



**Petro Vietnam Marine Shipyard
Joint Stock Company**

Financial Statements for the year ended
31 December 2009



Petro Vietnam Marine Shipyard Joint Stock Company
Corporate information

Business Registration Certificate No

First Registration No	4903000395	9 July 2007
First amended Registration No	3500806844	24 October 2008

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
Le Viet Cuong	Member

Board of Directors

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

Registered Office

8 Hoang Dieu Street
Ward 1, 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 Investors

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 2009 and the related statements of income, changes in equity and cash flows for the year then ended. 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 present fairly, in all material respects, the financial position of Petro Vietnam Marine Shipyard Joint Stock Company as of 31 December 2009 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 accounting principles generally accepted in Vietnam.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(c) to the financial statements. Through year end 31 December 2008, the Company applied Vietnamese Accounting Standard No. 10 ("VAS 10") – The Effects of Changes in Foreign Exchange Rates. Effective from 1 January 2009, the Company adopted Circular No. 201/2009/TT-BTC dated 15 October 2009 of the Ministry of Finance regarding recognition of foreign exchange differences on a prospective basis. Note 2(c) to the financial statements includes the disclosure regarding the effect if the Company had opted to continue applying the provisions of VAS 10.

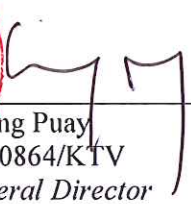
KPMG Limited


Vietnam

Investment Certificate No: 011043000345

Audit Report No: 09-01-422




Chong Kwang Puay
CPA No. N.0864/KTV
Deputy General Director



Nguyen Thanh Nghi
CPA No. 0304/KTV

Ho Chi Minh City, 10 MAR 2010

Petro Vietnam Marine Shipyard Joint Stock Company
Balance sheet at 31 December 2009

	Code	Note	31/12/2009 VND'000	31/12/2008 VND'000
ASSETS				
Current assets	100		985,641,513	400,605,699
Cash and cash equivalents	110	3	275,158,251	328,078,080
Cash	111		23,337,051	28,078,080
Cash equivalents	112		251,821,200	300,000,000
Accounts receivable	130		595,428,345	68,827,388
Accounts receivable - trade	131		138,705,242	-
Prepayments to suppliers	132		453,873,591	65,120,285
Other receivables	135		2,849,512	3,707,103
Inventory	140	4	109,119,010	-
Inventories	141		109,119,010	-
Other current assets	150		5,935,907	3,700,231
Short-term prepayments	151		1,840,186	1,040,362
Deductible value added tax	152		2,953,715	1,966,743
Other current assets	158		1,142,006	693,126
Long-term assets	200		567,551,895	8,267,526
Fixed assets	220		567,429,561	8,267,526
Tangible fixed assets	221	5	93,858,872	5,526,985
Cost	222		99,866,127	6,962,611
Accumulated depreciation	223		(6,007,255)	(1,435,626)
Intangible fixed assets	227	6	345,974	353,135
Cost	228		532,110	385,238
Accumulated amortisation	229		(186,136)	(32,103)
Construction in progress	230	7	473,224,715	2,387,406
Other long-term assets	260		122,334	-
Long-term prepayments	261		122,334	-
TOTAL ASSETS	270		1,553,193,408	408,873,225

The accompanying notes are an integral part of these financial statements

Petro Vietnam Marine Shipyard Joint Stock Company
Balance sheet at 31 December 2009 (continued)

	Code	Note	31/12/2009 VND'000	31/12/2008 VND'000
RESOURCES				
LIABILITIES	300		1,163,773,195	9,959,346
Current liabilities	310		855,374,418	9,959,346
Short-term borrowings	311	8	43,605,894	-
Accounts payable – trade	312		90,588,489	2,213,045
Advances from customers	313	9	701,745,825	-
Taxes payable to State Treasury	314	10	5,723,235	74,677
Payables to employees	315		7,244,477	6,986,244
Accrued expenses	316	11	4,785,554	180,159
Other payables	319		1,680,944	505,221
Long-term borrowings and liabilities	330		308,398,777	-
Long-term borrowings	334	12	308,398,777	-
EQUITY	400		389,420,213	398,913,879
Equity	410		389,420,213	398,913,879
Share capital	411	13	400,000,000	400,000,000
Foreign exchange differences	416	14	(10,927,606)	-
Retained earnings/(accumulated losses)	420		347,819	(1,086,121)
TOTAL RESOURCES	440		1,553,193,408	408,873,225

Prepared by:


Nguyen Van Quang
Chief Accountant

Approved by:

Phan Tu Giang
General Director

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 2009

	Code	Note	2009 VND'000	2008 VND'000
Financial income	21	15	32,380,451	34,290,622
Financial expenses	22	16	(6,719,314)	(151,959)
General and administration expenses	25		(24,510,031)	(35,341,844)
Net operating profit/(loss)	30		1,151,106	(1,203,181)
Results of other activities	40			
Other income	31		996,417	254,410
Other expenses	32		(308,189)	-
Profit/(loss) before tax	50		1,839,334	(948,771)
Income tax expense – current	51	17	(405,394)	-
Income tax expense – deferred	52	17	-	-
Net profit/(loss)	60		1,433,940	(948,771)

Prepared by:


 Nguyen Van Quang
 Chief Accountant

Approved by:


 Phan Tu Giang
 General Director



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 2009


	Share capital VND'000	Foreign exchange differences VND'000	Retained earnings/ (accumulated losses) VND'000	Total VND'000
Balance at 1 January 2008	400,000,000	-	(137,350)	399,862,650
Net loss for the year	-	-	(948,771)	(948,771)
Balance at 1 January 2009	400,000,000	-	(1,086,121)	398,913,879
Unrealised exchange differences	-	(10,927,606)	-	(10,927,606)
Net income for the year	-	-	1,433,940	1,433,940
Balance at 31 December 2009	400,000,000	(10,927,606)	347,819	389,420,213

Prepared by:


 Nguyen Van Quang
 Chief Accountant



Approved by:


 Phan Tu Giang
 General Director

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 2009

	Code	Note	2009 VND'000	2008 VND'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax	01		1,839,334	(948,771)
Adjustments for				
Depreciation and amortisation	02		4,755,104	1,292,702
Loss from fixed assets written-off	04		12,955	-
Interest expense	06		515,490	-
Interest income	07		(17,234,222)	(34,281,416)
Operating loss before changes in working capital	08		(10,111,339)	(33,937,485)
Change in receivables and other current assets	09		(437,320,828)	(1,459,891)
Change in inventories	10		(109,119,010)	-
Change in payables and other liabilities	11		741,879,538	8,546,165
Net cash generated from/(used in) operating activities	20		185,328,361	(26,851,211)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for additional to fixed assets and other long terms assets	21		(606,740,923)	(68,878,665)
Collections on investments	26		-	380,000,000
Interest received	27		17,003,552	35,978,687
Net cash (used in)/generated from investing activities	30		(589,737,371)	347,100,022


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 2009 (continued)

	Code	Note	2009 VND'000	2008 VND'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term and long-term borrowings	33		351,489,181	-
Net cash generated from financing activities	40		351,489,181	-
Net cash flows during the year	50		(52,919,829)	320,248,811
Cash and cash equivalents at the beginning of the year	60		328,078,080	7,829,269
Cash and cash equivalents at the end of the year	70	3	275,158,251	328,078,080

NON-CASH INVESTING ACTIVITIES

	2009 VND'000	2008 VND'000
Cost of fixed assets and construction in progress acquired by the Company have not been paid yet	60,493,910	-

Prepared by:

 Nguyen Van Quang
 Chief Accountant



Approved by:

 Phan Tu Giang
 General Director

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 2009

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 2009 the Company had 459 employees (31/12/2008: 130 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 accounting principles generally accepted in Vietnam.

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) Fiscal year

The fiscal year of the Company is from 1 January to 31 December.

(c) 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 inter-bank rates ruling at the transaction dates.

Through year end 31 December 2008, all foreign exchange differences are recorded in the statement of income.

Effective 1 January 2009, the Company adopted Circular No. 201/2009/TT-BTC issued by the Ministry of Finance on 15 October 2009 regarding recognition of foreign exchange differences prospectively. This Circular provides the following guidance for recognition of foreign exchange differences:

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

- Exchange differences which relate to the construction of tangible fixed assets or the translation of foreign currency monetary items during the Company's pre-operating stage are recorded in the Foreign Exchange Difference Account in equity until the Company commence operations and the tangible fixed assets are put into use. Once the Company commence operations and the tangible fixed assets are put into use, the related realised foreign exchange differences are transferred to the statement of income, unrealised foreign exchange gains are transferred to the Unearned Revenue Account and unrealised foreign exchange losses are transferred to the Long-term Prepayment Account. The unrealised gains and losses are then amortised on a straight line basis over five years.
- Exchange differences arising from period end translation of current monetary assets and liabilities denominated in currencies other than VND are recorded in the Foreign Exchange Difference Account in equity. Such exchange differences are subsequently reversed at the beginning of the following period;
- Exchange differences arising from period end translation of non-current monetary assets and long-term liabilities denominated in currencies other than VND are recorded in the statement of income; and
- Exchange differences arising from period end translation of non-current monetary assets and long-term liabilities denominated in currencies other than VND are recorded in the statement of income, except when the Company suffer a net loss for the year which in that case, exchange loss arising from period end translation of non-current portion of long-term monetary liabilities denominated in currencies other than VND is recorded in the Foreign Exchange Difference Account in equity to the extent of not exceeding the net loss incurred for the year. The exchange loss recorded in the Foreign Exchange Difference Account is amortised and recognised in the statement of income on a straight-line basis over five years; and
- Realised exchange differences incurred on settlement of monetary assets and liabilities in foreign currencies are recorded in the statement of income.

Had the Company continued adopting the previous accounting policy for foreign currency transactions in accordance with Vietnamese Accounting Standard No. 10 ("VAS 10") – The Effects of Changes in Foreign Exchange Rates, net profit for the year ended 31 December 2009 would decrease by VND10,927,606,000.

(d) 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.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

(e) Accounts receivable

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

(f) 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. Cost in the case of finished goods and work in progress includes raw materials, direct labour and attributable manufacturing overheads. 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.

(g) 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. Expenditures incurred after tangible fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have 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 expenditures are 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:

▪ machinery and equipment	5 – 7 years
▪ motor vehicles	6 years
▪ office equipment	3 – 6 years
▪ others	3 years

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

(h) 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.

(i) 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.

(j) Trade and other payables

Trade and other payables are stated at their cost.

(k) 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.

(l) 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.

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.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

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.

(m) 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.

(n) 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 tangible fixed assets, in which case the borrowing costs incurred during the period of construction are capitalised as part of the cost of the fixed assets concerned.

(o) 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

	31/12/2009	31/12/2008
	VND'000	VND'000
Cash on hand	389,116	768,929
Cash in bank	22,947,935	27,309,151
Cash equivalents	251,821,200	300,000,000
Cash and cash equivalents in the statement of cash flows	275,158,251	328,078,080

Cash at 31 December 2009 included amounts denominated in currencies other than VND amounting to approximately VND 248,130,268,000 (31/12/2008: VND1,781,000).

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

4. Inventories

	31/12/2009 VND'000	31/12/2008 VND'000
Raw materials	6,044,847	-
Tools and supplies	7,444,739	-
Work in progress	95,629,424	-
	<u>109,119,010</u>	<u>-</u>

5. Tangible fixed assets

	Machinery and equipment VND'000	Office equipment VND'000	Motor vehicles VND'000	Others VND'000	Total VND'000
Cost					
Opening balance	-	2,503,021	4,459,590	-	6,962,611
Additions	24,640,350	4,225,426	22,027,198	196,533	51,089,507
Transfers from construction in progress	23,845,169	-	17,477,614	533,623	41,856,406
Written off	-	(42,397)	-	-	(42,397)
Closing balance	<u>48,485,519</u>	<u>6,686,050</u>	<u>43,964,402</u>	<u>730,156</u>	<u>99,866,127</u>
Accumulated depreciation					
Opening balance	-	554,489	881,137	-	1,435,626
Charge for the year	1,617,908	1,287,753	1,630,284	65,126	4,601,071
Written off	-	(29,442)	-	-	(29,442)
Closing balance	<u>1,617,908</u>	<u>1,812,800</u>	<u>2,511,421</u>	<u>65,126</u>	<u>6,007,255</u>
Net book value					
Closing balance	<u>46,867,611</u>	<u>4,873,250</u>	<u>41,452,981</u>	<u>665,030</u>	<u>93,858,872</u>
Opening balance	-	1,948,532	3,578,453	-	5,526,985

At 31 December 2009 the tangible fixed assets with a carrying value of VND46,759 million (2008: nil) were pledged with banks as security for loans granted to the Company.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

6. Intangible fixed assets

	Software VND'000
Cost	
Opening balance	385,238
Additions	146,872
	<hr/>
Closing balance	532,110
	<hr/>
Accumulated amortisation	
Opening balance	32,103
Charge for the year	154,033
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Closing balance	186,136
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Net book value	
Closing balance	345,974
Opening balance	353,135
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7. Construction in progress

	2009 VND'000	2008 VND'000
Opening balance	2,387,406	385,238
Additions during the year	512,693,715	2,429,401
Transfers to tangible fixed assets	(41,856,406)	(41,995)
Transfers to intangible fixed assets	-	(385,238)
	<hr/>	<hr/>
Closing balance	473,224,715	2,387,406
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During the year, borrowing costs capitalised into construction in progress amounted to VND4,158 million (2008: Nil)

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

8. Short-term borrowings

	31/12/2009 VND'000	31/12/2008 VND'000
Short-term borrowings	43,605,894	-

The facility was unsecured and bore interest at 12% per annum during the year.

9. Advances from customers

	31/12/2009 VND'000	31/12/2008 VND'000
Unearned revenue	701,745,825	-

10. Taxes payable to State Treasury

	31/12/2009 VND'000	31/12/2008 VND'000
Taxes		
Corporate income tax	405,394	-
Personal income tax	1,664,800	74,677
Withholding tax	3,653,041	-
	5,723,235	74,677

11. Accrued expenses

	31/12/2009 VND'000	31/12/2008 VND'000
Interest expenses	4,660,705	-
Others	124,849	180,159
	4,785,554	180,159

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009

12. Long-term borrowings and liabilities

	31/12/2009 VND'000	31/12/2008 VND'000
Long-term borrowings	308,398,777	-
Repayable within twelve months	-	-
Repayable after twelve months	308,398,777	-

The long term borrowings which have been granted in 2009 have a maximum facility of VND750,000 million and bore interest at an annual rate 5.28% for the loan in USD and from 6.5% to 8% for the loan in VND per annum. The loan facility is secured by fixed assets with net book value as at 31 December 2009 of VND46,759 million. The loan is repayable in 18 equal semi-annual instalments beginning in 15 January 2012.

13. Contributed capital

The Company's authorised and issued share capital are:

	2009		2008	
	Number of shares	VND'000	Number of shares	VND'000
Authorised share capital	40,000,000	400,000,000	40,000,000	400,000,000
Issued share capital				
Ordinary shares	40,000,000	400,000,000	40,000,000	400,000,000
Shares currently in circulation				
Ordinary shares	40,000,000	400,000,000	40,000,000	400,000,000

All ordinary shares have a par value of VND10,000. Each share is entitled to one vote at meetings of the Company. Shareholders are entitled to receive dividend as declared from time to time. All ordinary shares are ranked equally with regard to the Company's residual assets. In respect of shares bought back by the Company, all rights are suspended until those shares are reissued.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

14. Foreign exchange differences

	2009 VND'000	2008 VND'000
Balance at beginning of the year	-	-
Net exchange differences	10,927,606	-
	<hr/>	<hr/>
Balance at end of the year	10,927,606	-
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15. Financial income

	2009 VND'000	2008 VND'000
Interest income	17,234,222	34,281,416
Foreign exchange gains	15,146,229	9,206
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	32,380,451	34,290,622
	<hr/>	<hr/>

16. Financial expenses

	2009 VND'000	2008 VND'000
Foreign exchange losses	6,203,824	2,959
Interest expenses	515,490	-
Others	-	149,000
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	6,719,314	151,959
	<hr/>	<hr/>

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

17. Income tax expense

(a) Recognised in the statement of income

	2009 VND'000	2008 VND'000
Current tax expense		
Current year	405,394	-

(b) Reconciliation of effective tax rate

	2009 VND'000	2008 VND'000
Gain/(loss) before tax	1,839,334	(948,771)
Tax at the Company's tax rate	459,833	(265,656)
Deferred tax assets not recognised	-	265,656
Non-deductible expenses	116,192	-
Tax losses utilised	(170,631)	-
	405,394	-

(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.

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

- 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.

18. Significant transactions with related parties

	Transaction value		Balance outstanding as at 31 December	
	2009 VND'000	2008 VND'000	2009 VND'000	2008 VND'000
Member of Board of Management and Supervisory Board Compensation	464,767	397,800	-	-

19. Commitments

(a) Capital expenditure

As at 31 December 2009 the Company had the following outstanding capital commitments approved but not provided for in the balance sheet:

	31/12/2009 VND'000	31/12/2008 VND'000
Approved but not contracted	-	1,063,360,058
Approved and contracted	613,016,068	334,384,307
	613,016,068	1,397,744,365

Petro Vietnam Marine Shipyard Joint Stock Company
Notes to the financial statements for the year ended 31 December 2009 (continued)

(b) Leases

The future minimum lease payments under non-cancellable operating leases were:

	31/12/2009 VND'000	31/12/2008 VND'000
Within one year	1,382,389	1,443,042
Within two to five years	-	108,593
	<hr/> 1,382,389	<hr/> 1,551,635

20. Production and business costs by element

	2009 VND'000	2008 VND'000
Labour costs and staff costs	13,967,586	21,643,814
Depreciation and amortisation	1,345,822	1,292,702
Outside services	5,013,347	2,657,501
Other expenses	4,183,276	9,747,827

Prepared by:

Nguyen Van Quang
Chief Accountant



Approved by:

Phan Tu Giang
General Director

