

**PETROVIETNAM MARINE SHIPYARD
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

REVIEWED FINANCIAL STATEMENTS

For the period from 1 January 2015 to 30 June 2015

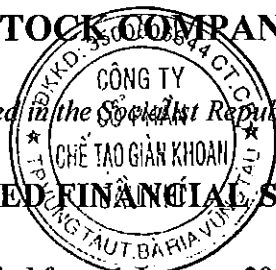


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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Petrovietnam Marine Shipyard Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the period from 1 January 2015 to 30 June 2015.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company who held office during the period and to the date of this report are as follows:

Board of Management

Mr. Dang The Huong	Chairman (resigned on 2 March 2015)
Mr. Phan Tu Giang	Chairman (appointed on 2 March 2015)
Mr. Hoang Huy Ha	Member
Mr. Vu Minh Phu	Member
Mr. Nguyen Van Quang	Member
Mr. Le Hung	Member (appointed on 2 March 2015)

Board of Directors

Mr. Phan Tu Giang	General Director (resigned on 2 March 2015)
Mr. Le Hung	General Director (appointed on 2 March 2015)
Mr. Le Hung	Deputy General Director (resigned on 2 March 2015)
Mr. Tran Quoc Thanh	Deputy General Director
Mr. Tran Luu Tam	Deputy General Director
Mr. Nguyen Nam Anh	Deputy General Director (appointed on 12 May 2015)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the period in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds;

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors, 



General Director
17 July 2015

No: 100 /VNIA-HC-BC

REVIEW REPORT ON FINANCIAL STATEMENTS

To: The Shareholders
The Boards of Management and Directors
PetroVietnam Marine Shipyard Joint Stock Company

We have reviewed the accompanying balance sheet as at 30 June 2015, the related statements of income and cash flows for the period from 1 January 2015 to 30 June 2015 and the notes thereto (collectively referred to as the "financial statements") of PetroVietnam Marine Shipyard Joint Stock Company (the "Company"), prepared on 17 July 2015 as set out from page 3 to page 27. The preparation of these financial statements is the responsibility of the Board of Directors of the Company. Our responsibility is to issue a review report on these financial statements based on our review.

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of, in all material respects, the financial position of the Company as at 30 June 2015, the results of its operations and its cash flows for the period from 1 January 2015 to 30 June 2015 in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Audit Practising Registration Certificate
No. 0138-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
17 July 2015
Ho Chi Minh City, S.R. Vietnam

Van Dinh Khue
Auditor
Audit Practising Registration Certificate
No. 1178-2013-001-1

PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY

65A2, 30/4 Road, Thang Nhat Ward
Ba Ria - Vung Tau Province, S.R. Vietnam

Financial Statements

For the period from 1 January 2015 to 30 June 2015

BALANCE SHEET

As at 30 June 2015

FORM B 01a-DN

Unit: VND

ASSETS	Codes	Notes	30/6/2015	31/12/2014
A. CURRENT ASSETS	100		1,926,099,661,491	1,728,208,585,237
I. Cash and cash equivalents	110	5	330,684,538,223	1,013,571,500,908
1. Cash	111		330,684,538,223	721,151,500,908
2. Cash equivalents	112		-	292,420,000,000
II. Short-term receivables	130		856,647,287,590	523,723,091,967
1. Short-term trade receivables	131	6	20,651,504,781	46,347,231,689
2. Short-term advances to suppliers	132	7	465,733,204,339	396,659,688,842
3. Receivables from construction contracts under percentage of completion method	134	8	329,435,401,010	-
4. Other short-term receivables	136	9	40,814,222,870	80,703,216,846
5. Deficits in assets awaiting solution	139		12,954,590	12,954,590
III. Inventories	140	11	703,518,105,927	188,153,143,116
1. Inventories	141		703,518,105,927	188,153,143,116
IV. Other short-term assets	150		35,249,729,751	2,760,849,246
1. Short-term prepayments	151	12	3,132,962,909	2,613,051,540
2. Value added tax deductibles	152		20,533,648,615	-
3. Taxes and other receivables from the State budget	153	13	11,583,118,227	147,797,706
B. NON-CURRENT ASSETS	200		753,153,276,537	825,445,756,432
I. Fixed assets	220		611,957,692,733	681,067,142,108
1. Tangible fixed assets	221	14	608,351,431,288	675,500,162,632
- Cost	222		1,274,531,300,532	1,270,600,105,749
- Accumulated depreciation	223		(666,179,869,244)	(595,099,943,117)
2. Intangible assets	227	15	3,606,261,445	5,566,979,476
- Cost	228		41,132,298,145	41,132,298,145
- Accumulated amortisation	229		(37,526,036,700)	(35,565,318,669)
II. Long-term assets in progress	240		4,089,971,250	4,089,971,250
1. Long-term construction in progress	242	16	4,089,971,250	4,089,971,250
III. Other long-term assets	260		137,105,612,554	140,288,643,074
1. Long-term prepayments	261	12	132,222,993,365	134,951,849,527
2. Deferred tax assets	262	17	4,882,619,189	5,336,793,547
TOTAL ASSETS (270=100+200)	270		2,679,252,938,028	2,553,654,341,669

The notes set out on pages 7 to 27 are an integral part of these financial statements

PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY

 65A2, 30/4 Road, Thang Nhat Ward
 Ba Ria - Vung Tau Province, S.R. Vietnam

Financial Statements

For the period from 1 January 2015 to 30 June 2015

BALANCE SHEET (Continued)

As at 30 June 2015

FORM B 01a-DN

Unit: VND

RESOURCES	Codes	Notes	30/6/2015	31/12/2014
C. LIABILITIES	300		2,236,113,243,224	2,129,411,040,597
I. Current liabilities	310		1,564,104,579,077	1,418,518,634,250
1. Short-term trade payables	311	18	163,501,302,401	113,841,943,911
2. Short-term advances from customers	312	19	211,086,067,725	211,068,967,725
3. Taxes and amounts payable to the State budget	313	13	668,114,488	33,216,442,758
4. Payables to employees	314		10,958,833,385	10,374,113,848
5. Short-term accrued expenses	315	20	64,890,633,377	70,566,600,192
6. Payables relating to construction contracts under percentage of completion method	317	9	-	418,116,435,521
7. Other current payables	319	21	25,780,047,316	61,294,069,986
8. Short-term loans and obligations under finance leases	320	22	1,084,534,010,789	497,272,490,713
9. Bonus and welfare funds	322		2,685,569,596	2,767,569,596
II. Long-term liabilities	330		672,008,664,147	710,892,406,347
1. Long-term advances from customers	332	19	46,904,215,050	46,904,215,050
2. Long-term loans and obligations under finance leases	338	23	625,104,449,097	663,988,191,297
D. EQUITY	400		443,139,694,804	424,243,301,072
I. Owners' equity	410	24	441,713,557,775	421,776,250,374
1. Owners' contributed capital	411		594,897,870,000	594,897,870,000
- Ordinary shares carrying voting rights	411a		594,897,870,000	594,897,870,000
2. Other owners' capital	414		2,597,721,463	2,597,721,463
3. Retained earnings	421		(155,782,033,688)	(175,719,341,089)
- Losses accumulated to the prior year end	421a		(175,719,341,089)	(195,917,007,073)
- Retained earnings of the current year	421b		19,937,307,401	20,197,665,984
II. Other resources and funds	430		1,426,137,029	2,467,050,698
1. Subsidised funds	431		913,634,286	913,634,286
2. Funds for fixed assets acquisition	432		512,502,743	1,553,416,412
TOTAL RESOURCES (440 = 300+ 400)	440		2,679,252,938,028	2,553,654,341,669



 Nguyen Phuong Huong
 Preparer



 Nguyen Van Quang
 Chief Accountant

 Le Hung
 General Director
 17 July 2015

PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY

65A2, 30/4 Road, Thang Nhat Ward
Ba Ria - Vung Tau Province, S.R. Vietnam

Financial Statements

For the period from 1 January 2015 to 30 June 2015

INCOME STATEMENT

For the period from 1 January 2015 to 30 June 2015

FORM B 02a-DN

Unit: VND

ITEMS	Codes	Notes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
1. Gross revenue from services rendered	01		783,133,377,613	333,234,715,631
2. Deductions	02		-	1,654,801,189
3. Net revenue from services rendered (10=01-02)	10	27	783,133,377,613	331,579,914,442
4. Cost of services rendered	11	28	710,090,095,015	291,442,260,630
5. Gross profit from services rendered (20=10-11)	20		73,043,282,598	40,137,653,812
6. Financial income	21	30	5,081,909,074	9,214,864,940
7. Financial expenses	22	31	41,968,169,160	32,671,724,951
- In which: Interest expense	23		28,201,119,015	31,714,656,273
8. General and administration expenses	26	32	14,589,145,446	14,176,375,123
9. Operating profit (30=20+(21-22)-26)	30		21,567,877,066	2,504,418,678
10. Other income	31		577,882,743	209,810,261
11. Other expenses	32		1,754,278,050	11,446,313,908
12. Loss from other activities (40=31-32)	40	33	(1,176,395,307)	(11,236,503,647)
13. Profit/(loss) before tax (50=30+40)	50		20,391,481,759	(8,732,084,969)
14. Corporate income tax expense	51	34	-	-
15. Deferred corporate tax expense	52	34	454,174,358	-
16. Net profit/(loss) after tax (60=50-51-52)	60		19,937,307,401	(8,732,084,969)
17. Basic earnings/(losses) per share	70	35	335	(147)

Nguyen Phuong Huong
Preparer

Nguyen Van Quang
Chief Accountant

Le Hung
General Director
17 July 2015



PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY

65A2, 30/4 Road, Thang Nhat Ward
Ba Ria - Vung Tau Province, S.R. Vietnam

Financial Statements

For the period from 1 January 2015 to 30 June 2015

CASH FLOW STATEMENT

For the period from 1 January 2015 to 30 June 2015

FORM B 03a-DN

Unit: VND

ITEMS	Codes	From 01/01/2015 to 30/6/2015	From 01/01/2014 to 30/6/2014
I. CASH USED IN OPERATING ACTIVITIES			
1. Profit/(loss) before tax	01	20,391,481,759	(8,732,084,969)
2. Adjustments for:			
Depreciation and amortisation of fixed assets	02	72,015,963,128	71,758,434,464
Foreign exchange loss arising from translating foreign currency items	04	12,194,862,392	584,588,106
Gain from investing activities	05	(2,161,828,630)	(8,220,338,723)
Interest expense	06	28,201,119,015	31,714,656,273
3. Operating profit before movements in working capital	08	130,641,597,664	87,105,255,151
Changes in receivables	09	(381,519,380,556)	(85,219,636,137)
Changes in inventories	10	(515,364,962,811)	(79,528,700,188)
Changes in payables	11	(429,546,880,370)	78,053,511,183
Changes in prepaid expenses	12	2,192,712,154	1,101,955,590
Interest paid	14	(36,870,683,668)	(23,061,800,756)
Other cash inflows	16	41,314,237,641	474,000,000
Other cash outflows	17	(24,768,310,493)	(4,023,141,989)
Net cash used in operating activities	20	(1,213,921,670,439)	(25,098,557,146)
II. CASH USED IN INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(7,492,195,910)	(18,563,999,917)
2. Interest earned, dividends and profits received	27	2,161,828,630	8,803,672,056
Net cash used in investing activities	30	(5,330,367,280)	(9,760,327,861)
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	822,607,525,270	12,284,136,000
2. Repayment of borrowings	34	(285,924,356,669)	-
3. Dividends and profits paid	36	(507,279,400)	(224,279,600)
Net cash generated by financing activities	40	536,175,889,201	12,059,856,400
Net decrease in cash (50=20+30+40)	50	(683,076,148,518)	(22,799,028,607)
Cash and cash equivalents at the beginning of the period	60	1,013,571,500,908	766,437,653,703
Effects of changes in foreign exchange rates	61	189,185,833	306,905,531
Cash and cash equivalents at the end of the period (70=50+60+61)	70	330,684,538,223	743,945,530,627

Nguyen Phuong Huong
Preparer

Nguyen Van Quang
Chief Accountant

Le Hung
General Director
17 July 2015

The notes set out on pages 7 to 27 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09a-DN

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Marine Shipyard Joint Stock Company ("the Company") was incorporated in Vietnam under Enterprise Registration Certificate No. 3500806844 dated 9 July 2007 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province, as amended.

The number of the Company's employees as at 30 June 2015 was 715 (as at 31 December 2014: 719).

Principal activities

The principal activities of the Company are to build, maintain, refurbish drilling platforms, oil platforms, ships, floating devices and related equipment; to trade in related materials and equipment.

Normal production and business cycle

The Company's normal production and business cycle is carried out for a time period of 12 months or less.

Disclosure of information comparability in the financial statements

As stated in Note 3, since 1 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for the financial year beginning on or after 1 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. Accordingly, certain figures of the balance sheet as at 30 June 2014, of the income statement and of the cash flow statement for the period from 1 January 2014 to 30 June 2014 are not comparable with the corresponding figures for the period from 1 January 2015 to 30 June 2015 due to effects of adoption of Circular 200 on the preparation and presentation of the financial statements.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying financial statements, expressed in Vietnam Dong ("VND"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

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

Financial year

The Company's financial year begins on 1 January and ends on 31 December. The interim financial statements of the Company were prepared for the 6-month period from 1 January to 30 June each year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09a-DN

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on accounting regime for enterprises

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for financial years beginning on or after 1 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. The Board of Directors has adopted Circular 200 in the preparation and presentation of the financial statements for the period from 1 January 2015 to 30 June 2015.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

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

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, trade and other receivables and deposits.

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

Subsequent measurement after initial recognition

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09a-DN

These notes are an integral part of and should be read in conjunction with the accompanying financial statements

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and trial running costs.

Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives as follows:

	Years
Buildings structures	5 - 25
Machinery, equipment	5 - 7
Office equipment	3 - 15
Motor vehicles	2 - 6
Equipment formed from Subsidised funds	2 - 3
Others	3

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets

Intangible assets represent computer software and software formed from subsidised funds that are stated at cost less accumulated amortisation. Computer software and software formed from subsidised funds which are not part of the related hardware, the relevant purchase price will be capitalized and recorded as intangible assets. Computer software and software formed from subsidised funds are amortized using straight-line method over 3 years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09a-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayments comprise prepaid land rentals and other types of long-term prepayments.

Prepaid land rentals are charged to the income statement using the straight-line method over the lease term of 47 years.

Other types of prepayments comprise costs of land clearance and tools which are expected to provide future economic benefits to the Company for more than 1 year. These expenditures have been capitalised as prepayments, and are allocated to the income statement using the straight-line method in accordance with the current prevailing accounting regulations.

Payable provisions

Payable provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation as at the balance sheet date.

Revenue recognition

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

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

Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable of recovery.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09a-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates druling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determinations of the tax currently payable and deferred tax are based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY65A2, 30/4 Road, Thang Nhat Ward
Ba Ria - Vung Tau Province, S.R. Vietnam**Financial Statements**

For the period from 1 January 2015 to 30 June 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09a-DN***These notes are an integral part of and should be read in conjunction with the accompanying financial statements***5. CASH AND CASH EQUIVALENTS**

	30/6/2015	31/12/2014
	VND	VND
Cash on hand	1,819,469,580	3,054,338,539
Cash in bank	307,632,495,657	718,097,162,369
Cash in transit	21,232,572,986	-
Cash equivalents	-	292,420,000,000
	<u>330,684,538,223</u>	<u>1,013,571,500,908</u>

6. SHORT-TERM TRADE RECEIVABLES

	30/6/2015	31/12/2014
	VND	VND
Vietsovpetro Joint Venture	2,839,056,000	37,434,060,682
Semco Maritime Vietnam Joint Stock Company	7,475,447,458	254,826,000
UMW Offshore Drilling SDN BHD	3,698,164,067	-
Other receivables	6,638,837,256	8,658,345,007
	<u>20,651,504,781</u>	<u>46,347,231,689</u>

7. SHORT-TERM ADVANCES TO SUPPLIERS

	30/6/2015	31/12/2014
	VND	VND
2A CO., LTD	10,394,102,022	-
Daia Vinafunis Pte Ltd.	7,651,594,039	-
Fluid Systems, Inc.	18,531,480,504	8,437,060
National Oilwell Varco L.P.638	342,570,638,452	309,468,285,000
Loadmaster Derrick & Equipment Inc	31,551,034,804	-
S-ONE M&O Co., Ltd.	10,916,662,255	7,012,640,000
PH Hydraulics & Engineering Pte Ltd	12,515,586,000	4,238,124,000
Italgru S.R.L	-	16,865,640,000
Jackup Structures Alliance, Inc.	2,409,788,543	39,132,004,214
Other suppliers	29,192,317,720	19,934,558,568
	<u>465,733,204,339</u>	<u>396,659,688,842</u>

Short-term advances to suppliers represent advance payments for purchase contract supporting Tam Dao 05 project of the Company.

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8. RECEIVABLES/PAYABLES FROM CONSTRUCTION CONTRACTS

	30/6/2015	31/12/2014
	VND	VND
Contracts in progress as at the balance sheet date:		
Receivables from construction contracts under percentage of completion method	329,435,401,010	-
Payables relating to construction contracts under percentage of completion method	-	418,116,435,521
	<u>329,435,401,010</u>	<u>418,116,435,521</u>
Contract costs incurred plus recognised profits less recognised losses to date	1,616,554,339,180	869,002,502,649
Less: progress billings	<u>1,287,118,938,170</u>	<u>1,287,118,938,170</u>
	<u>329,435,401,010</u>	<u>(418,116,435,521)</u>

9. OTHER SHORT-TERM RECEIVABLES

	30/6/2015	31/12/2014
	VND	VND
Receivable from employees	2,634,120,635	3,110,838,719
Short-term deposits	20,000,000,000	36,591,902,968
Other receivables		
- PetroVietnam Insurance Company (PVI) - Vung Tau Branch	109,565,021	20,993,569,199
- PetroVietnam Securities Incorporated (*)	15,690,145,090	16,172,060,520
- Other receivables	<u>2,380,392,124</u>	<u>3,834,845,440</u>
	<u>40,814,222,870</u>	<u>80,703,216,846</u>

(*) Receivable from PetroVietnam Securities Incorporated ("PSI") as at 30 June 2015 presents the actual dividend amounts transferred to PSI but PSI has not made the payment to the Company's shareholders.

10. OVERDUE DEBT

	30/6/2015			31/12/2014		
	VND	VND		VND	VND	
	Cost	Recoverable amount	Payee	Cost	Recoverable amount	Payee
Amount of overdue receivables	1,598,381,778	1,598,381,778	Petroleum Pipeline & Tank Construction Joint Stock Company	1,579,742,000	1,579,742,000	Petroleum Pipeline & Tank Construction Joint Stock Company

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11. INVENTORIES

	30/6/2015		31/12/2014	
	VND		VND	
	Cost	Provision	Cost	Provision
Goods in transit	437,480,226,560	-	13,525,927,987	-
Raw materials	259,892,786,536	-	167,267,280,981	-
Tools and supplies	6,145,092,831	-	7,359,934,148	-
	703,518,105,927	-	188,153,143,116	-

12. SHORT-TERM AND LONG-TERM PREPAYMENTS

	30/6/2015	31/12/2014
	VND	VND
a) Short-term		
Tools	1,231,046,674	2,255,329,507
Other prepayments	1,901,916,235	357,722,033
	3,132,962,909	2,613,051,540
b) Long-term		
Land rental (*)	127,884,623,617	128,813,572,156
Tools	2,292,595,632	3,943,711,123
Others	2,045,774,116	2,194,566,248
	132,222,993,365	134,951,849,527

(*) Land rental presents the land lease in Ba Ria - Vung Tau Province with area of 39.8 ha according to the rental contract no CN0107001/HDKT -PVSB signed with Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company on 6 December 2007 to build the office, factory and warehouse for business purpose. The lease term is from the date of signing the handover minutes to 31 December 2057.

13. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET

	01/01/2015	Payable during the	Paid during the	30/6/2015
	VND	period	period	VND
a. Receivables				
Value added tax	-	-	92,576,415	92,576,415
Import tax	147,797,706	11,759,723,029	18,553,310,854	6,941,385,531
Foreign contractor withholding tax	-	11,637,998,351	16,187,154,632	4,549,156,281
	147,797,706	23,397,721,380	34,833,041,901	11,583,118,227
b. Payables				
Value added tax	31,015,055,792	-	31,015,055,792	-
Personal income tax	474,430,936	4,719,363,795	4,525,680,243	668,114,488
Foreign contractor withholding tax	1,726,956,030	-	1,726,956,030	-
	33,216,442,758	4,719,363,795	37,267,692,065	668,114,488

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14. TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Assets formed from subsidised funds	Others	Total
	VND	VND	VND	VND	VND	VND	VND
COST							
As at 01/01/2015	737,423,602,480	114,542,188,634	397,256,138,844	9,265,359,411	3,850,699,617	8,262,116,763	1,270,600,105,749
Additions	-	3,639,579,983	260,785,000	30,829,800	-	-	3,931,194,783
As at 30/6/2015	737,423,602,480	118,181,768,617	397,516,923,844	9,296,189,211	3,850,699,617	8,262,116,763	1,274,531,300,532
ACCUMULATED DEPRECIATION							
As at 01/01/2015	355,301,683,452	68,211,588,552	152,127,827,929	8,048,306,369	3,256,403,363	8,154,133,452	595,099,943,117
Charge for the period	44,913,507,397	8,419,403,378	17,151,420,588	509,200,560	65,560,872	20,833,332	71,079,926,127
As at 30/6/2015	400,215,190,849	76,630,991,930	169,279,248,517	8,557,506,929	3,321,964,235	8,174,966,784	666,179,869,244
NET BOOK VALUE							
As at 30/6/2015	337,208,411,631	41,550,776,687	228,237,675,327	738,682,282	528,735,382	87,149,979	608,351,431,288
As at 31/12/2014	382,121,919,028	46,330,600,082	245,128,310,915	1,217,053,042	594,296,254	107,983,311	675,500,162,632

As at 30 June 2015, the cost of the Company's tangible fixed assets includes an amount of VND 31,583,156,011 (as at 31 December 2014: VND 21,273,489,965) in respect of fully depreciated assets which are still in use.

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15. INTANGIBLE ASSETS

	Computer Software VND	Software formed from subsidised funds VND	Total VND
COST			
As at 01/01/2015 and 30/6/2015	<u>17,966,543,935</u>	<u>23,165,754,210</u>	<u>41,132,298,145</u>
ACCUMULATED AMORTISATION			
As at 01/01/2015	13,358,684,617	22,206,634,052	35,565,318,669
Charge for the period	<u>1,001,597,873</u>	<u>959,120,158</u>	<u>1,960,718,031</u>
As at 30/6/2015	<u>14,360,282,490</u>	<u>23,165,754,210</u>	<u>37,526,036,700</u>
NET BOOK VALUE			
As at 30/6/2015	<u>3,606,261,445</u>	<u>-</u>	<u>3,606,261,445</u>
As at 31/12/2014	<u>4,607,859,318</u>	<u>959,120,158</u>	<u>5,566,979,476</u>

As at 30 June 2015, the cost of the Company's intangible assets includes an amount of VND 35,269,773,145 (as at 31 December 2014: VND 28,880,566,575) in respect of fully depreciated assets which are still in use.

16. LONG-TERM CONSTRUCTION IN PROGRESS

	30/6/2015 VND	31/12/2014 VND
Building of Slab table	1,735,085,021	1,735,085,021
Building of transportation frame of Block	947,303,324	947,303,324
Building of ASME tub	615,084,268	615,084,268
Other constructions	<u>792,498,637</u>	<u>792,498,637</u>
	<u>4,089,971,250</u>	<u>4,089,971,250</u>

17. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognized by the Company, and the movements thereon, during the current period:

	Unrealised foreign exchange losses VND	Tax losses VND	Total VND
As at 01/01/2015	(11,926,165)	5,348,719,712	5,336,793,547
Charge to profit/loss for the period	<u>(30,071,215)</u>	<u>(424,103,143)</u>	<u>(454,174,358)</u>
As at 30/6/2015	<u>(41,997,380)</u>	<u>4,924,616,569</u>	<u>4,882,619,189</u>

As at 30 June 2015, the Company has unused tax losses of VND 127,999,606,981 (as at 31 December 2014: VND 148,434,861,806) available for offset against future profit. In which:

As at 30 June 2015, deferred tax assets were recognized from these tax losses of VND 24,623,082,843 with tax rate 20% due to high predictability of future profit stream from the construction of Tam Dao 05 jack-up rig.

The Company has not recognized the deferred tax assets from the remaining tax loss amount of VND 103,376,524,138 due to the uncertainty of the future profit.

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These losses can be carried forward for a maximum period of five years after the year it was incurred. The benefits from the Company' tax losses carried forward expires in 2018.

18. SHORT-TERM TRADE PAYABLES

	30/6/2015		31/12/2014	
	Amount	VND Amount able to be paid off	Amount	VND Amount able to be paid off
CMR (Far East) Pte Ltd	26,782,239,120	26,782,239,120	-	-
Lenn International Pte Ltd	15,678,409,874	15,678,409,874	-	-
Semco Maritime Pte Ltd	8,517,600,000	8,517,600,000	-	-
Sao Mai - Binh Dinh Petroleum Investment Joint Stock Company	7,368,139,203	7,368,139,203	-	-
CAC Joint Stock Company	5,527,329,378	5,527,329,378	-	-
Velocity Energy Pte Ltd	6,021,302,196	6,021,302,196	9,067,663,549	9,067,663,549
Global Technology Commercial Corp.	1,609,254,000	1,609,254,000	7,654,299,400	7,654,299,400
Lilama 18 Joint Stock Company	3,331,657,377	3,331,657,377	6,073,864,720	6,073,864,720
Chien Hung Company Limited	917,085,523	917,085,523	6,336,970,444	6,336,970,444
Sterom 2SA	-	-	9,646,172,241	9,646,172,241
Airtrade Systems Pte Ltd	3,680,040,000	3,680,040,000	-	-
Lousiana Machinery Company LLC	6,038,555,141	6,038,555,141	-	-
Italgru S.R.L	22,842,499,680	22,842,499,680	-	-
Other suppliers	55,187,190,909	55,187,190,909	75,062,973,557	75,062,973,557
	163,501,302,401	163,501,302,401	113,841,943,911	113,841,943,911

19. SHORT-TERM/LONG-TERM ADVANCES FROM CUSTOMERS

In 2013, Vietsovpetro Joint Venture ("Vietsovpetro") made the advance payment with 10% of contract value according to the Contract No. 885/13/T-N4/KB-PVShipyards for the construction of Tam Dao 05 signed between the Company and Vietsovpetro on 29 November 2013. This advance amount will be gradually offset against the next payments in accordance with the specific terms in the contracts. The balance of advances from customers as at 30 June 2015 represents the remaining advance amounts from Vietsovpetro which have not been offset. This amount will be net off in year 2016 upon completion of Tam Dao 05 project.

20. SHORT-TERM ACCRUED EXPENSES

	30/6/2015	31/12/2014
	VND	VND
Loan interest expense	52,124,590,124	60,794,154,777
Expenses for construction (projects XL2)	7,018,078,517	7,018,078,517
Out-sourced labor cost	3,304,658,881	-
Others	2,443,305,855	2,754,366,898
	64,890,633,377	70,566,600,192

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21. OTHER SHORT-TERM PAYABLES

	30/6/2015	31/12/2014
	VND	VND
Dividend payable	19,966,394,800	20,473,674,200
PetroVietnam Corporation	-	35,016,871,164
Others	5,813,652,516	5,803,524,622
	25,780,047,316	61,294,069,986

22. SHORT-TERM BORROWINGS AND LIABILITIES

	30/6/2015		During the period		31/12/2014	
	VND				VND	
	Amount	Amount able to be paid off	Increases	Decrease	Amount	Amount able to be paid off
Short-term loans	955,955,659,314	955,955,659,314	822,607,525,270	203,352,098,869	336,700,232,913	336,700,232,913
Current portion of bond liabilities (see Note 23)	116,883,742,200	116,883,742,200	38,883,742,200	82,572,257,800	160,572,257,800	160,572,257,800
Exchange difference	11,694,609,275	11,694,609,275	11,694,609,275	-	-	-
	1,084,534,010,789	1,084,534,010,789	873,185,876,745	285,924,356,669	497,272,490,713	497,272,490,713

Short-term loans represent the following contracts:

- Short-term borrowings in United States Dollar from PVCombank – Ba Ria - Vung Tau Branch, maturity within 6 months from drawing date. This facility is unsecured and bears interest at 2%/per annum, interest will be paid monthly. According to contract No. 65/2014 dated 26 September 2014, this facility can be drawn up to a maximum amount of equivalent to VND 750,000,000,000. The facility is used to finance working capital, issue credit guarantee, open and pay letter of credit for the contract of newly-building Tam Dao 05 project. Credit facility will be expired after 36 months from signing date.

- Short-term borrowings in United States Dollar from Sai Gon – Ha Noi Commercial Joint Stock Bank – Vung Tau Branch, maturity within 9 months from drawing date. This facility is secured by right to receivables arising from Tao Dao 05 project and bears interest at 2%/per annum, interest will be paid monthly. According to contract 003/2015/HĐHM-PN/SHB.130800 in January 2015, this facility can be drawn up to a maximum amount of USD 20,000,000. The facility is used to finance working capital, issue credit guarantee, open and pay letter of credit for the contract of newly-building Tam Dao 05 project. Credit facility will be expired after 12 months from signing date.

- Short-term borrowings in United States Dollar from Vietinbank – Branch No.4, maturity within 12 months from drawing date. This facility is unsecured and bears interest at 2%/per annum, interest will be paid monthly. According to contract No. 01/2015- HĐTDHM/NHCT908-PVShipyards in March 2015, this facility can be drawn up to a maximum amount of equivalent to VND 970,000,000,000. The facility is used to finance working capital, issue credit guarantee, open and pay letter of credit for the contract of newly-building Tam Dao 05 project. Credit facility will be expired after 12 months from signing date.

23. LONG-TERM LOANS AND LIABILITIES

	30/6/2015		During the period		31/12/2014	
	VND				VND	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
Long-term loans	625,104,449,097	625,104,449,097	116,257,800	39,000,000,000	663,988,191,297	663,988,191,297

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Long-term loans and liabilities which present the long-term loans from PetroVietnam Joint Stock Finance Corporation ("PVFC"), now known as Vietnam Public Joint Stock Commercial Bank ("PVcomBank"), include two credit facilities:

- Agreement No. 11/2011/HDTDUT/TCDK-CNVT.TD dated 17 May 2011 with the amount of VND 641,000,000,000 for payment of investment cost of project "Building and maintaining oil platforms". The term loan is 12 months from 24 May 2011 to 24 May 2012 and is extended to 24 November 2014 according to Appendix No. 01/11/2011/HDTDUT/TCDK-CNVT.TD. This loan is unsecured loan and it was fully disbursed in 2011.
- Agreement No. 07/HDTDUT/TCDK-CNVT.TD dated 18 March 2011 with the maximum amount of VND 250,000,000,000 for payment of investment cost of project "Building and maintaining oil platforms". Interest of loan is the same with interest rate from economics entities with the term of 12 months of PVFC plus 5% per annum for loans disbursed before 6 October 2011 and 14.2% per annum for loans disbursed after 6 October 2011. This loan is unsecured. Term loan is starting from the date PetroVietnam transfers its entrusted fund to PVFC to the date 6 April 2012. The Company has withdrawn VND 153,197,270,000 in 2011 and VND 30,363,179,097 in 2012.

On 9 May 2013, the Company entered into two Appendixes of two Agreement No. 02/07/HDTDUT/TCDK-CNVT.TD and Agreement No. 02/11/2011/HDTDUT/TCDK-CNVT.TD. Thereon, these two loans will be rescheduled and extended to 31 December 2018. These two loans are repayable in instalments starting from 30 June 2014 to 31 December 2018. The loans bear interest at the rate of 100% saving rate in the 12 months of postpaid from Bank for Foreign Trade of Vietnam ("Vietcombank") at the time of adjusted rate plus entrust rate (0.15%/year).

On 29 June 2015, the Company additionally entered into two Appendixes of two Agreement No. 02/07/HDTDUT/TCDK-CNVT.TD and Agreement No. 02/11/2011/HDTDUT/TCDK-CNVT.TD. Accordingly, the first payment as scheduled on 30 June 2014 will be made in year 2015. The remaining balance will be repaid in instalments starting from 30 June 2015 to 30 June 2024.

Long-term loans are repayable as follows:

	30/6/2015	31/12/2014
	VND	VND
On demand or within one year	117,000,000,000	160,572,257,800
In the second year	78,000,000,000	78,116,257,800
In the third to fifth year inclusive	234,000,000,000	234,348,773,400
After five years	313,104,449,097	351,523,160,097
	<u>742,104,449,097</u>	<u>824,560,449,097</u>
Less: Amount due for settlement within 12 months (presents at Note 22)	(117,000,000,000)	(160,572,257,800)
Amount due for settlement after 12 months	<u>625,104,449,097</u>	<u>663,988,191,297</u>

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24. OWNERS' EQUITY
Movement in owners' equity

	Owners' contributed capital VND	Other owners' capital VND	Accumulated losses VND	Total VND
Balance as at 01/01/2014	594,897,870,000	2,597,721,463	(195,917,007,073)	401,578,584,390
Profit during the year	-	-	20,197,665,984	20,197,665,984
Balance as at 31/12/2014	<u>594,897,870,000</u>	<u>2,597,721,463</u>	<u>(175,719,341,089)</u>	<u>421,776,250,374</u>
Profit during the period	-	-	19,937,307,401	19,937,307,401
Balance as at 30/06/2015	<u>594,897,870,000</u>	<u>2,597,721,463</u>	<u>(155,782,033,688)</u>	<u>441,713,557,775</u>

Shares

	<u>30/6/2015</u>	<u>31/12/2014</u>
- Shares authorized to be issued to the public	59,489,787	59,489,787
- Shares issued	59,489,787	59,489,787
- Shares are currently traded	<u>59,489,787</u>	<u>59,489,787</u>

The Company has one class of ordinary share which carries no right to fixed income with par value of VND 10,000 per share. The shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders meetings. All shares rank equally with regard to the Company's residual assets.

Details of the Company's capital contribution as at balance sheet date are as follows:

	<u>30/6/2015 and 31/12/2014</u>		
	<u>%</u>	<u>Shares</u>	<u>Amount(VND)</u>
PetroVietnam Technical Services Corporation	28.75	17,105,643	171,056,430,000
Vietnam Shipbuilding Industry Group	7.53	4,479,257	44,792,570,000
Bank for Investment and Development of Vietnam JSC	4.03	2,400,000	24,000,000,000
Vietsovpetro Joint Venture	3.63	2,161,300	21,613,000,000
LILAMA	4.03	2,400,000	24,000,000,000
Others	52.03	30,943,587	30,943,587,000
	<u>100</u>	<u>59,489,787</u>	<u>594,897,870,000</u>

25. OFF BALANCE SHEET ITEMS

	<u>30/6/2015</u>	<u>31/12/2014</u>
Foreign currencies		
United States Dollar	1,040,355.15	11,747,504.69
Euro	322.94	1,084.56

26. BUSINESS AND GEOGRAPHICAL SEGMENT

Principal activities of the Company are to build, maintain and refurbish drilling platforms, oil platforms, ships, floating devices and related equipment. During the operation course, the Company's other production and business activities are very small proportion of its total revenue and operating results, accordingly, the financial information that was presented in the balance sheet as at 30 June 2015 and all its revenue, expenses in the income statement for the period from 1 January 2015 to 30 June 2015 are related to its principal activities. In geography, the Company mainly operates within Vietnam.

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Accordingly, the Board of Directors has assessed and believes that the financial statements in which did not present information related to business and geographical segment for the period from 1 January 2015 to 30 June 2015 is in accordance with stipulations of Accounting Standard No.28 "Segment reporting" and also in according with the business situation of the Company.

27. NET REVENUE FROM SERVICES RENDERED

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Construction contracts	747,551,836,531	247,082,224,188
Other maintenance contracts	29,542,329,529	79,163,775,132
Other services	6,039,211,553	6,988,716,311
	<u>783,133,377,613</u>	<u>333,234,715,631</u>
Deduction - Sales rebates	-	(1,654,801,189)
	<u>783,133,377,613</u>	<u>331,579,914,442</u>

28. COST OF SERVICES RENDERED

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Construction contracts	692,177,626,417	228,779,837,211
Other maintenance contracts	17,794,985,342	57,678,862,401
Other services	117,483,256	4,983,561,018
	<u>710,090,095,015</u>	<u>291,442,260,630</u>

29. PRODUCTION COST BY NATURE

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Raw materials and consumables	418,368,882,386	69,081,063,582
Labour	88,288,304,889	83,152,213,132
Depreciation and amortization	72,015,963,128	71,758,434,464
Out-sourced services	138,912,796,815	85,412,168,158
Other expenses	7,093,293,243	7,557,585,766
	<u>724,679,240,461</u>	<u>316,961,465,102</u>

30. FINANCIAL INCOME

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Bank interest	2,161,828,630	8,220,338,723
Foreign exchange gain	2,920,080,444	994,526,217
	<u>5,081,909,074</u>	<u>9,214,864,940</u>

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31. FINANCIAL EXPENSES

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Interest expense	28,201,119,015	31,714,656,273
Foreign exchange loss	13,767,050,145	957,068,678
	<u>41,968,169,160</u>	<u>32,671,724,951</u>

32. GENERAL AND ADMINISTRATION EXPENSES

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Salary for employees	12,085,772,387	12,125,545,442
Others	2,503,373,059	2,050,829,681
	<u>14,589,145,446</u>	<u>14,176,375,123</u>

33. LOSS FROM OTHER ACTIVITIES

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Other income	577,882,743	209,810,261
Depreciation and amortization	-	7,698,962,004
Other expenses	1,754,278,050	3,747,351,904
Other expenses	1,754,278,050	11,446,313,908
Loss from other activities	<u>(1,176,395,307)</u>	<u>(11,236,503,647)</u>

34. CURRENT CORPORATE INCOME TAX EXPENSE

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Current corporate income tax expenses		
- Corporate income tax based on taxable profit in the current year	-	-
Deferred corporate income tax expenses		
- Taxable temporary differences	(30,071,215)	-
- Taxable losses and tax incentives not yet applied	(424,103,143)	-
	<u>(454,174,358)</u>	<u>-</u>

According to Official Letter No. 6031/CT-TTHT dated 17 October 2008 issued by Tax Department of Ba Ria - Vung Tau province, the Company is obliged to pay corporate income tax at three applicable tax rates are as follows:

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- For the activities to build, maintain, refurbish drilling platforms, oil platforms, ships, the Company is obliged to pay corporate income tax of 20% of its assessable income for 10 years from the date of operation and the normal tax rate applied for the following years. The Company is also entitled to corporate income tax exemption during 2 years from the first taxable profit-making year (2010), and a reduction of 50% for the following three years.

- For the activities to execute marine construction, manufacture materials, electronical and mechanical equipments use for manufacturing drilling platforms, oil platforms and ships, manufacture equipment and steel structures for industrial and infrastructure projects, dredge narrow passage and site clearance, and provide construction services for petroleum projects, the Company is obliged to pay corporate income tax at normal tax rate of its assessable income in according with prevailing regulations. The Company is also entitled to corporate income tax exemption for 2 years from the first taxable profit-making year (2010), and a reduction of 50% for the following two years.

- For other activities, the Company is obliged to pay corporate income tax at normal tax rate of its assessable income.

In the period, the corporate income tax expense has not been recognised because the Company has not had the taxable income.

35. BASIC EARNINGS/(LOSSES) PER SHARE

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Profit/(losses) for the purposes of calculating basic earnings per share	19,937,307,401	(8,732,084,969)
Weighted average number of ordinary shares for the purposes of calculating basic earnings per share	59,489,787	59,489,787
Basic earnings/(losses) per share	335	(147)

36. FINANCIAL INSTRUMENTS**Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in Note 22 and Note 23 offset by cash and cash equivalents) and equity attributable to equity shareholders (comprising charter capital, other owner's capital and accumulated losses).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

	30/6/2015 VND	31/12/2014 VND
Borrowings	1,709,638,459,886	1,161,260,682,010
Less: Cash and cash equivalents	330,684,538,223	1,013,571,500,908
Net debt	1,378,953,921,663	147,689,181,102
Equity	441,713,557,775	421,776,250,374
Net debt to equity ratio	3.12	0.35

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Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

Categories of financial instruments

	Carrying amounts	
	30/6/2015	31/12/2014
	VND	VND
Financial assets		
Cash and cash equivalents	330,684,538,223	1,013,571,500,908
Trade and other receivables	368,267,008,026	87,347,706,848
Deposits	20,000,000,000	36,591,902,968
Total	718,951,546,249	1,137,511,110,724
Financial liabilities		
Trade and other payables	188,304,926,079	174,673,911,655
Borrowings	1,709,638,459,886	1,161,260,682,010
Accrued expenses	64,890,633,377	70,566,600,192
Total	1,962,834,019,342	1,406,501,193,857

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

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The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are as follows:

	Assets		Liabilities	
	30/6/2015	31/12/2014	30/6/2015	31/12/2014
	VND	VND	VND	VND
United States Dollar	26,358,156,653	248,497,132,428	1,074,442,757,825	368,440,460,140
Singapore Dollar (SGD)	-	-	25,903,242	-
Euro (EUR)	7,834,825	27,702,222	-	20,522,547,714

Foreign currency sensitivity

The Company is mainly exposed to United States Dollar, Euro and Singapore Dollar.

The following table details the Company's sensitivity to a 2% increase/decrease in Vietnam Dong against the relevant foreign currencies. 2% is the sensitivity rate used when reporting foreign currency risk internally to the Board of Directors and represents the Board of Directors assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. For a 2% increase/decrease in the following foreign currencies against Vietnam Dong, the company's profit/(loss) before tax in the period would increase/decrease by the following amount:

	From 01/01/2015 to 30/6/2015		From 01/01/2014 to 30/6/2014	
	VND		VND	
	2% increase	2% decrease	2% increase	2% decrease
United States Dollar (USD)	(20,961,692,023)	20,961,692,023	489,659,934	(489,659,934)
Singapore Dollar (SGD)	(518,065)	518,065	-	-
Euro (EUR)	156,697	(156,697)	(30,826,536)	30,826,536

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans from commercial banks. The risk is managed by the Company by maintaining an appropriate level of borrowings and analyzing market competition to enjoy favorable interest rates from appropriate lenders.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. The Company does not have any significant credit risk exposure to any counterparty.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

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30/6/2015	Less than 1 year VND	From 1-5 years VND	More than 5 years VND	Total VND
Cash and cash equivalents	330,684,538,223	-	-	330,684,538,223
Trade and other receivables	368,267,008,026	-	-	368,267,008,026
Deposits	20,000,000,000	-	-	20,000,000,000
Total	718,951,546,249	-	-	718,951,546,249
Trade and other payables	188,304,926,079	-	-	188,304,926,079
Borrowings	1,084,534,010,789	312,000,000,000	313,104,449,097	1,709,638,459,886
Accrued expenses	64,890,633,377	-	-	64,890,633,377
Total	1,337,729,570,245	312,000,000,000	313,104,449,097	1,962,834,019,342
Net liquidity gap	(618,778,023,996)	(312,000,000,000)	(313,104,449,097)	(1,243,882,473,093)
31/12/2014	Less than 1 year VND	From 1-5 years VND	More than 5 years VND	Total VND
Cash and cash equivalents	1,013,571,500,908	-	-	1,013,571,500,908
Trade and other receivables	87,347,706,848	-	-	87,347,706,848
Deposits	36,591,902,968	-	-	36,591,902,968
Total	1,137,511,110,724	-	-	1,137,511,110,724
Trade and other payables	174,673,911,655	-	-	174,673,911,655
Borrowings	497,272,490,713	312,465,031,200	351,523,160,097	1,161,260,682,010
Accrued expenses	70,566,600,192	-	-	70,566,600,192
Total	742,513,002,560	312,465,031,200	351,523,160,097	1,406,501,193,857
Net liquidity gap	394,998,108,164	(312,465,031,200)	(351,523,160,097)	(268,990,083,133)

Owing to the largest amount of financial liabilities are loans arising from commercial banks to be repaid basing on cashflows generated from Tam Dao 05 project in 2015 and 2016, and borrowings from Petro Vietnam Corporation through entrused party (PVcomBank) with the instalment payment schedule to 2024 basing on the Company's operating cashflows in the following years. Therefore, the Company has assessed the liquidity risk concentration at low level.

37. RELATED PARTY TRANSACTIONS AND BALANCES

Related party

Relationship

PetroVietnam Technical Services Corporation The largest shareholder

Beside the related party transactions and balances as stated in other Notes to the financial statements, during the period, the Comhany has significant related party transactions are as below:

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Remuneration paid to the Company's Boards of Management and Directors during the period are as follows:

	From 01/01/2015 to 30/6/2015 VND	From 01/01/2014 to 30/6/2014 VND
Salary and bonus	1,791,997,703	2,500,103,746

38. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION**Supplemental non-cash disclosures**

Cash outflows for purchases of fixed assets and construction in progress during the period include an amount of VND 3,561,001,127 (from 1 January 2014 to 30 June 2014: Nil), representing payment of purchase of fixed assets and construction in progress in prior period has been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Cash outflows of interest expense paid during the period exclude an amount of VND 28,201,119,015 (from 1 January 2014 to 30 June 2014: VND 31,714,656,273), representing the interest expense incurred during the year but has not been paid yet. Consequently, changes in accounts payable have been adjusted by the same amounts.

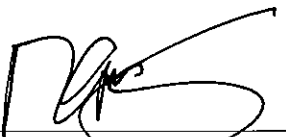
39. COMPARATIVE FIGURES

As stated in Note 3, since 1 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. Accordingly, certain figures of the balance sheet as at 30 June 2015, of the income statement and of the cash flow statement for the period from 1 January 2015 to 30 June 2015 are not comparable with the corresponding figures of 2014 due to effects of adoption of Circular 200 on the preparation and presentation of the financial statements.

Certain reclassifications have been made to the prior period's figures to enhance their comparability with the current period's presentation. Details are as follows:

	Codes	Previously reported amount VND	Reclassification VND	Amount after reclassification VND
Other short-term receivables	136	41,000,475,159	39,702,741,687	80,703,216,846
Deficits in assets awaiting solution	139	-	12,954,590	12,954,590
Other short-term assets	150	42,476,545,523	(39,715,696,277)	2,760,849,246
Short-term advances from customers	312	257,973,182,775	(46,904,215,050)	211,068,967,725
Long-term advances from customers	332	-	46,904,215,050	46,904,215,050


Nguyen Phuong Huong
Preparer


Nguyen Van Quang
Chief Accountant


Le Hung
General Director
17 July 2015