



BẢN SAO

Petro Vietnam Marine Shipyard Joint
Stock Company
Financial Statements for the year ended
31 December 2011



Petro Vietnam Marine Shipyard Joint Stock Company
Corporate information

**Business Registration
Certificate No**

4903000395	9 July 2007
3500806844	24 October 2008
3500806844	19 August 2011
3500806844	1 December 2011

The Business Registration Certificate No 4903000395 and 3500806844 were issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province.

Board of Management

Dang The Huong	Chairman
Phan Tu Giang	Member
Do Thanh Hung	Member
Vu Minh Tuan	Member
Hoang Huy Ha	Member

Board of Directors

Phan Tu Giang	General Director
Le Hung	Deputy General Director
Tran Quoc Thanh	Deputy General Director

Board of Supervisory

Bui Duc Kien	Chairman
Cu Minh Tuyen	Member
Luu Van Hop	Member

Registered Office

65A, 30/4 Street
Thang Nhat Ward, Vung Tau City
Ba Ria-Vung Tau Province
Vietnam

Auditors

KPMG Limited
Vietnam



KPMG Limited
10th Floor, Sun Wah Tower
115 Nguyen Hue Street
District 1, Ho Chi Minh City
The Socialist Republic of Vietnam

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INDEPENDENT AUDITORS' REPORT

To the Shareholders
Petro Vietnam Marine Shipyard Joint Stock Company

Scope

We have audited the accompanying balance sheet of Petro Vietnam Marine Shipyard Joint Stock Company ("the Company") as of 31 December 2011 and the related statements of income, changes in equity and cash flows for the year then ended and the explanatory notes thereto which were authorised for issue by the Company's management on 7 March 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Audit opinion


In our opinion, the financial statements give a true and fair view of the financial position of Petro Vietnam Marine Shipyard Joint Stock Company as of 31 December 2011 and the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

KPMG Limited
Vietnam


Investment Certificate No: 011043000345

Audit Report No: 11-01-306





Nguyen Thanh Nghi
CPA No. 0304/KTV
Deputy General Director



Nguyen Trung Hieu
CPA No. N2074/KTV

Ho Chi Minh City, 7 March 2012

Petro Vietnam Marine Shipyard Joint Stock Company
Balance sheet at 31 December 2011

	Code	Note	31/12/2011 VND'000	31/12/2010 VND'000
ASSETS				
Current assets	100		974,457,540	1,308,444,061
Cash and cash equivalents	110	3	292,876,907	454,656,978
Cash	111		152,876,907	135,458,507
Cash equivalents	112		140,000,000	319,198,471
Accounts receivable	130	4	534,796,444	331,371,165
Accounts receivable - trade	131		239,413,746	213,493,147
Prepayments to suppliers	132		19,910,673	110,251,291
Receivables on construction contracts according to stages of completion	134		273,433,931	-
Other receivables	135		2,038,094	7,626,727
Inventories	140	5	141,556,291	474,944,216
Other current assets	150		5,227,898	47,471,702
Short-term prepayments	151		504,905	4,953,205
Deductible value added tax	152		1,020,668	41,753,947
Taxes and other receivables from State				
Treasury	154		3,581,886	-
Other current assets	158		120,439	764,550
Long-term assets	200		1,237,259,146	1,234,894,063
Fixed assets	220		1,088,716,251	1,090,400,567
Tangible fixed assets	221	6	991,815,226	616,767,088
Cost	222		1,166,497,295	673,358,320
Accumulated depreciation	223		(174,682,069)	(56,591,232)
Intangible fixed assets	227	7	21,467,047	223,063
Cost	228		28,880,567	608,110
Accumulated amortisation	229		(7,413,520)	(385,047)
Construction in progress	230	8	75,433,978	473,410,416
Other long-term assets	260		148,542,895	144,493,496
Long-term prepayments	261	9	148,542,895	144,493,496
TOTAL ASSETS	270		2,211,716,686	2,543,338,124

The accompanying notes are an integral part of these financial statements

Petro Vietnam Marine Shipyard Joint Stock Company
Balance sheet at 31 December 2011 (continued)


	Code	Note	31/12/2011 VND'000	31/12/2010 VND'000
PRESOURCES				
LIABILITIES	300		1,531,531,977	1,801,952,309
Current liabilities	310		1,531,531,977	1,207,792,361
Short-term borrowings	311	10	888,339,830	-
Accounts payable – trade	312		479,835,095	232,230,628
Advances from customers	313	11	130,199,763	906,949,809
Taxes payable to State Treasury	314	12	2,064,171	5,251,254
Payables to employees	315		12,497,554	17,089,520
Accrued expenses	316	13	11,661,539	44,504,888
Other payables	319		6,103,317	1,766,262
Bonus and welfare fund	323		830,708	-
Long-term borrowings	330		-	594,159,948
Long-term borrowings	334	14	-	594,159,948
EQUITY	400		680,184,709	741,385,815
Equity	410		662,972,555	738,280,217
Share capital	411	15	594,897,870	700,000,000
Other equity funds	419		765,604	-
Retained profits	420		67,309,081	38,280,217
Non-business expenditure fund	430		17,212,154	3,105,598
Non-business expenditure fund	432	16	17,212,154	3,105,598
TOTAL RESOURCES	440		2,211,716,686	2,543,338,124

Prepared by:


 Nguyen Van Quang
 Chief Accountant



Approved by:


 Phan Tu Giang
 General Director


7 March 2012

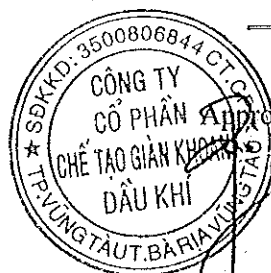
The accompanying notes are an integral part of these financial statements

Petro Vietnam Marine Shipyard Joint Stock Company
Statement of income for the year ended 31 December 2011

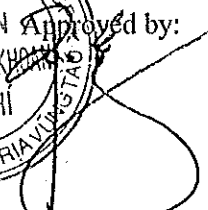
	Code	Note	2011 VND'000	2010 VND'000
Total revenue	01	17	2,157,097,805	1,252,357,821
Cost of sales	11	18	(2,022,916,842)	(1,175,139,612)
Gross profit	20		134,180,963	77,218,209
Financial income	21	19	55,654,542	47,463,214
Financial expenses	22	20	(99,770,002)	(48,009,950)
General and administration expenses	25		(29,796,327)	(26,917,587)
Net operating profit	30		60,269,176	49,753,886
Results of other activities	40			
Other income	31		4,050,811	1,957,632
Other expenses	32		(3,249,416)	(523,588)
Profit before tax	50		61,070,571	51,187,930
Income tax expense – current	51	21	-	(2,327,926)
Net profit	60		61,070,571	48,860,004

Prepared by:


 Nguyen Van Quang
 Chief Accountant



Approved by:


 Phan Tu Giang
 General Director


7 March 2012

The accompanying notes are an integral part of these financial statements

Petro Vietnam Marine Shipyard Joint Stock Company
Statement of changes in equity for the year ended 31 December 2011

	Share capital VND'000	Other equity funds VND'000	(Accumulated losses)/retained profits VND'000	Non-business expense fund VND'000	Total VND'000
Balance at 1 January 2010	400,000,000	-	(10,579,787)	-	389,420,213
Shares issued	300,000,000	-	-	-	300,000,000
Net profit for the year	-	-	48,860,004	-	48,860,004
Non-business expense fund received from State budget	-	-	-	3,105,598	3,105,598
Balance at 1 January 2011	700,000,000	-	38,280,217	3,105,598	741,385,815
Reduction in share capital	(105,102,130)	-	-	-	(105,102,130)
Net profit for the year	-	-	61,070,571	-	61,070,571
Dividends	-	-	(29,744,894)	-	(29,744,894)
Non-business expense fund received from State budget	-	-	-	28,613,240	28,613,240
Fixed asset expenses source	-	-	-	16,408,301	16,408,301
Utilisation of fund	-	-	-	(30,914,985)	(30,620,455)
Appropriation to bonus and welfare fund and other equity funds	-	765,604	(2,296,813)	-	(1,531,209)
Balance at 31 December 2011	594,897,870	765,604	67,309,081	17,212,154	680,184,709

Prepared by:


 Nguyen Van Quang
 Chief Accountant



Approved by:


 Phan Tu Giang
 General Director

7 March 2012

The accompanying notes are an integral part of these financial statements

Petro Vietnam Marine Shipyard Joint Stock Company
Statement of cash flow for the year ended 31 December 2011

	Code	Note	2011 VND'000	2010 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	01		61,070,571	51,187,930
Adjustments for				
Depreciation and amortisation	02		130,801,139	54,033,299
Unrealised foreign exchange gains	04		(12,087,488)	(9,201,900)
Interest expense	06		66,502,619	32,506,081
Interest income	07		(20,383,686)	(18,118,126)
Operating profit before changes in working capital	08		225,903,155	110,407,284
Change in receivables and other current assets	09		(159,454,976)	221,081,416
Change in inventories	10		333,387,925	(365,825,206)
Change in payables and other liabilities	11		(518,000,920)	(138,672,183)
			(118,164,816)	(173,008,689)
Interest paid	13		(114,209,772)	(26,613,234)
Income tax paid	14		(2,324,608)	(408,712)
Other payments for operating activities	16		(700,501)	-
Net cash used in operating activities	20		(235,399,697)	(200,030,635)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additional to fixed assets and other long terms assets	21		(120,203,474)	(177,618,244)
Receipt of interest	27		20,383,686	12,712,613
Net cash used in investing activities	30		(99,819,788)	(164,905,631)

The accompanying notes are an integral part of these financial statements


Petro Vietnam Marine Shipyard Joint Stock Company
Statement of cash flows for the year ended 31 December 2011 (continued)

	Code	Note	2011 VND'000	2010 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from equity issued	31		-	300,000,000
Payments for shares returns	32		(105,102,130)	-
Proceeds from short-term borrowings	33		936,358,971	284,935,289
Payments to settle debts	34		(642,179,089)	(43,605,894)
Net non-business expense fund received from State budget			14,106,556	3,105,598
Payments of dividends	36		(29,744,894)	-
Net cash generated from financing activities	40		173,439,414	544,434,993
Net cash flows during the year	50		(161,780,071)	179,498,727
Cash and cash equivalents at the beginning of the year	60		454,656,978	275,158,251
Cash and cash equivalents at the end of the year	70	3	292,876,907	454,656,978

NON-CASH INVESTING ACTIVITIES


	2011 VND'000	2010 VND'000
Borrowing cost capitalised in the construction in progress	12,962,748	33,626,000
Cost of fixed assets and construction in progress acquired and have not been paid	-	510,131,223

Prepared by:


Nguyen Van Quang
Chief Accountant



Approved by:


Phan Tu Giang
General Director

7 March 2012

The accompanying notes are an integral part of these financial statements

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011

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

1. Reporting entity

Petro Vietnam Marine Shipyard Joint Stock Company ("the Company") is a joint stock company incorporated in Vietnam. The principal activities of the Company are to build, maintain and refurbish drilling platforms, oil platforms, ships, floating devices and related equipment; and to trade in related materials and equipment.

As at 31 December 2011 the Company had 726 employees (31 December 2010: 733 employees).

2. Summary of significant accounting policies

The following significant accounting policies have been adopted by the Company in the preparation of these financial statements.

(a) Basis of financial statement preparation

The financial statements, expressed in Vietnam Dong rounded to the nearest thousand ("VND'000"), have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Accounting System and the relevant statutory requirements.

The financial statements, except for the statement of cash flows, are prepared on the accrual basis using historical cost concept. The statement of cash flows is prepared using the indirect method.

(b) Annual accounting period

The annual accounting period of the Company is from 1 January to 31 December.

(c) Adoption of Circular No. 210/2009/TT-BTC of the Ministry of Finance on presentation and disclosures of financial instruments

Effective from 1 January 2011, the Company adopted the requirements of Circular No. 210/2009/TT-BTC of the Ministry of Finance on presentation and disclosures of financial instruments ("Circular 210") prospectively. The adoption of Circular 210 did not have a material effect on the measurement or presentation of financial instruments in the Company's financial statements. The financial statements disclosures specified in Circular 210 are not required for corresponding figures due to the prospective application.

Petro Vietnam Marine Shipyard Joint Stock Company

Notes to the financial statements for the year ended 31 December 2011 (continued)

(d) Foreign currency transactions

Monetary assets and liabilities denominated in currencies other than VND are translated into VND at rates of exchange ruling at the balance sheet date. Transactions in currencies other than VND during the year have been translated into VND at rates approximating those ruling at the transaction dates.

All foreign exchange differences are recorded in the statement of income in accordance with Vietnamese Accounting Standard No. 10 ("VAS 10") – The Effects of Changes in Foreign Exchange Rates.

(e) Cash and cash equivalents

Cash comprises cash balances and call deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amount of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

(f) Accounts receivable

Trade and other receivables are stated at cost less allowance for doubtful debts.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price of inventory items, less the estimated costs of completion and selling expenses.

The Company apply the perpetual method of accounting for inventory.

(h) Contract work in progress

Contract work-in-progress is stated at cost plus attributable profits earned to date less progress billing and provision for foreseeable losses. Cost represents directly attributable and chargeable costs in accordance with the underlying contract.

Petro Vietnam Marine Shipyard Joint Stock Company

Notes to the financial statements for the year ended 31 December 2011 (continued)

(i) Tangible fixed assets

(i) Cost

Tangible fixed assets are stated at cost less accumulated depreciation. The initial cost of a tangible fixed asset comprises its purchase price, including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of tangible fixed assets beyond their originally assessed standard of performance, the expenditure is capitalised as an additional cost of tangible fixed assets.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of tangible fixed assets. The estimated useful lives are as follows:

▪ buildings	5 – 25 years
▪ machinery and equipment	5 – 7 years
▪ office equipment	3 – 15 years
▪ transportation equipment	2 – 6 years
▪ non-business expense fund equipment	2 – 3 years
▪ others	3 years

(j) Intangible fixed assets

Software

Cost of acquisition of new software, which is not an integral part of the related hardware, is capitalised and treated as an intangible asset. Software is amortised on a straight-line basis over 3 years.

(k) Construction in progress

Construction in progress represents the cost of construction and machinery which has not been fully completed or installed. No depreciation is provided for construction in progress during the period of construction and installation.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011 (continued)

(l) Long-term prepayments

(i) Tools and spare parts

The cost of tools and spare parts which have useful life of more than one year are recognised in the statement of income on a straight-line basis over two to three years.

(ii) Prepaid land cost

Prepaid land costs comprise prepaid land lease rentals and other costs incurred in conjunction with securing the use of leased land. These costs are recognised in the statement of income on a straight-line basis over the term of the lease of 47 years.

(iii) Others

Others comprise prepayments for the items which have economic useful life more than one year. These costs are recognised in the statement of income on a straight-line basis over two to three years.

(m) Trade and other payables

Trade and other payables are stated at their cost.

(n) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(o) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011 (continued)

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(p) Revenue

(i) Goods sold

Revenue from the sale of goods is recognised in the statement of income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

(ii) Services rendered

Revenue from services rendered is recognised in the statement of income in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(iii) Construction contracts

Revenue from construction contracts is recognised in the statement of income in proportion to the stage of completion of the contract when the outcome of a construction contract can be estimated reliably. The stage of completion is assessed by reference to surveys of work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due.

(q) Operating lease payments

Payments made under operating leases are recognised in the statement of income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of income as an integral part of the total lease expense.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011 (continued)

(r) Borrowing costs

Borrowing costs are recognised as an expense in the year in which they are incurred, except where the borrowing costs relate to borrowings in respect of the construction of qualifying assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the assets concerned.

(s) Off balance sheet items

Amounts which are defined as off balance sheet items under the Vietnamese Accounting System are disclosed in the relevant notes to these financial statements.

3. Cash and cash equivalents

	31/12/2011 VND'000	31/12/2010 VND'000
Cash on hand	3,003,835	3,150,924
Cash in bank	149,873,072	132,307,583
Cash equivalents	140,000,000	319,198,471
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	292,876,907	454,656,978
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Cash at 31 December 2011 included amounts denominated in currencies other than VND amounting to approximately VND17,424 million (31 December 2010: VND153,522 million).

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011 (continued)

4. Accounts receivable

Receivables on construction contracts according to stages of completion comprised:

	31/12/2011 VND'000	31/12/2010 VND'000
Accumulated costs of construction contracts in progress at the end of the year	3,176,434,073	1,162,331,662
Attributable profits	149,783,007	51,765,853
Accumulated revenue of construction contracts in progress at the end of the year	3,326,217,080	1,214,097,515
Provision for foreseeable losses	-	-
Contracts work in progress at the end of the year	3,326,217,080	1,214,097,515
Progress billings	(3,052,783,149)	(1,978,877,708)
Receivables on construction contracts according to stages of completion/(unearned revenue) (see Note 11)	273,433,931	(764,780,193)

The carrying amount of receivables represented the maximum credit risk pertaining to receivables.

The Company's exposure to credit risk in relation with receivables is mainly influenced by the individual characteristics of each customers. In response to the risk, management of the Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Credit purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the General director. The limit is reviewed annually. Receivables are due within 30 days from the date of billing. Debtors with balances that are more than 30 days outstanding are requested to settle the balances before further credit is granted. No collateral is collected from the customers.

The Company's Supervisory Board oversees how management monitor the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Petro Vietnam Marine Shipyard Joint Stock Company

Notes to the financial statements for the year ended 31 December 2011 (continued)

Based on historic default rates, the Company believes that no allowance for doubtful debts is necessary in respect of the outstanding trade and other receivables as of 31 December 2011. The ageing analysis of trade and other receivables is as follows:

	31/12/2011 VND'000
Not past due	514,885,771

5. Inventories

	31/12/2011 VND'000	31/12/2010 VND'000
Raw materials	135,828,473	471,409,415
Tools and supplies	5,727,818	3,534,801
	<u>141,556,291</u>	<u>474,944,216</u>

Petro Vietnam Marine Shipyard Joint Stock Company

Notes to the financial statements for the year ended 31 December 2011 (continued)

6. Tangible fixed assets

	Machinery and equipment		Office equipment	Transportation equipment	Non-business fund equipment	Others	Total
	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000	VND'000
Cost							
Opening balance	238,745,692	67,233,138	11,250,356	355,398,978	-	730,156	673,358,320
Additions	523,558	2,853,160	1,159,765	254,695	2,932,847	-	7,724,025
Transfers from construction in progress	419,945,288	42,842,215	206,700	22,420,747	-	-	485,414,950
Closing balance	659,214,538	112,928,513	12,616,821	378,074,420	2,932,847	730,156	1,166,497,295
Accumulated depreciation							
Opening balance	21,286,522	9,544,198	4,710,947	20,741,053	-	308,512	56,591,232
Charge for the year	68,523,619	12,889,840	3,215,897	33,051,621	166,475	243,385	118,090,837
Closing balance	89,810,141	22,434,038	7,926,844	53,792,674	166,475	551,897	174,682,069
Net book value							
Opening balance	217,459,170	57,688,940	6,539,409	334,657,925	-	421,644	616,767,088
Closing balance	569,404,397	90,494,475	4,689,977	324,281,746	2,766,372	178,259	991,815,226

Included in the cost of tangible fixed assets were assets costing VND2,269 million which were fully depreciated as of 31 December 2011 (31 December 2010: VND862 million), but which are still in active use.

Petro Vietnam Marine Shipyard Joint Stock Company

Notes to the financial statements for the year ended 31 December 2011(continued)

7. Intangible fixed assets

	Software VND'000
Cost	
Opening balance	608,110
Additions	18,335,764
Transfer from construction in progress	9,936,693
Closing balance	<u>28,880,567</u>
Accumulated amortisation	
Opening balance	385,047
Charge for the year	7,028,473
Closing balance	<u>7,413,520</u>
Net book value	
Opening balance	223,063
Closing balance	<u>21,467,047</u>

8. Construction in progress

	2011 VND'000	2010 VND'000
Opening balance	473,410,416	473,224,715
Additions during the year	106,656,111	557,426,540
Transfer to tangible fixed assets	(485,414,950)	(557,240,839)
Transfer to intangible fixed assets	(9,936,693)	-
Transfer to long term prepayments	(9,280,906)	-
Closing balance	<u>75,433,978</u>	<u>473,410,416</u>

During the year, borrowing costs capitalised into construction in progress amounted to VND12,962 million (2010: VND33,626 million)

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

9. Long-term prepayments

	Tools and spare parts VND'000	Prepaid land costs VND'000	Others VND'000	Total VND'000
Opening balance	20,115	141,751,631	2,721,750	144,493,496
Additions	-	-	450,322	450,322
Transfer from construction in progress	-	-	9,280,906	9,280,906
Amortisation for the year	(20,115)	(3,081,557)	(2,580,157)	(5,681,829)
Closing balance	-	138,670,074	9,872,821	148,542,895

10. Short-term borrowings

Terms and conditions of outstanding short-term borrowings were as follows:

	Security	Currency	Interest rate (per annum)	31/12/2011 VND'000
Petro Vietnam Financial Corporation	Unsecured	VND	4.9%	641,000,000
Petro Vietnam Financial Corporation	Unsecured	VND	14%-19%	153,197,270
Ocean Bank	Unsecured	USD	6%	94,142,560
				888,339,830

As at 31 December 2011, the financial liabilities with fixed or determinable payments have the following contractual maturities including the estimated interest payments:

	Carrying amount VND'000	Undiscounted contractual cash flows VND'000	Within 1 year VND'000
Trade and other payables	510,097,505	510,097,505	510,097,505
Short-term borrowings	888,339,830	912,367,086	912,367,086
	1,398,437,335	1,422,464,591	1,422,464,591

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

11. Advances from customers

	31/12/2011 VND'000	31/12/2010 VND'000
Advances from customers (*)	130,199,763	142,169,616
Unearned revenue (see Note 4)	-	764,780,193
	<u>130,199,763</u>	<u>906,949,809</u>

(*) Advances from customers represented advances by Vietnam Oil and Gas Group for shipyard building project. The amounts will be netted off gradually against accounts receivable – trade until the project is completed.

12. Taxes payable to State Treasury

	31/12/2011 VND'000	31/12/2010 VND'000
Import-export duties	-	42,140
Corporate income tax	-	2,324,608
Personal income tax	2,064,171	2,375,779
Foreign contractor tax	-	502,727
Business tax	-	6,000
	<u>2,064,171</u>	<u>5,251,254</u>

13. Accrued expenses

	31/12/2011 VND'000	31/12/2010 VND'000
Interest expense	9,435,147	44,179,552
Others	2,226,392	325,336
	<u>11,661,539</u>	<u>44,504,888</u>

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

14. Long-term borrowings

	31/12/2011 VND'000	31/12/2010 VND'000
Long-term borrowings repayable after twelve months	-	594,159,948

The long term borrowings which were drawn down in 2009 have a maximum facility of VND750,000 million and bore interest at an annual rates from 5.28% to 6.98% for the loan in USD and from 10.5% to 16.3% for the loan in VND. The loans were fully repaid in 2011.

15. Share capital

The Company's authorised and issued share capital are:

	31/12/2011		31/12/2010	
	Number of shares	VND'000	Number of shares	VND'000
Authorised share capital	54,489,787	594,897,870	40,000,000	400,000,000
Issued share capital				
Ordinary shares	54,489,787	594,897,870	70,000,000	700,000,000
Shares currently in circulation				
Ordinary shares	54,489,787	594,897,870	70,000,000	700,000,000

Movements in share capital during the year were as follows:

	2011		2010	
	Number of shares	VND'000	Number of shares	VND'000
Balance at the beginning of the year	70,000,000	700,000,000	40,000,000	400,000,000
Shares issued during the year	-	-	30,000,000	300,000,000
Reduction in share capital during the year	(10,510,213)	(105,102,130)	-	-
Balance at the end of the year	59,489,787	594,897,870	70,000,000	700,000,000

Petro Vietnam Marine Shipyard Joint Stock Company**Notes to the financial statements for the year ended 31 December 2011(continued)**

On 24 April 2010, the Board of Management approved to increase the share capital to VND700 billion and shareholders contributed cash for new shares issued. According to Decision No.1157/UBCK-TT of the State Securities Commission, the Company returned part of its share capital to its shareholders in cash. According to the Schedule of changes in share capital dated 31 July 2011 and the Business Registration Certificate dated 1 December 2011, the Company received an approval to increase its share capital to VND594,898 million.

16. Non-business expense fund

The amount represented fund received from State budget for science research project.

17. Total revenue

	2011 VND'000	2010 VND'000
Construction contract 90m Drilling Platform	2,112,119,565	1,214,097,515
Other services	44,978,240	38,260,306
	<u>2,157,097,805</u>	<u>1,252,357,821</u>

18. Cost of sales

	2011 VND'000	2010 VND'000
Construction contract 90m Drilling Platform	2,014,102,411	1,162,331,662
Other services	8,814,431	12,807,950
	<u>2,022,916,842</u>	<u>1,175,139,612</u>

19. Financial income

	2011 VND'000	2010 VND'000
Interest income	20,383,686	18,118,126
Realised foreign exchange gains	21,140,105	12,471,824
Unrealised foreign exchange gains	14,130,751	16,873,264
	<u>55,654,542</u>	<u>47,463,214</u>

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

20. Financial expenses

	2011 VND'000	2010 VND'000
Interest expense	66,502,619	32,506,081
Realised foreign exchange losses	31,224,120	7,832,505
Unrealised foreign exchange losses	2,043,263	7,671,364
	<hr/>	<hr/>
	99,770,002	48,009,950
	<hr/>	<hr/>

21. Income tax

(a) Recognised in the statement of income

	2011 VND'000	2010 VND'000
Current tax expense		
Current year	-	2,324,608
Under provision in prior years	-	3,318
	<hr/>	<hr/>
	-	2,327,926
	<hr/>	<hr/>

(b) Reconciliation of effective tax rate

	2011 VND'000	2010 VND'000
Profit before tax	61,070,571	51,187,930
	<hr/>	<hr/>
Tax at the Company's tax rate	15,267,643	12,796,983
Tax effect of non-deductible expenses	1,398,937	178,347
Tax effect of tax incentives	(16,666,580)	(10,650,722)
Under provision in prior years	-	3,318
	<hr/>	<hr/>
	-	2,327,926
	<hr/>	<hr/>

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

(c) Applicable tax rates

Under the terms of Official Letter No. 6031/CT-TTHT issued by Tax department of Ba Ria - Vung Tau Province, the Company has an obligation to pay the government income tax at three applicable tax rates:

- For the activities to build, maintain and refurbish drilling platforms, oil platforms and ship platforms, the Company has an obligation to pay the government income tax at 20% of taxable profits for ten years from the date of operation and at the prevailing corporate income tax rate thereafter. The Company is also exempt from income tax for two years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the three succeeding years.
- For the activities to execute marine construction; manufacture materials, electrical and mechanical equipment used for manufacturing drilling platforms, oil platforms, and ships; manufacture equipment and steel structure for industrial and infrastructure projects; dredge narrow passage and site clearance; and provide construction service to petroleum project, the Company has an obligation to pay the Government income at the prevailing corporate income tax rate. The Company is also exempt from income tax for two years starting from the first year it generates a taxable profit and entitled to a 50% reduction in income tax for the two succeeding years.
- For other activities the Company has an obligation to pay the Government income tax at the prevailing corporate income tax rate.

22. Significant transactions with related parties

In additions to the related parties balances disclosed in other notes to these financial statements, the company has the following transactions with related parties:

	2011 VND'000	2010 VND'000
Member of Board of Management and the Board of Supervisory Compensation	561,333	713,387

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

23. Net liabilities in foreign currencies

At 31 December 2011, the Company had the following net exposed liability position:

	USD
Cash and cash equivalents	836,555
Accounts receivable – trade	9,478,296
Accounts payable – trade	(18,753,388)
Short-term borrowings	(4,520,000)
	<hr/>
	(12,958,537)
	<hr/>

The Company's exposure to currency risk is managed by keeping the exposure to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term over-exposures.

The followings are the significant exchange rates applied by the Company:

	Exchange rate as at 31/12/2011 VND
USD 1	20,828
	<hr/>

Below is an analysis of the possible impact on the net profit of the Company as at 31 December 2011 after taking into account the current level of exchange rates and the historical volatility as well as market expectations as at 31 December 2011:

	Effect to net profit as at 31/12/2011 VND'000
USD (7% strengthening)	(14,673,433)
	<hr/>

The opposite movement of the currencies would have the equal but opposite effect to the net profit of the Company as at 31 December 2011.

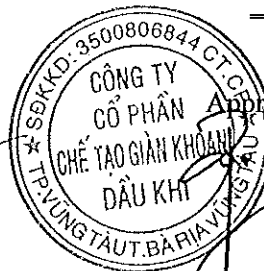
Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2011(continued)

24. Production and business costs by element


	2011 VND'000	2010 VND'000
Material costs	1,445,148,831	779,242,774
Labour costs and staff costs	175,097,379	142,512,981
Depreciation and amortisation	130,801,139	54,033,299
Outside services	327,736,444	201,447,644
Other expenses	2,191,938	1,288,550

Prepared by:


Nguyen Van Quang
Chief Accountant



Approved by:


Phan Tu Giang
General Director

7 March 2012

CHUNG THỰC BẢN SAO ĐUNG VỚI BẢN CHÍNH
Số chứng thực 1066 Quyển số 01 TP/CT/BS
Ngày 12 tháng 03 năm 2012
1 Trưởng Phòng Tư Pháp




Tran Minh Son

