,010,693,372</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cost of fully amortised intangible fixed assets but still be in use as at 30 June 2017 was VND2.3 billion (31 December 2016: VND1.9 billion).

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

12 INVESTMENT PROPERTIES

	Land use rights VND	Buildings VND	Equipment VND	Total VND
<b>Historical cost</b>				
As at 1 January 2017	6,120,000,000	727,299,868,660	201,276,546,359	934,696,415,019
New purchases	-	-	144,763,200	144,763,200
As at 30 June 2017	6,120,000,000	727,299,868,660	201,421,309,559	934,841,178,219
<b>Accumulated depreciation</b>				
As at 1 January 2017	1,428,000,000	11,110,909,433	6,930,044,916	19,468,954,349
Charge for the period	-	13,454,612,269	10,074,416,478	23,529,028,747
As at 30 June 2017	1,428,000,000	24,565,521,702	17,004,461,394	42,997,983,096
<b>Net book value</b>				
As at 1 January 2017	4,692,000,000	716,188,959,227	194,346,501,443	915,227,460,670
As at 30 June 2017	4,692,000,000	702,734,346,958	184,416,848,165	891,843,195,123

The Corporation was unable to gather information about similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 30 June 2017 was not disclosed in interim consolidated financial statements.

**12 INVESTMENT PROPERTIES (continued)**

Investment properties include:

- The buildings, infrastructure and other equipment related to the living quarters of Nghi Son Refinery and Petrochemical Complex project ("Nghi Son Project") being held for lease by the Parent Company.
- Land use rights related to PSMT's land being held for lease.

As at 30 June 2017, total value of Nghi Son Project has been pledged with a commercial bank as a collateral asset for borrowings granted to the Corporation (Note 20).

**13 CONSTRUCTION IN PROGRESS**

Details of construction in progress are presented as follows:

	<b>30.6.2017</b> VND	<b>31.12.2016</b> VND
Project 41D Vung Tau	64,232,954,199	40,840,408,691
Cape Pearl Project	36,311,185,250	35,300,069,469
Other projects	944,772,979	944,772,979
	<u>101,488,912,428</u>	<u>77,085,251,139</u>

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

	<b>For the 6-month</b> <b>period ended</b> <b>30.6.2017</b> VND	<b>For the year</b> <b>ended</b> <b>31.12.2016</b> VND
Beginning of period/year	77,085,251,139	133,979,477,868
Construction	24,403,661,289	612,348,211,927
Transfer to Investment Properties	-	(669,242,438,656)
End of period/year	<u>101,488,912,428</u>	<u>77,085,251,139</u>

**14 LONG-TERM PREPAID EXPENSES**

Details of long-term prepaid expenses are as follows:

	<b>30.6.2017</b> VND	<b>31.12.2016</b> VND
Office rental (*)	104,131,455,886	106,519,112,192
Cost of LPG cylinders	60,464,603,965	61,430,299,515
Others	37,588,562,644	33,318,155,883
	<u>202,184,622,495</u>	<u>201,267,567,590</u>



**14 LONG-TERM PREPAID EXPENSES (continued)**

Movements in long-term prepaid expenses during the period/year are as follows:

	For the 6-month period ended 30.6.2017 VND	For the year ended 31.12.2016 VND
Beginning of period/year	201,267,567,590	202,166,255,334
Increase	11,313,728,382	24,454,671,133
Allocation	(10,396,673,477)	(25,353,358,877)
End of period/year	<u>202,184,622,495</u>	<u>201,267,567,590</u>

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

**15 GOODWILL**

	For the 6-month period ended 30.6.2017 VND	For the year ended 31.12.2016 VND
Beginning of period/year	15,415,319,894	-
Increase	-	15,427,708,216
Allocation (Note 34, 37)	(876,686,144)	(12,388,322)
End of period/year	<u>14,538,633,750</u>	<u>15,415,319,894</u>

Details of goodwill are presented as follows:

	30.6.2017 VND	31.12.2016 VND
Nha Trang PST	-	111,494,894
Binh Minh	14,538,633,750	15,303,825,000
	<u>14,538,633,750</u>	<u>15,415,319,894</u>

16 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2017 VND	31.12.2016 VND
Third parties		
<i>Samsung Electronics Vietnam Thai Nguyen Company Limited</i>	133,656,990,500	354,845,181,900
<i>Dell Global B.V. (Singapore Branch)</i>	77,009,387,575	68,611,680,700
<i>Microsoft Regional Sales Corporation</i>	53,680,469,478	48,915,388,511
<i>Industry Construction Corporation (DESCON) (Note 3)</i>	40,761,733,214	79,430,928,503
<i>Others</i>	286,891,603,340	417,241,682,366
	<u>592,000,184,107</u>	<u>969,044,861,980</u>
Related parties (Note 40(b)(ii))		
<i>PetroVietnam</i>	289,535,134,467	280,990,702,572
<i>Binh Son Refining and Petrochemical Company Limited</i>	120,319,408,279	193,502,091,457
<i>Others</i>	753,862,157	2,877,153,146
	<u>410,608,404,903</u>	<u>477,369,947,175</u>
	<u>1,002,608,589,010</u>	<u>1,446,414,809,155</u>

The Corporation has no doubt on its ability to fully repay the payables when they come due. As at 30 June 2017, there was no balance of short-term trade account payable which is past due.

17 SHORT-TERM ACCRUED EXPENSES

	30.6.2017 VND	31.12.2016 VND
Accrued costs related to Nghi Son Project (Note 12)	51,354,061,934	58,025,439,685
Warehouse rental and transportation	2,043,415,365	799,741,877
Interest expense	5,989,496,859	2,909,169,834
Accrued costs of services provided	7,164,300,000	-
Others	13,869,350,233	11,214,496,014
	<u>80,420,624,391</u>	<u>72,948,847,410</u>

**18 UNEARNED REVENUE**

**(a) Short-term**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Rental of Nghi Son Project (Note 40(b)(vi)) (*)	27,272,727,273	27,272,727,273
Others	13,674,418,146	3,090,016,777
	<u>40,947,145,419</u>	<u>30,362,744,050</u>

**(b) Long-term**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Rental of Nghi Son Project (Note 40(b)(vi)) (*)	88,636,363,643	102,272,727,275
Others	-	77,806,667
	<u>88,636,363,643</u>	<u>102,350,533,942</u>

(\*) This is the advance payment received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and provision of other services to Nghi Son Project (Note 12).

**19 OTHER SHORT-TERM PAYABLES**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Dividend payable (Note 26)	12,343,099,834	20,833,461,631
Payables to agents and customers	11,991,373,573	79,089,029,187
Payables to related parties (Note 40(b)(iv))	520,948,947	-
Others	61,206,130,557	40,705,327,592
	<u>86,061,552,911</u>	<u>140,627,818,410</u>



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

	As at 1.1.2017 VND	During the period		Reclassification from long-term borrowings VND	As at 30.6.2017 VND
		Drawdowns VND	Repayments VND		
<b>20 BORROWINGS</b>					
<b>(a) Short-term borrowings</b>					
Joint Stock Commercial Bank for Foreign Trade of Vietnam	703,425,816,764	920,808,515,977	(968,778,792,083)	-	655,455,540,658
ANZ Bank Vietnam Limited	131,721,834,387	359,967,177,594	(131,721,834,387)	-	359,967,177,594
Military Commercial Joint Stock Bank	354,194,312,228	494,271,165,557	(585,545,698,850)	-	262,919,778,935
Vietnam Joint Stock Commercial Bank for Industry and Trade	459,311,395,137	501,011,070,913	(614,272,277,895)	-	346,050,188,155
Vietnam Joint Stock Commercial Bank for Industry and Trade	-	6,306,716,126	-	-	6,306,716,126
HSBC Bank Vietnam Limited	362,940,406,297	377,509,774,134	(511,669,583,103)	-	228,780,597,328
Vietnam Technological and Commercial Joint Stock Bank	20,345,236,005	91,171,703,010	(31,516,939,015)	-	80,000,000,000
Orient Commercial Bank	25,000,000,000	-	(25,000,000,000)	-	-
Tien Phong Commercial Joint Stock Bank	53,349,172,995	49,496,915,490	(53,349,172,995)	-	49,496,915,490
Vietnam Export Import Bank	99,840,601,711	99,766,038,900	(99,840,601,711)	-	99,766,038,900
Vietnam Export Import Bank	122,228,000	-	(122,228,000)	-	-
Asia Commercial Bank	17,196,790,006	25,348,936,249	(42,545,726,255)	-	-
An Binh Commercial Joint Stock Bank	-	9,610,139,621	-	-	9,610,139,621
Individual borrowings (i)	57,090,000,000	7,600,000,000	(27,690,000,000)	-	37,000,000,000
Asia Commercial Bank (Note 20(b)) (ii)	18,096,233,992	5,111,621,000	(9,344,557,027)	7,762,903,150	21,626,201,115
	<u>2,302,634,027,522</u>	<u>2,947,979,774,571</u>	<u>(3,101,397,411,321)</u>	<u>7,762,903,150</u>	<u>2,156,979,293,922</u>

**20 BORROWINGS (continued)****(a) Short-term borrowings**

- (i) Unsecured loans are from individuals for the purpose of working capital funding and bear interest at the interest rate of 12% per annum. The borrowings have no fixed term of repayment.

The remaining balance comprises loans from commercial banks, in the form of short-term loans, credit terms or letter of credit. As at 30 June 2017, the Corporation had non-cancellable guarantee commitment for loans at commercial banks for the Corporation's subsidiaries with the total amount of VND4,085 billion (Note 14(b)) and PSD had guarantee commitment for Binh Minh with amount of VND20 billion (Note 41(b)). A part of inventories, receivables and short-term deposits (Note 3) were pledged as collateral assets for the loans. The interest rates are determined at the withdrawal dates or are adjustable from time to time by the banks.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

20 BORROWINGS (continued)

(b) Long-term borrowings

	As at 1.1.2017 VND	During the period			Reclassification to short-term borrowings VND	As at 30.6.2017 VND
		Drawdowns VND	Repayments VND			
Asia Commercial Bank	1,198,790,000	-	(1,198,790,000)	-	-	-
Asia Commercial Bank (ii)	250,105,563,934	49,149,332,406	-	(7,762,903,150)	291,491,993,190	291,491,993,190
	251,304,353,934	49,149,332,406	(1,198,790,000)	(7,762,903,150)	291,491,993,190	291,491,993,190

(ii) The loans have credit limit of VND400 billion and bear interest at the interest rate adjustable from time to time by the bank. The purpose of loan is to finance the investment in Nghi Son Project (Note 12). The loans have term of 9 years and are secured by assets formed from Nghi Son Project; rights arising from land rental contract; receivables and other rights arising from the Lease Agreement; and 5,345,200 shares of PSA owned by the Parent Company.

Interest expense relating to Nghi Son Project (Note 12) before the Project completed had been capitalised in the value of the investment property. From 10 October 2016, since the Project was put into operation, the interest expense has been refunded by Nghi Son Refinery and Petrochemical Company Limited (Note 18), the lessee of the Project.



**21 OTHER LONG-TERM PAYABLES**

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Payable to Ba Ria - Vung Tau Province State Treasury (*)	7,030,627,285	7,030,627,285
LPG cylinders deposits	35,604,668,446	37,653,017,593
Long-term deposits	9,718,589,946	12,254,177,404
Others	4,972,355,727	9,639,173,324
	<u>57,326,241,404</u>	<u>66,576,995,606</u>

(\*) The balance represents rental fee payable to Ba Ria - Vung Tau Province State Treasury relating to a land rental contract. The annual rental fee payable was based on the notification of Ba Ria – Vung Tau Province State Treasury.

**22 DEFERRED TAX**

**(a) Deferred tax assets**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The offset amounts are as follows:

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Deferred tax assets:		
Deferred tax asset to be recovered within 12 months	189,110,129	189,110,129
	<u>189,110,129</u>	<u>189,110,129</u>

The gross movement in the deferred income tax assets, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	<b>For the 6-month period ended 30.6.2017</b>	<b>For the year ended 31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Beginning of period/year	189,110,129	1,203,512,630
Charged to income statement	-	(1,014,402,501)
End of period/year (*)	<u>189,110,129</u>	<u>189,110,129</u>

(\*) Deferred income tax assets arise from provision for short-term doubtful debts.

**22 DEFERRED TAX (continued)**

**(b) Tax losses for which no deferred income tax asset was recognised**

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.

Tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in the subsidiaries' financial statements. However the Corporation did not recognise defer tax asset as the realisation of the related tax benefit through subsidiaries' future taxable income currently cannot be assessed as probable.

**23 OWNERS' CAPITAL**

**(a) Number of shares**

	30.6.2017		31.12.2016	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	86,600,124	-	86,600,124	-
Number of existing shares in circulation	86,600,124	-	86,600,124	-

The Parent Company has only one class of ordinary shares which is not entitled to fixed dividend and has the 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 Parent Company's shareholder meetings.

**23 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 Parent Company is VND866,001,240,000.

Detail of owners' shareholding of the Parent Company is as follows:

	30.6.2017		31.12.2016	
	VND	%	VND	%
PetroVietnam	209,738,510,000	24.22	209,738,510,000	24.22
Other shareholders	656,262,730,000	75.78	656,262,730,000	75.78
	<u>866,001,240,000</u>	<u>100</u>	<u>866,001,240,000</u>	<u>100</u>

**c) Movements of share capital**

	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2016	846,001,240,000	-	846,001,240,000
New shares issued	20,000,000,000	-	20,000,000,000
As at 31 December 2016	<u>866,001,240,000</u>	<u>-</u>	<u>866,001,240,000</u>
As at 30 June 2017	<u>866,001,240,000</u>	<u>-</u>	<u>866,001,240,000</u>

Par value per share: VND10,000.



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

24 MOVEMENTS IN OWNERS' EQUITY

	Share capital VND	Share premium VND	Other capital VND	Investment and development funds VND	Undistributed earnings (As restated – Note 43) VND	Treasury shares VND	Total VND
As at 1 January 2016	846,001,240,000	133,918,052,614	56,740,087,775	173,203,515,481	239,260,494,367	(35,523,322,342)	1,413,600,067,895
Net profit for the year	-	-	-	-	143,681,890,479	-	143,681,890,479
Issuance of shares to employees	20,000,000,000	-	-	-	-	-	20,000,000,000
Reversal of appropriated funds	-	-	-	(767,832,647)	767,832,647	-	-
Appropriations to funds	-	-	-	17,491,292	(20,545,440,224)	-	(20,527,948,932)
Final dividend of 2015	-	-	-	-	(51,960,074,400)	-	(51,960,074,400)
Interim dividend of 2016	-	-	-	-	(41,062,209,900)	-	(41,062,209,900)
As at 31 December 2016	866,001,240,000	133,918,052,614	56,740,087,775	172,453,174,126	270,142,492,969	(35,523,322,342)	1,463,731,725,142
Net profit for the period	-	-	-	-	77,883,058,243	-	77,883,058,243
Appropriations to bonus and welfare fund (*)	-	-	-	-	(8,573,642,875)	-	(8,573,642,875)
As at 30 June 2017	866,001,240,000	133,918,052,614	56,740,087,775	172,453,174,126	339,451,908,337	(35,523,322,342)	1,533,041,140,510

(\*) Appropriations to bonus and welfare fund mainly come from the Parent Company. According to the Decision No. 14/NQ-DVTHDK-DHDCD on 26 April 2017 bonus and welfare fund of 2016 of the Parent Company has been approved with total amount of VND7,940,578,038s.

On 6 June 2017, the Corporation issued an announcement to pay the second dividend of 2016, at the ratio of 10% of share capital, amounting to VND86,600,124,000 and the date before ex-dividend date was on 19 July 2017 (Note 42).

**25 NON-CONTROLLING INTERESTS**

Details of non-controlling interests are as follows:

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
		<b>(As restated – Note 43)</b>
Share capital	180,340,175,225	178,750,402,225
Treasury shares	(795,000,000)	(795,000,000)
Investment and development fund	7,080,808,161	7,080,808,161
Undistributed earnings	13,480,596,360	(4,309,363,916)
	<u>200,106,579,746</u>	<u>180,726,846,470</u>

Movements in non-controlling interest are as follows:

	<b>For the six-month period ended 30.6.2017</b>	<b>For the year ended 31.12.2016</b>
	<b>VND</b>	<b>VND</b>
		<b>(As restated – Note 43)</b>
Beginning of period/year	180,726,846,470	157,365,807,173
Capital increased during the period/year	1,589,773,000	25,740,000,000
Share of net profit for the period/year	18,734,200,135	23,295,836,314
Appropriations to bonus and welfare fund	(172,319,859)	(1,544,581,672)
Dividends declared	(771,920,000)	(26,864,040,345)
Treasury shares repurchased	-	(795,000,000)
Increase from the acquisition of an indirect subsidiary		3,528,825,000
	<u>200,106,579,746</u>	<u>180,726,846,470</u>

**26 DIVIDENDS PAYABLE**

	For the 6-month period 30.6.2017 VND	For the year ended 31.12.2016 VND
Beginning of period/year	20,833,461,631	34,158,820,320
Dividends payable during the period/year	771,920,000	119,886,324,644
Dividends paid in cash	(9,262,281,797)	(133,211,683,333)
End of period/year	<u>12,343,099,834</u>	<u>20,833,461,631</u>

**27 OFF BALANCE SHEET ITEMS**

	30.6.2017	31.12.2016
Foreign currencies:		
- USD	136,837	1,190,756
- EUR	278	332
- GBP	205	205
	<u>                    </u>	<u>                    </u>

Total amount of bad debts written off within 10 years from the write-off date is VND17,918,448,762.  
During the first half year of 2017 there was no additional bad debt written off.



**28 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>For the six-month period ended</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>VND</b>	<b>VND</b>
Net profit after tax attributable to the shareholders of the Parent Company	77,883,058,242	86,120,675,754
Less expected temporary appropriation to bonus and welfare fund (*)	(1,357,100,319)	(990,440,849)
Net profit for the year attributable to the shareholders of the Parent Company	76,525,957,923	85,130,234,905
Weighted average number of ordinary shares in issue (shares)	86,600,124	85,450,953
Basic earnings per share	884	996

(\*) According to the Decision No. 14/NQ-DVTHDK-DHDCD on 26 April 2017, bonus and welfare fund of the year 2017 is appropriated at 6% of the year 2017 profit after tax of the separate financial statements of the Parent Company.

**29 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES**

	<b>For the 6-month period ended</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>VND</b>	<b>VND</b>
<b>Revenue</b>		
Sales of goods	4,109,102,009,240	4,335,334,739,439
Rendering of services	641,526,891,878	556,634,747,666
	4,750,628,901,118	4,891,969,487,105
<b>Sales deductions</b>		
Trade discounts	(33,858,101,211)	(44,474,448,965)
Sales allowances	(9,151,360,977)	(20,742,327,228)
Sales returns	(10,934,251,378)	(28,261,270,060)
	(53,943,713,566)	(93,478,046,253)
<b>Net revenue</b>		
Net sales from sales of goods	4,055,158,295,674	4,241,155,135,913
Net sales from rendering of services	641,526,891,878	557,336,304,939
	4,696,685,187,552	4,798,491,440,852

**30 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>For the 6-month period ended</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>VND</b>	<b>VND</b>
Cost of merchandises sold	3,793,141,764,513	3,992,267,622,205
Cost of services rendered (*)	547,811,768,736	482,188,970,239
Reversal of provision for decline in value of inventory (Note 9)	(11,883,543)	(11,219,856,914)
	<u>4,340,941,649,706</u>	<u>4,463,236,735,530</u>

(\*) Included in the cost of services rendered is the interest expense relating to Nghi Son Project (Note 12), amounting to VND13,636,834,876 (Note 37), and being refunded by Nghi Son Refinery and Petrochemical Company Limited (Note 5) after the Project was put into operation.

**31 FINANCIAL INCOME**

	<b>For the 6-month period ended</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits and loans	26,613,149,283	19,569,993,532
Realised foreign exchange gains	2,778,057,631	4,175,287,556
Late payment charge, payment discount	-	4,781,830,117
Others	311,887,804	253,505,924
	<u>29,703,094,718</u>	<u>28,780,617,129</u>

**32 FINANCIAL EXPENSES**

	<b>For the 6-month period ended</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>VND</b>	<b>VND</b>
Interest expenses	49,849,271,347	38,179,184,198
Realised foreign exchange losses	1,332,644,734	1,793,756,817
Others	2,345,726,106	4,005,436,462
	<u>53,527,642,187</u>	<u>43,978,377,477</u>

**33 SELLING EXPENSES**

	For the 6-month period ended	
	30.6.2017 VND	30.6.2016 VND
Staff costs	43,348,705,070	45,120,774,774
Transportation	8,423,132,063	19,289,050,373
Marketing	1,195,592,636	9,057,107,509
Depreciation	976,630,408	1,129,890,021
Warehouse rentals	5,944,696,463	3,355,785,483
Outside services	21,169,028,732	10,116,457,985
Others	39,924,668,130	33,169,450,615
	<u>120,982,453,502</u>	<u>121,238,516,760</u>

**34 GENERAL AND ADMINISTRATION EXPENSES**

	For the 6-month period ended	
	30.6.2017 VND	30.6.2016 VND
Staff costs	38,885,578,923	26,877,014,839
Outside services	16,616,550,534	20,321,177,762
Depreciation and amortisation	4,226,477,336	4,613,370,728
Management fees (Note 40(a)(iv))	2,641,029,483	2,621,425,494
Additional/(reversal of) provision for doubtful debts	1,102,966,622	(5,768,524,934)
Goodwill allocation (Note 15)	876,686,144	-
Others	29,393,572,918	19,069,510,305
	<u>93,742,861,960</u>	<u>67,733,974,194</u>



**35 NET OTHER INCOME**

	<b>For the 6-month period ended</b>	
	<b>30.6.2017</b>	<b>3.06.2016</b>
	<b>VND</b>	<b>VND</b>
<b>Other income</b>		
Allocation of LPG cylinders deposits	2,932,760,189	2,570,400,293
Contractual fines	6,018,068	954,629,982
Net gains on disposal of fixed assets	459,090,909	142,017,673
Sundry income	5,242,509,461	1,962,950,273
	<u>8,640,378,627</u>	<u>5,629,998,221</u>
<b>Other expenses</b>		
Fines	1,410,367,883	7,070,934,467
Tax penalty	1,678,692,819	1,581,862
Sundry expenses	560,197,801	796,236,079
	<u>3,649,258,503</u>	<u>7,868,752,408</u>
<b>Net other income/(expense)</b>	<u>4,991,120,124</u>	<u>(2,238,754,187)</u>

**36 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% as under current tax regulations as follows:

	<b>For the 6-month period ended</b>	
	<b>30.6.2017</b>	<b>30.6.2016</b>
	<b>VND</b>	<b>VND</b>
Net accounting profit before tax	121,051,179,183	128,281,213,827
Tax calculated at a rate of 20%	24,210,235,837	25,656,242,765
Effect of:		
Income not subject to tax	(1,803,165,854)	(3,390,413,856)
Expenses not deductible for tax purposes	911,203,804	571,710,507
(Over)/under-provision in previous year	(59,691,848)	1,173,557,913
Non-taxable losses	1,175,338,866	509,717,419
Utilisation of previously unrecognised tax losses	-	(1,274,542,416)
<b>Business income tax charge (*)</b>	<u>24,433,920,805</u>	<u>23,246,272,332</u>
Charged to interim consolidated income statement:		
Business income tax – current	<u>24,433,920,805</u>	<u>23,246,272,332</u>

(\*) The business income tax charge for the 6-month period is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

37 COST OF OPERATIONS BY FACTOR

	For the 6-month period ended	
	30.6.2017 VND	30.6.2016 VND
Raw materials and merchandises	3,990,711,222,374	4,159,644,577,100
Outside services	222,951,466,917	246,144,953,142
Labour costs	189,002,855,109	176,150,426,816
Depreciation and amortisation	37,857,567,935	16,295,348,497
Goodwill allocation (Note 15)	876,686,144	-
Interest expense (Note 30)	13,636,834,876	-
Additional/(reversal of) provision for doubtful debts	1,102,966,622	(5,768,524,934)
Reversal of provision for decline in value of inventory (Note 9)	(11,883,543)	(11,219,856,914)
Others	103,522,376,007	70,962,302,777
	<u>4,559,650,092,441</u>	<u>4,652,209,226,484</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

38 SEGMENT REPORTING

*Geographical segments*

The Corporation does not have any operation outside the territory of Vietnam, so no business report by geography is presented.

*Business activity segments*

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

	For the 6-month period ended 30 June 2017				Total VND
	Electronic products and home appliances VND	Petroleum and other industries materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	
Net revenue	3,214,071,043,786	236,292,149,914	616,995,949,752	629,326,044,100	4,696,685,187,552
Cost of sales	(3,013,589,998,486)	(179,843,127,898)	(600,681,413,399)	(546,827,109,923)	(4,340,941,649,706)
Gross profit	200,481,045,300	56,449,022,016	16,314,536,353	82,498,934,177	355,743,537,846

For the 6-month period ended 30 June 2016

	For the 6-month period ended 30 June 2016				Total VND
	Electronic products and home appliances VND	Petroleum and other industries materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	
Net revenue	3,377,966,428,864	267,404,999,829	601,565,219,908	551,554,792,251	4,798,491,440,852
Cost of sales	(3,171,911,575,649)	(225,978,705,269)	(580,864,772,773)	(484,481,681,839)	(4,463,236,735,530)
Gross profit	206,054,853,215	41,426,294,560	20,700,447,135	67,073,110,412	335,254,705,322



**39 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CASH FLOW STATEMENT**

**(a) Cash held by the Corporation but restricted to use**

Term deposits of the Corporation amounting to VND22 billion at commercial banks were pledged as collateral assets for guarantee agreements as disclosed in Note 3.

**(b) Amount of loan actually withdrawn during the period**

	<u>For the 6-month period ended</u>	
	30.6.2017	30.6.2016
	VND	VND
Proceeds from borrowings following normal borrowing contracts	2,997,129,106,977	2,886,924,990,227

**(c) Amount of loan principal actually paid during the period**

	<u>For the 6-month period ended</u>	
	30.6.2017	31.12.2016
	VND	VND
Repayments for borrowings following normal borrowing contracts	3,102,596,201,321	2,808,574,019,826

**40 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is Vietnam Oil and Gas Corporation ("PVN"), who owns 24.22% of share capital of the Corporation (Note 23(b)).

**(a) Related party transactions**

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

	<u>For the 6-month period ended</u>	
	30.6.2017	30.6.2016
	VND	VND
<b><i>i) Sales of goods and services</i></b>		
PVN	64,426,425,383	76,697,467,519
Related parties of PVN	26,841,630,615	98,631,324,494
Affiliates	72,101,477,799	328,485,880,821
	<u>163,369,533,797</u>	<u>503,814,672,834</u>

## 40 RELATED PARTY DISCLOSURES (continued)

## (a) Related party transactions (continued)

	For the 6-month period ended	
	30.6.2017 VND	30.6.2016 VND
<b>ii) Purchases of goods and services</b>		
PVN	8,131,038,696	22,387,979,537
Related parties of PVN	581,513,485,846	287,889,476,748
Affiliates	89,333,682	20,848,182
	<u>589,733,858,224</u>	<u>310,298,304,467</u>
<b>iii) Compensation of key management</b>		
Gross salaries and other benefits	<u>2,329,934,432</u>	<u>2,264,809,250</u>
<b>iv) Others</b>		
Dividend paid to PVN	-	12,584,310,600
Management fee paid to PVN (Note 34)	<u>2,641,029,483</u>	<u>2,621,425,494</u>
<b>(b) Period/year-end balances with related parties</b>		
	<b>30.6.2017</b> VND	<b>31.12.2016</b> VND
<b>i) Short-term trade accounts receivable (Note 5)</b>		
PVN	28,284,664,279	4,783,741,086
Related parties of PVN	190,605,233,866	106,169,648,216
	<u>218,889,898,145</u>	<u>110,953,389,302</u>
<b>ii) Short-term trade accounts payable (Note 16)</b>		
PVN	289,535,134,467	280,990,702,572
Related parties of PVN	121,073,270,436	196,379,244,603
	<u>410,608,404,903</u>	<u>477,369,947,175</u>
<b>iii) Short-term advances from customers</b>		
Related parties of PVN	<u>11,356,897,176</u>	-

**40 RELATED PARTY DISCLOSURES (continued)**

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

	<b>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
<b>iv) Other short-term payables (Note 19)</b>		
PVN	488,846,947	-
Related parties of PVN	32,102,000	-
	<u>520,948,947</u>	<u>-</u>
<b>v) Short-term prepayment to suppliers (Note 6)</b>		
Related parties of PVN	1,351,009,558	-
	<u>1,351,009,558</u>	<u>-</u>
<b>vi) Short-term unearned revenue (Note 18(a))</b>		
Related parties of PVN	27,272,727,273	27,272,727,273
	<u>27,272,727,273</u>	<u>27,272,727,273</u>
<b>vii) Long-term unearned revenue (Note 18(b))</b>		
Related parties of PVN	88,636,363,643	102,272,727,275
	<u>88,636,363,643</u>	<u>102,272,727,275</u>

**41 COMMITMENTS**

**(a) Commitments under operating leases**

The Parent Company 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>30.6.2017</b>	<b>31.12.2016</b>
	<b>VND</b>	<b>VND</b>
Over five years	54,191,290,810	54,191,290,810
	<u>54,191,290,810</u>	<u>54,191,290,810</u>



**41 COMMITMENTS (continued)****(b) Commitments of credit guarantees**

As at 30 June 2017, the Corporation has non-cancellable guarantee commitments for loans at commercial banks (referred to as "lenders") granted to the Corporation's subsidiaries with the total credit limit amounting to VND4,085 billion (Note 20(a)). Accordingly, the Corporation is responsible for repayments of principals, interests, guarantee costs and other underwriting expenses to lenders in case the guaranteed parties do not repay or repay not in a timely manner.

As at 30 June 2017, PSD has non-cancellable guarantee commitments for loans at a commercial bank granted to Binh Minh with the total credit limit amounting to VND20 billion (Note 20(a)). Accordingly, PSD is responsible for repayments of principals, interests, guarantee costs and other underwriting expenses to lenders in case the guaranteed party does not repay or repay not in a timely manner.

**(c) Other commitments**

As at 30 June 2017, the Corporation had a guarantee contract amounting to VND150 billion with a commercial bank to guarantee the repayment with regards to the advance payment received from Nghi Son Refinery and Petrochemical Company Limited (Note 12) by netting-off the amount with monthly revenue from the Nghi Son Project.

**42 SUBSEQUENT EVENT AFTER THE DATE OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

On 6 June 2017, the Corporation issued the announcement to pay the final dividend of 2016 with the dividend payout ratio of 10% of par value per share, amounting to VND86,600,124,000 and the date before ex-dividend date is on 19 July 2017 (Note 24). On 8 August 2017, the dividend has been paid.

43 RESTATEMENTS

The Corporation has restated the prior year consolidated financial statements to correct a material accounting error identified during the preparation of interim consolidated financial statements for the current 6-month period. The restated adjustments relate to corporate income tax collection of years 2014 and 2015 of a subsidiary. The impact of the restatements is presented below:

Code	Items	As previously reported VND	Adjustments VND	As restated VND
300	<b>LIABILITIES</b>	4,579,147,052,293	3,400,792,365	4,582,547,844,658
310	<b>Short-term liabilities</b>	4,158,915,168,811	3,400,792,365	4,162,315,961,176
313	Taxes and other payables to the State Budget	17,887,171,282	3,400,792,365	21,287,963,647
400	<b>OWNERS' EQUITY</b>	1,647,859,363,977	(3,400,792,365)	1,644,458,571,612
410	<b>Capital and reserves</b>	1,647,859,363,977	(3,400,792,365)	1,644,458,571,612
421	Undistributed earnings	272,012,928,770	(1,870,435,801)	270,142,492,969
421a	<i>Undistributed post-tax profits of the previous years</i>	128,331,038,291	(1,870,435,801)	126,460,602,490
429	Non-controlling interests	182,257,203,034	(1,530,356,564)	180,726,846,470
440	<b>TOTAL RESOURCES</b>	6,227,006,416,270	-	6,227,006,416,270

The interim consolidated financial statements were approved by the Chairman on 14 August 2017.



Ha Van Phuong  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman