



**PETROVIETNAM GAS JOINT STOCK CORPORATION**



**BRIGHTEN THE FUTURE**

## Vision

Developing PV GAS into a highly efficient and competitive enterprise which has the best business operating system in all sections from gathering - exporting, importing - transporting - processing/deep processing - storing - distributing, services and to trading gas and gas related products; participating in upstream investment; playing the key role in Vietnam gas industry and integrating into the global market.

## Mission

Safely and efficiently operating the whole system of gathering, importing, transporting, storing, processing and distributing gas, gas related products and gas pipelines connected to regional gas systems; meeting an increasing national demand for gas and gas related products; Successfully Integrating into the global market; contributing to Vietnam energy security.

# TABLE OF CONTENT

## 01 Message

Vision and Mission	02
Message from PV GAS' Leadership	07
Significant Events in 2015	09

## 02 Overview

25 Years of Establishment and Development	12
Business scope and operating network	14
Organizational Chart	18
Management members	20
Wholly Owned Companies	26
Subsidiaries	29
Partners	32
Shareholder Structure	33
Titles and Awards	34

## 03 Business result of 2015

Primary operational goals during 2011 - 2015	38
Board of Management's Report	42
Board of Directors' Report	60
Board of Supervisors' Report	65
Share Information	68
Operating Result of 100% Owned companies and Member companies	70

## 04 Corporate management

Management Situation	76
Risk Management	84
Investor Relations	88
Human - Enterprise - Community	89
Business Plan of 2016	96

## 05 Financial statements

Audited Consolidated Financial Statements of 2015	102
Explain profit after tax differences between the year 2015 and 2014	158
Energy units conversion table	159





# Modernize infrastructure to improve the Gas Industry

PVGas has tight control of the whole gas system that is worth more than 2.5 billion USD, including 1200 km of pipeline offshore and onshore, 02 gas processing plant, LPG storages capacity of 100,000 tons.

Total capacity of pipelines:  
more than

11.5  
billion m<sup>3</sup>/ year

Total LPG storage capacity: around

100,000 tons

Coastal gas pipeline

>1,200 km

Gas Processing Plant

02 plants







# Message from PV GAS' Leadership

## Dear Valued Shareholders!

**2015 will be recorded as one of the most challenging and turbulent years in the history of the establishment and development of PV GAS. Despite the difficult situation, the leadership and personnel of PV GAS together have overcome the challenges to fulfill assigned duties successfully, maintain our effective production and trading activities, which has been reflected in the company's statistic.**

The year 2015 has witnessed numerous unfavorable changes in international and economic trends, most notably the downward spiral of crude oil prices which are currently at their low levels. This puts global oil and gas companies under a lot of pressure. PV GAS is no exception: 2015 will be recorded as one of the most challenging and turbulent years in the history of the establishment and development of PV GAS. Despite the difficult situation, the leadership and personnel of PV GAS together have overcome the challenges to fulfill assigned duties successfully, maintain our effective production and trading activities, which has been reflected in the company's statistic. The year 2015 is considered to be linked to a number of major achievements and milestones in the company's history. It marked the end of the 5-year period of development (2011 - 2015) and the opening of the next 5-year period (2016 - 2020) which is part of PV GAS' Development Strategy to 2025, with a vision to 2035. In 2015, PV GAS completed many outstanding achievements, including:

- ✦ Winning many prestigious titles/awards from national and international organizations, most outstanding the Labor Hero title awarded by the State.

- ✦ Gas and LPG output to the market reaching a new record with more than 10 Million m<sup>3</sup> of dry gas and 1.5 Million tons of LPG.
- ✦ Completing the investment and construction of gas transport and distribution system; starting to supply natural gas and CNG in Northern Vietnam market where CNG product made its first appearance.
- ✦ Successfully completing and transporting ashore associated gas from Dai Hung field, in Southeastern Vietnam.
- ✦ Putting into operation the Enterprise Resource Planning (ERP) software system - an important platform for the corporation governance.

Such achievements are the fruits of labors of PV GAS' leaders and staff who have been tireless in their effort to operate and maintain the company's effective production and trading activities; Thanks to valuable attention and assistance from Vietnam National Oil and Gas Group and State management agencies, trust and support from clients, partners and especially from the valued Shareholders, PV GAS has managed to overcome difficulties and turn challenges into motivation for development.

Welcoming the year 2016 - the first year to implement targets of the 5-year plan of 2016 - 2020, Development Strategy to 2025, with vision to 2035, PV GAS is well on track for sustainable development, succeeding achievements recorded in the past 25 years. On the upcoming path, PV GAS will be challenged with more difficulties: oil price is forecast to remain low and unable to recover in 2016; low cost conventional gas sources have started to run low and gradually become depleted while new and supplemental gas sources involve much higher expenses; Vietnam's access to FTA, TPP will lead to intense competition pressure beside new opportunities; installations are getting older, requiring longer complete gas downtime for



repair and maintenance;... However, fire proves gold, adversity proves men, with PV GAS' solid potentiality of facilities, properties, finance, experience, prestige, trademark... and especially human resources - each PV GAS manager always tries best effort with highest responsibility sense to improve professional and modern management skills, staying on high alert to actual circumstances, having long term strategic vision, promptly making reasonable decisions; and each PV GAS employee always works hard and creatively with highest disciplinary spirit - PV GAS leadership believes that PV GAS will overcome difficulties and challenges to complete development targets not only in 2016 but also in long term, maintaining the sustainable development trend in recent years, always a leader of Vietnam's gas industry, reaching out to the region and the world, meeting shareholders' expectation.

To realize such overall targets in the near future, PV GAS will focus on a number of key missions as follows:

- ✦ Ensuring a safe supply of all natural and associated gas extracted from Vietnam's continental shelf for household consumption;

- ✦ Seeking opportunities for investing upstream, which will help to develop a complete and integral gas industry with a standardized system from gas gathering, transporting, processing, importing and exporting... to distributing gas related products.
- ✦ Enhancing gas deep-processing in order to increase productivity.
- ✦ Building facilities and port warehouses to receive and store imported gas and hence to guarantee supply for the market.
- ✦ Conducting research on building the inter-regional pipeline network, forming the national gas pipeline system.

On behalf of more than 3,000 PV GAS employees, we would like to express our sincere gratitude to Vietnam National Oil and Gas Group, our customers, partners and especially our valued Shareholders for your constant assistance, support and co-operation with PV GAS over the years and on the sustainable development path in the upcoming years.

CHAIRMAN

LE NHU LINH

CEO

DUONG MANH SON



Celebrating 25<sup>th</sup> Anniversary of PV GAS, honored the Labor Hero title by the State.



Accomplishing and commissioning the Nam Con Son 2 Gas Pipeline - Phase 1, broaden gas infrastructure in Nam Con Son Basin.



Penetrating the Gas market in the North with the Gas sources from Thai Binh project.



For the first time ever, PV GAS has crossed the record of delivering and distributing 10 billion m<sup>3</sup> of gas as well as supplying more than 1.5 million tons of LPG to the market.



The implementation of ERP system, a critical base of modern cooperate governance.





# Ensure safe operation, Secure national energy supply

The first priority in the operation and management of gas line is to ensure a safe, sustainable and efficient supply for power plants, fertilizer plants, industrial manufacturing, transportation and household consumption... in order to contribute to the national energy security.

PV GAS' staff

3,870 employees

Total assets

56,715 billion VND

Gas consumption

100 billion m³





# 25 Years of Establishment and Development

## 1990 - 1995

### The first gas flow

On 20 September 1990, Fuel Gas Company (initial name of PetroVietnam Gas Corporation) was established to gather, transport, process, store, trade gas and gas products. Immediately after its establishment, PV GAS implemented the fast track phase with Bach Ho Gas System, which was later expanded and developed into Cuu Long Basin Gas System. On 1 May 1995, the "First Ashore Gas Flow Reception" Ceremony was hailed as a memorable event welcomed by the whole nation:

- ✦ In January 1994, started to implement the fast track phase with Bach Ho Gas System, which was later expanded and developed into Cuu Long Gas System.
- ✦ In April, 1995, finished the fast track phase of Cuu Long Gas System - The first gas system, when delivered ashore, put an end to the practice of gas burning offshore, supplied gas to Ba Ria thermal power plant, which helped to reduce huge state budget expenditures in foreign currency to import diesel oil as a traditional fuel for power plants.



Gas pipeline



Dinh Co gas processing plant

## 1995 - 1997

### Young Industry Establishment

Completed the offshore big and small compression platforms and the onshore pipeline system of Cuu Long Gas System; ashore transfer output was gradually increased to 2 million m<sup>3</sup>/day in the beginning of 1997 and to 3 million m<sup>3</sup>/day by the end of 1997.

## 1998 - present

### Strong and Sustainable Development

Great increase of gas sources and gas products:

Completed and put in operation Dinh Co Gas Processing Plant, liquid product storage and terminal of PV GAS in the end of 1998 - a technically, economically and socially meaningful event. LPG and Condensate are produced in Vietnam for the first time. Since May 1999, PV GAS has satisfied most of domestic LPG demand with high quality LPG and at competitive price, replacing imported LPG. Kept transporting gas from gas fields in Cuu Long Basin ashore via Cuu Long Gas System; Rang Dong in 2002; Ca Ngu Vang, Phuong Dong in 2008; Su Tu Vang, Su Tu Den in 2009; Vom Bac, Rong, Doi Moi in 2010; Te Giac Trang in 2011; Hai Su Den, Hai Su Trang in 2013; Dai Hung in 2015; improving Cuu Long Basin Gas System to 2 billion m<sup>3</sup> of gas/year.

Promoting results of Cuu Long Gas System, PV GAS continued its investment in the 2<sup>nd</sup> Gas System - Nam Con Son Basin Gas System joined by foreign partners being big oil and gas groups of the world with total investment reaching 600 million USD. In December 2002, the first gas flow was transferred ashore from Nam Con Son Basin to household consumers, significantly increasing PV GAS' gas supplied to the market. Until now, output of Nam Con Son Basin Gas System has been increased to approximately 8 billion m<sup>3</sup> of gas/year

(with gas from gas fields Lan Tay, Lan Do in 2002; Rong Doi, Rong Doi Tay in 2006; Chim Sao, Dua in 2011; Hai Thach, Moc Tinh in 2013). Nam Con Son Gas System, together with Cuu Long Gas System, makes up important gas infrastructures in the key economic triangle in Southeastern Vietnam: HCMC - Dong Nai - Ba Ria Vung Tau.

In May 2007, the commercial gas flow from PM3 field was transferred ashore to Khanh An Industrial Zone in Ca Mau Province, supplied to Ca Mau's power and urea plants. This is the 3<sup>rd</sup> Gas System - PM3 - 46 Cai Nuoc Gas System of Southwestern Vietnam - with over 300 km pipeline and annual output of 2 billion m<sup>3</sup> of gas, contributing to economic development of Ca Mau Province and the Mekong Delta.

In August 2015, the 4<sup>th</sup> Gas System - Ham Rong - Thai Binh Gas System with designed capacity of 500 million m<sup>3</sup> of gas/year was operational and in the initial stage would supply gas to industrial consumers in Thai Binh and neighboring areas, setting favorable conditions for development of gas consumption market in Northern Vietnam in subsequent years.

While investing into the gas systems above, PV GAS also constantly invested in and operated the system of distribution and sales of low pressure gas, CNG, LPG, steel pipe... nationwide.

### Outstanding milestones throughout 25 years of development

**20 September 1990**

The Company was established

**17 November 2006**

Became Gas Products Trading and Processing One Member Limited Company with more than 1,000 employees

**19 May 1995**

Became Gas Products Trading and Processing Company

**May 2011**

PV GAS was officially operated as a joint stock company with charter capital as 18,950 billion VND

**18 July 2007**

Became PetroVietnam Gas Corporation, organizational structure of parent company - subsidiary company with Vietnam National Oil and Gas Group. From then, gas industry in Vietnam had entered the new era - the era of sustainable development, affirming the new position in international oil and gas market. 2008, PV GAS became PetroVietnam Gas Corporation.

**May 2012**

PV GAS was listed and had a first trading day on the Ho Chi Minh Stock Exchange.

# Business scope and operating network

## Business scope

- ✦ **Gathering, transporting, processing, storing, trading, importing and exporting gas and gas products:** LNG, CNG, LPG, Condensate; trading in materials, equipment for gas and gas products processing and usage; providing port, warehouse services;
- ✦ **Investing in infrastructure,** dry gas and liquid gas distribution system from supply to wholesale, retail nationwide;
- ✦ **Acting as a dealer** consuming all LPG produced by domestic refineries and other sources of PVN;
- ✦ **Applied research** on gas industry, engineering and improving gas projects;
- ✦ **Providing services** in gas industry: transporting gas and gas products, operating gas projects, supplying steel pipes and pipe coating;
- ✦ **Investing in upstream gas projects** to reinforce the preemptive role and improve efficiency in gas products processing and trading activities;
- ✦ **Financial investing** in enterprises; buying, selling, transferring, negotiating, signing gas contracts, projects, as well as gas works and assets.

## Products

- ✦ Gas: Associated gas, dry gas, CNG, LPG, Condensate;
- ✦ LNG, Ethane, Polypropylene: under development.

## Operating network

Established in 1990, after 25 years of establishment and development, PV GAS is now proud of being the leader in Vietnam gas industry, remarkably contributing to the development of Vietnam gas industry.

Mainly engaged in the field of gathering, importing, transporting, storing, processing and trading of gas and gas products; operating 4 gas systems: Cuu Long, Nam Con Son in Southeastern Vietnam, PM3 - Ca Mau gas system in Southwestern Vietnam, Ham Rong - Thai Binh gas system in Northern Vietnam; 2 gas processing plants: Dinh Co, Nam Con Son in Southeastern Vietnam and LPG storage system nationwide..., current biggest customers are power plants, fertilizer plants, PetroVietnam Low Pressure Gas Distribution JSC (PV GAS D), Japan Vietnam Petroleum Company (JVPC), LPG trading companies, Condensate processing plant,... working directly with PV GAS and dependent companies (including Southeast Gas Transmission Company, PV GAS Ca Mau Company, Nam Con Son Pipelines Company,

Vung Tau Gas Processing Company, PV GAS Trading). Business activities not only aim to benefit PV GAS annually at present, but are also well balanced to effectively exploit gas sources and ensure long lasting profit for PV GAS.



PV GAS website

## Associated Gas, Dry Gas

Associated gas is unprocessed gas from the fields.

Dry gas is a natural gas or associated gas which has been treated to remove mechanical impurities, water, bupro and condensate in gas processing plants. Its main composition is methane (CH<sub>4</sub>). Dry gas is widely used all over the world as a fuel for power plants and a feedstock for petrochemical plants to produce fertilizer, polypropylene, polyethylene, methanol, etc.

Dry gas is the first product of PV GAS since 1995 when we had first gas from Bach Ho, Cuu Long field with initial capacity of 1 million m<sup>3</sup>/ day. Thanks to the continuously gas procurement and exploitation from Cuu Long, Nam Con Son, Malay - Tho Chu and Song Hong, gas volume to the customer has passed 10 billion m<sup>3</sup>/ year.

In the present, gas transportation and trading of PV GAS are conducted in 3 methods:

- ✦ PV GAS buys gas from PVN (PVN procures gas from the project owners) and sells gas to the customers. This method is applied for gas from Cuu Long, Thai Binh and Song Hong.
- ✦ PV GAS procures gas directly from the project owners and sells to customers. This method is applied to gas from Nam Con Son.

- ✦ PV GAS only gathers and transports gas as a gas transporter. This method is applied to gas from PM3, Malay - Tho Chu.

From 1 customer in 1995, Ba Ria power plant, PV GAS has developed its scale to 15 customers, including 11 power plants (Ba Ria, Phu My 1, 2.1, 2.2, 3, 4, Nhon Trach 1, 2, Hiep Phuoc, Ca Mau 1, 2), 2 fertilizer plants (Phu My, Ca Mau), JVPC and PV GAS D. The Northeast area has customers from all sectors such as power, fertilizer, low-pressured gas users and JVPC. Main customers of PV GAS are from power sectors with 84% of total 10.4 billion m<sup>3</sup> gas consumption in 2015; Phu My and Ca Mau fertilizer plants contribute 10% gas consumption; low-pressured gas users account 6%, JVPC has minor share in total gas consumption.

PV GAS' policy is to gradually increase the volume of gas sold to low pressure gas consumers, allowing PV GAS to become more active in gas trading and reduce dependence on big customer group, by enhancing and increasing the volume of gas supplied to low pressure gas consumers in Southeastern Vietnam, and gradually developing low pressure gas market in Northern Vietnam via the investment completion and operation commencement of Ham Rong - Thai Binh gas system from August 2015.

## Low Pressure Gas and CNG (Compressed Natural Gas)

Low Pressure Gas and CNG are two different existing forms of dry gas in various pressure conditions; in which, low pressure gas is at low pressure (+/- 10 bar, depending on customers' requirements), supplied to customers through pipelines; and CNG is at high pressure (possibly up to 250 bar), compressed into specialized tanks and transported to customers by tractors.

PV GAS D, PV GAS South, PV GAS North - 3 subsidiary companies of PV GAS, and CNG Vietnam - subsidiary company of PV GAS South, are the only 4 current companies in Vietnam directly producing and trading in low pressure gas and CNG, supplying to household consumers in Southeastern Vietnam and Northern Vietnam (industrial manufacturing plants, means of transportation) with output of over 640 million m<sup>3</sup> of low pressure gas and CNG/year.



# Business scope and operating network (continued)

## LPG

LPG - Liquefied Petroleum Gas - is the mixture of light hydrocarbons, mostly propane and butane, which maintainable and transportable at liquid state with average pressure in normal temperature. With the advantage of a clean fuel, LPG is one of the most important and popular energies in Vietnam.

PV GAS started LPG and Condensate trading in 1998 after Dinh Co Gas Processing Plant came into operation.



LPG transportation

### 1. LPG production, purchase and import

PV GAS trades LPG from 3 main sources: Dinh Co Gas Processing Plant, Dung Quat Oil Refinery, and importing.

- ✦ LPG produced by Dinh Co GPP of PV GAS: Annual output of LPG produced by from Cuu Long gas source fluctuates depending on Cuu Long ashore gas output and liquefied product recovery ratio. In 2015, PV GAS produced 282.8 thousand tons of LPG Dinh Co, mainly supplied to the South.
- ✦ LPG produced by Dung Quat Oil Refinery: PV GAS (and its subsidiaries) joins the auction once every 6 months to buy and underwrite a portion of the total output. Then, PV GAS, like other customers, based on its evaluation results, market forecasts and business plan for LPG, decided to bid the Premium that suit each market, (no bidding for CP since it changes monthly according to the announcement

of Saudi Aramco company). In 2015, PV Gas trading 72 thousand tons of Dung Quat LPG in order to supply all Northern, Central and Southern market.

- ✦ PV Gas imports refrigerated LPG on term contracts with big producer like ADNOC from UAE, and on spot contracts with producers from other countries such as Qatar, UAE, Kuwait and also some small cargoes from south China. In 2015, PV Gas has traded 981 thousand tons of imported LPG and used international trading to supply domestic as well as international market.

- ✦ Same as Dung Quat LPG trading, PV Gas' LPG imported and international traded prices are only negotiated on the Premium.

### 2. LPG sales and export

- ✦ LPG customers:

- Domestic customers: As the biggest LPG wholesaler in Vietnam market, PV GAS has entered into LPG sales contracts with almost major LPG traders in the North, Central and South Vietnam. Big and small customers trading with PV GAS regularly is 40-50 customers such as: Petrolimex, Saigon Petro, Gas Petronas,... and 3 member companies such as PV GAS South, PV GAS North and PV GAS City with the total domestic consumption volume of 757 thousand tons in 2015.



LPG transportation port of PV GAS

- Foreign customers: In 2015, PV GAS exported 306 thousand tons of LPG to Cambodia, Malaysia, Philippines, Indonesia, and Sri Lanka, etc.

In addition, as mentioned above, PV GAS carried out international trade of LPG with many foreign LPG traders with total LPG transaction volume approximately 273 thousand tons in foreign market in 2015.

- ✦ Sales policy:

- For Dinh Co LPG source, PV GAS organizes public auction once every six months and invites customers satisfying LPG business conditions (according to the Government's Decree No. 107/2009/NĐ-CP dated 26/11/2009) to participate in. Similar to Dung Quat LPG auction procedures, LPG traders decide themselves their Premium appropriate to each market.

- For imported LPG source: PV GAS applies the mechanism of competitive selling price to compare with other LPG sources and ensures the business efficiency;

PV GAS, whether as an LPG buyer or seller, always operates accordingly to the market mechanism as well as the state regulation and international practices. However, with the advantage of being a producer and the biggest LPG importer in Vietnam; having LPG storage system along the

country, accounting for 50% total LPG storage capacity of the country and the reliable brand name of PV GAS, the company always meets the requirement of the LPG demand, is able to allocate LPG sources, minimizes local shortage and extraordinary price increase in Vietnam LPG market.

- Member companies, PV GAS North, PV GAS South, PV GAS City, sell LPG national-wide to industrial enterprises to use as fuel for their productions, restaurants, hotels, residential households or apartment buildings, high-rise building (through central gas system for cooking and living), transportation (alternative fuel to gasoline).



LPG Vessel

## Condensate

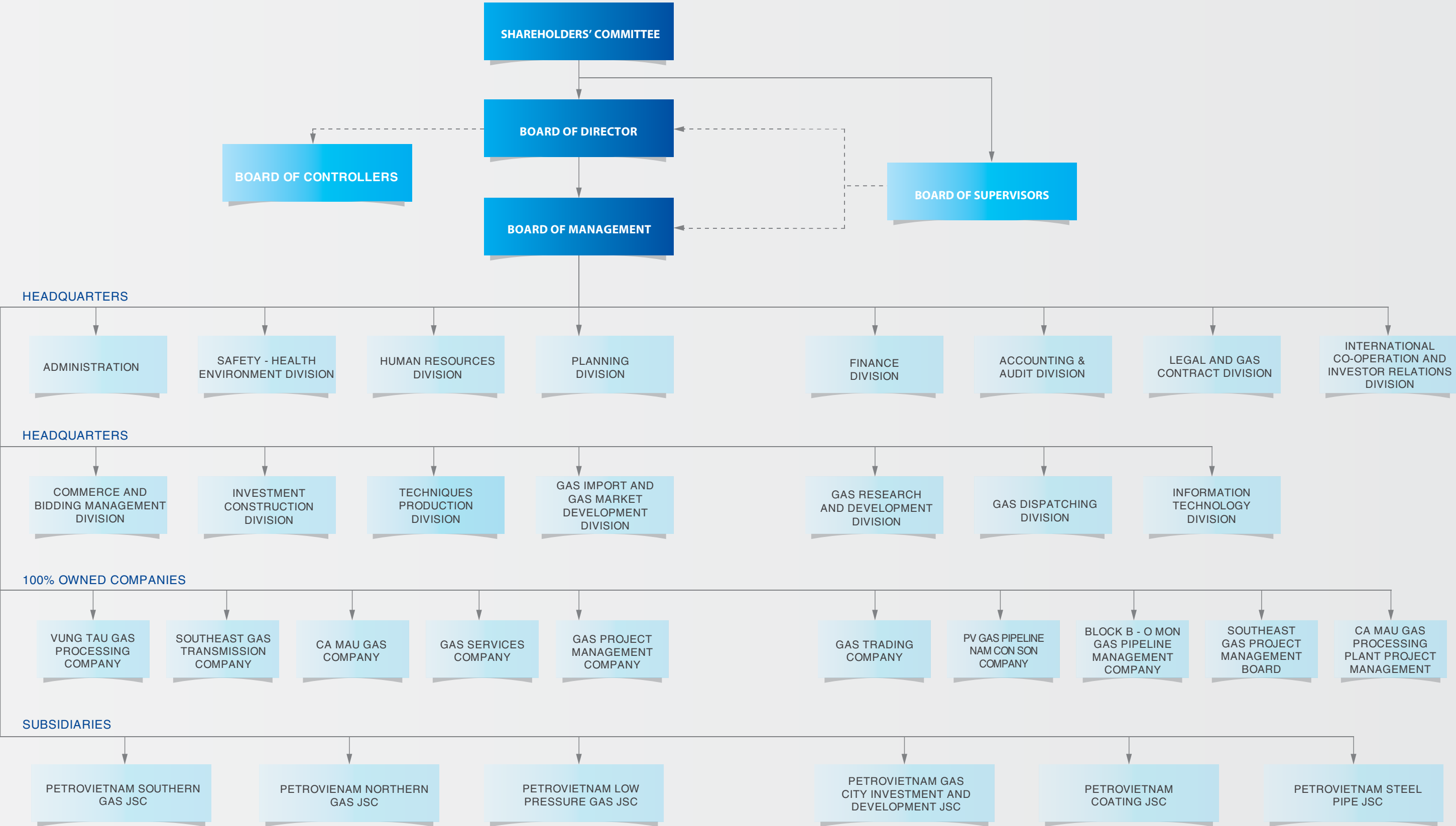
Condensate: Mainly used to produce gasoline, industrial solvents and as feed stocks for petrochemical complexes.

Similar to LPG, PV GAS produces Condensate at Dinh Co GPP from Cuu Long gas source, the varying output depends on Cuu Long ashore gas output and the liquid product recovery ratio. In 2015, PV

GAS supplied 60 thousand tons of Condensate to PVOil's Condensate Processing Plant under the long-term contract.

For Condensate produced at Nam Con Son GPP, PV GAS acts as the transporter for the field owner and is entitled to transportation fee, with the transport volume of 137 thousand tons in 2015.

# Organizational Chart





# Board of Directors



**Mr. LE NHU LINH**  
BOD Chairman

**Working Experience:**

- 10/1990 – 02/1994: Instructor, Geological Economics Faculty, Hanoi University of Mining and Geology.
- 03/1994 – 10/2006: Specialist, Vietnam Oil & Gas Corporation.
- 10/2006 – 12/2007: Vice Chief of Planning – Investment Division, Vietnam National Oil and Gas Group.
- 12/2007 – 07/2009: Chief of Investment Planning Division, Vietnam National Oil and Gas Group.
- 08/2009 – 03/2010: BOD Chairman, PetroVietnam Drilling and Well Services Corporation (PV Drilling).
- 04/2010 – 11/2013: Chairman of Member Council, PetroVietnam Oil Corporation (PV Oil).
- 12/2013 to present: BOD Chairman, PV GAS.

**Qualification:**

- PhD in Oil and Gas Geological Economics.



**Mr. DUONG MANH SON**  
BOD member, President

**Working Experience:**

- 05/1992 – 03/1994: Worked at Pha Rung Ship Repair Plant, Hai Phong;
- 03/1994 – 05/1995: Worked at Petroleum Engineering Associated Enterprise;
- 05/1995 – 06/1999: Worked at Petroleum Construction and Design Company;
- 06/1999 – 04/2002: Worked at Lloyd's Register of Shipping, UK;
- 04/2002 – 10/2006: Served as Deputy Head, Manager, Head of Technical and Production Department, PV GAS;
- 10/2006 – 06/2007: Director of Low Pressure Gas Trading Enterprise (currently PetroVietnam Low Pressure Gas Distribution JSC.), PV GAS;
- 10/2007 – 02/2009: Head of Construction Division, PV GAS.
- 2/2009 – 8/2013: Vice President, PV GAS;
- 8/2013 – 5/2015: Permanent Vice President, PV GAS;
- 5/2015 to present: BOD member, President, PV GAS.

**Qualification:**

- Mechanical Engineering in Manufacturing Engineering – Welding Technology;
- Master degree in Business Administration.



**Mr. PHAN QUOC NGHIA**  
BOD member

**Working Experience:**

- 06/1990 – 04/1999: Employee, Coats Phong Phu J.V.C;
  - 04/1999 – 12/2000: Admitted and appointed by Vietnam Oil & Gas Corporation to follow a training course at Asian Institute of Technology (AIT), Thailand;
  - 04/2001 – 11/2007: Engineer; Vice Chief; Chief of Nam Con Son Department, PV GAS;
  - 11/2007 – 02/2009: Chief of Market Economy Division, PV GAS;
  - 02/2009 – 04/2011: Member Council member, PV GAS;
  - 4/2011 to present: BOD member, PV GAS;
- Qualification:**
- Mechanical Engineer;
  - Bachelor in English;
  - Master degree in Business Administration;
  - Master degree in Industrial Engineering (in Thailand).



**Mr. NGUYEN MANH TUONG**  
BOD member

**Working Experience:**

- 6/1998 – 10/2000: Engineer of Gas Project Management Board, PV GAS;
- 11/2000 – 5/2003: Mechanical Team Leader of Technical Department, Ca Mau Electricity, Urea and Gas Project Management Board, Vietnam National Oil and Gas Group;
- 6/2003 – 9/2007: Vice Chief, Vice Manager, Chief of Gas Project Department, Ca Mau Electricity, Urea and Gas Project Management Board, Vietnam National Oil and Gas Group;
- 10/2007 – 2/2009: Vice Director of Gas Project Management Board of Southwestern Vietnam, PV GAS;
- 03/2009 – 4/2010: Vice Director of Gas Project Management Board of Southwestern Vietnam, Vietnam National Oil and Gas Group;
- 5/2010 – 4/2012: Vice Director of Block B – O Mon Pipeline Management Company, PV GAS;
- 5/2012 – 11/2015: Manager, Head of Investment – Construction Division, PV GAS;
- From 12/2015 to present: BOD member, PV GAS.

**Qualification:**

- Mechanical Engineer;
- PhD in Business Administration.



**Ms. VO THI THANH NGOC**  
BOD member

**Working Experience:**

- 07/1997 – 11/2002: Teacher, PetroVietnam Manpower Training College (PVTMC);
  - 11/2002 – 07/2006: Specialist, Commercial Department, PetroVietnam Technical Services Corporation (PTSC);
  - 8/2006 – 06/2007: Coordinator, Truong Son JOC, PetroVietnam Exploration and Production Corporation (PVEP);
  - 07/2007 – 12/2007: Specialist, Petroleum Processing Division, Vietnam National Oil and Gas Group;
  - 01/2008 – 11/2010: Deputy Chief of Petroleum Processing Division, Vietnam National Oil and Gas Group;
  - 11/2010 – 10/2015: Vice Director, Nghi Son Refinery & Petrochemical LLC;
  - 10/2015 to present: BOD member, PV GAS;
- Qualification:**
- Master in Refinery and Petrochemistry;
  - Master degree in Business Administration.

## Board of Supervisors



**Mr. NGUYEN ANH TUAN**  
Head of Board of Supervisors

**Working Experience:**

- 09/1997 – 09/1999: Specialist, Department of State capital and assets management in Enterprises – Ba Ria – Vung Tau;
- 10/1999 – 05/2006: General Accountant, Deputy Head of Finance and Accounting – Project management Unit of No.1 – 5 Le Duan, Vietnam Oil and Gas Group;
- 06/2006 – 11/2006: Specialist in Accounting Department, Gas Processing Plant, PV GAS;
- 11/2006 – 06/2008: Accounting manager – Phu My Gas pipeline Project management Unit;
- 07/2008 – 08/2010: Accounting manager – Gas Project management Company;
- 08/2010 – 04/2011: Senior Supervisor;
- 04/2011 to present: Head of Board of Supervisors.

**Qualification:**

- BA in Finance and Accounting.



**Mr. PHAM DINH DAT**  
Supervisor

**Working Experience:**

- September 1984 – May 1985: Student of Russian Language at Training School for Personnel of Vietnamese-Russian Joint Venture Vietsovpetro;
- May 1985 – September 1990: Planning Department Specialist, Vung Tau Petroleum Project Management Board (PV GAS' former name);
- September 1990 – June 1993: Planning Department Specialist, PV GAS;
- June 1993 – December 2004: Specialist, Deputy Chief of Planning Department, Gas Project Management Board, PV GAS;
- December 2004 – September 2007: Planning Department Specialist, PV GAS;
- September 2007 – April 2011: Specialized Supervisor, PV GAS;
- 4/2011 to present: Member of Board of Supervisors, PV GAS.

**Qualification:**

- Bachelor of Economics in Planning



**Ms. HO THI AI THANH**  
Supervisor

**Working Experience:**

- April 1999 – August 2007: Finance & Accounting Department Specialist, PV GAS;
- September 2007 – April 2011: Specialized Supervisor, PV GAS;
- 4/2011 to present: Member of Board of Supervisors, PV GAS.

**Qualification:**

- Bachelor in Corporate Finance;
- Master degree in Business Administration.

## Board of Management



**Mr. DUONG MANH SON**  
BOD member, President

(Please refer to “Board of Directors”, page 20)



**Mr. NGUYEN QUOC HUY**  
Vice President

**Working Experience:**

- September 1994 – January 1997: Specialist of Gas Technology and Gas Operation Center, PV GAS;
- January 1997 – December 2001: Chief of Technical Department – Gas Operation Center, PV GAS;
- December 2001 – August 2002: Chief of Technical Department – Operation Center, Deputy Manager of Thi Vai Terminal Warehouse, PV GAS;
- August 2002 – October 2002: Vice Director of Operation Center, Deputy Manager of Thi Vai Terminal Warehouse, PV GAS;
- October 2002 – October 2006: Vice Director of Gas Processing Enterprise, Manager of Thi Vai Terminal Warehouse, PV GAS;
- October 2006 – March 2008: Vice Director of Vung Tau Gas Processing Company, PV GAS;
- March 2008 – January 2010: Director of Vung Tau Gas Processing Company, PV GAS;
- 1/2010 to present: Vice President, PV GAS;

**Qualification:**

- Bachelor of Science in Computing
- Master degree in Business Administration.



**Mr. TRAN HUNG HIEN**  
Vice President

**Working Experience:**

- March 1982 – April 1984: Engineer of Technical Department, Vung Tau Petroleum Project Management Board (PV GAS' former name);
- May 1984 – March 1994: Engineer, Head of Planning – Technical Department, Vice Director of Steel Structure Enterprise in Petroleum Engineering Associated Enterprise;
- April 1994 – April 1998: Deputy Head, Head of Technical Economics Department, Petroleum Design and Construction Company;
- May 1998 – February 2004: Deputy Head of Project Management Board; Head of Investment Project Management Department, Petroleum Trading Joint Stock Company;
- March 2004 – September 2006: General Manager of Phu My – Gas Pipeline Project Management Board – HCMC, Vietnam National Oil and Gas Group.
- 10/2006 – 12/2007: Vice President of PV GAS, Head of Phu My Gas Pipeline Project Management Board – HCMC
- 12/2007 – present: Vice President, PV GAS;

**Qualification:**

- Bachelor in Industrial Management;
- Master in Petroleum Pipeline and Tank Engineering (in Russia).



## Board of Management (continued)



**Mr. NGUYEN THANH NGHI**  
Vice President

**Working Experience:**

- December 1979 – March 1980: Worked at Training College, Air Force High Command;
- March 1980 – April 1982: Student at Economic Secondary School, Ministry of Machine and Metallurgy;
- April 1982 – July 1993: Worked at A41 Factory of the Air Force, Tan Son Nhat Airport;
- July 1993 – May 1996: Employee at Ba Ria – Vung Tau Insurance Company, Vietnam Insurance Corporation (Bao Viet);
- May 1996 – June 2008: Employee at a number of units in PetroVietnam Insurance Joint Stock Corporation (PVI);
- June 2008 – July 2009: Vice President, PVI;
- July 2009 to present: Vice President, PV GAS.

**Qualification:**

- Bachelor of Economics in Planning;
- Master degree in Business Administration.



**Mr. PHAM HONG LINH**  
Vice President

**Working Experience:**

- 1983 – 1995: Vice Director of Transportation Material Supplying Enterprise; Vice Director of Construction Enterprise No. 1; Deputy Head of Material & Equipment Department; Head of Technical – Economy Department of Petroleum Engineering Associated Enterprise;
- 1995 – 1998: Vice Director of PetroVietnam General Services Joint Stock Corporation;
- 1998 – 2001: Vice Director of PetroVietnam Investment Consultancy and Engineering Joint Stock Company;
- 2001 – 2007: General Manager of 1-5 Le Duan Tower Project Management Board, Vietnam National Oil and Gas Group;
- 5/2007 – 2/2009: Vice President of PV GAS, Head of Gas Project Management Board of Southwestern Vietnam;
- February 2009 – March 2010: Head of Gas Project Management Board of Southwestern Vietnam, Vietnam National Oil and Gas Group;
- 4/2010 – 11/2011: Vice President of PV GAS and Director of Block B – O Mon Pipeline Operating Company.

- 11/2011 to present: Vice President, PV GAS;

**Qualification:**

- Construction Engineer;
- Master degree in Business Administration.



**Mr. BUI NGOC QUANG**  
Vice President

**Working Experience:**

- March 1983 – July 1989: Drilling Engineer, Thai Binh Petroleum I Company;
- August 1989 – October 1991: Technical Department, Hanoi Drilling Solution and Petrochemical Products Company;
- November 1991 – October 1995: Head of Contract Department, ADF – Vietnam JVC;
- November 1995 – August 2006: First Vice Director, BOD Chairman and First Vice Director of M-I-Vietnam;
- September 2006 – April 2009: General Director, BOD Chairman of Drilling Mud Corporation;
- April 2009 – August 2009: Deputy Head of Planning Division, Vietnam National Oil and Gas Group.
- August 2009 – December 2010: General Manager of Southeast Gas Project Management Board, Vietnam National Oil and Gas Group;
- 1/2011 to present: Vice President of PV GAS, and General Manager of Southeast Gas Project Management Board.

**Qualification:**

- Engineer in Oil and Gas Drilling and Exploitation.



**Mr. HO TUNG VU**  
Vice President

**Working Experience:**

- July 1983 – March 1994: Employee; Deputy Manager of Petroleum Technical Equipment Import – Export Company (Petechim);
- April 1994 – October 1994: Manager of Petroleum Equipment Import – Export Company;
- November 1994 – June 2001: Manager of Petroleum Trading Company (now known as PetroVietnam Oil Corporation);
- July 2001 – June 2008: Vice President of Petroleum Trading Corporation (now known as PetroVietnam Oil Corporation);
- June 2008 – December 2010: Vice President of PetroVietnam Oil Corporation;
- 1/2011 to present: Vice President, PV GAS.

**Qualification:**

- Engineer in Petroleum Economics;
- Master degree in Business Administration.



**Mr. NGUYEN MAU DUNG**  
Vice President

**Working Experience:**

- December 1991 – December 1994: Worked at Vung Tau Petroleum Construction Enterprise;
- January 1995 – January 2005: Worked at Petroleum Construction and Design Company;
- 1/2005 – 3/2006: Graduate student at University of Economics HCMC;
- January 2007 – December 2007: Head of Technical Department of PetroVietnam Engineering Consultancy Joint Stock Company;
- January 2008 – February 2009: BOD Member, Vice Director of Hanoi Petroleum Construction Co., Ltd.;
- March 2009 – April 2011: BOD member, Director of PetroVietnam Coating Joint Stock Company (PV Coating);
- April 2011 – May 2011: BOD Chairman of PVID; Director of PetroVietnam Steel Pipe Joint Stock Company (PV Pipe);
- May 2011 – April 2012: Vice President of PV GAS, BOD Chairman of PVID, Director of PV Pipe.
- 5/2012 to present: Vice President, PV GAS.

**Qualification:**

- Mechanical Engineer;
- Master degree in Business Administration.



**Mr. PHAM DANG NAM**  
Vice President

**Working Experience:**

- July 1993 – October 1999: Bachelor in Economics, Finance – Accounting Department of Vietnamese-Russian Joint Venture Vietsovpetro;
- November 1999 – March 2003: Deputy Chief of Finance – Credit Department, Vietnamese Russian Joint Venture Refinery (Vietross);
- March 2003 – November 2003: Deputy Head, in charge of Commercial Department, Dung Quat Oil Refinery Project Management Board, Vietnam National Oil and Gas Group (PVN);
- November 2003 – April 2004: Specialist, Finance – Accounting Division, Vietnam National Oil and Gas Group (PVN);
- April 2004 – March 2009: Deputy Head; Head of Commercial – Market Division, PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo);
- April 2009 – February 2010: PVFCCo BOD member. From 09/2008 – 03/2010: concurrently Chairman of PVFCCo North (a subsidiary of PVFCCo);
- 3/2010 – 1/2011: BOD member of PVFCCo, Chairman of PVFCCo South West (a subsidiary of PVFCCo);
- February 2011 – February 2014: Vice Chairman of Member Council, Binh Son Refining and Petrochemical Company Limited;
- February 2014 – September 2014: BOD Chairman, PetroVietnam Transportation Corporation (PV Trans);
- 10/2014 to present: Vice President, PV GAS.

**Qualification:**

- Bachelor in Industrial Economics;
- Master degree in Business Administration.



**Mr. VU TRONG HAI**  
Chief Accountant

**Working Experience:**

- 01/1993 – 6/1998: General Accountant – Hai Au Tourism Service Company – VCB;
- 7/1998 – 12/1998: Chief Accountant – Hai Au Tourism Service Company – VCB;
- 1/1999 – 2/2001: Consultant – ASIA Inspection;
- 3/2001 – 7/2002: Accounting Manager – Consultancy Center for Development of Technology and Environment, Department of Science and Technology of Ba Ria – Vung Tau Province;
- 7/2002 – 5/2003: General Accountant, Ca Mau Electricity, Urea and Gas Project Management Board;
- 5/2003 – 3/2007: Deputy Head of Financial – Accounting Department/In charge of monitoring PM3 Gas Pipeline Project – In charge of accounting/Ca Mau Electricity, Urea and Gas Project Management Board;
- 3/2007 – 7/2008: Chief Accountant – PetroVietnam Ca Mau Power Company.;
- 8/2008 – 04/2009: Deputy Head of Finance – Accounting & Auditing Division – PetroVietnam Power Corporation; Chief Accountant of PetroVietnam Ca Mau Power Company;
- 04/2009 – 6/2010: Head of General Accounting Department – PetroVietnam Oil Corporation;
- 6/2010 – 6/2011: Vice Director, Financial – Accounting Division – PetroVietnam Oil Corporation;
- 6/2011 – 12/2014: Chief Accountant – PetroVietnam Oil Corporation;
- 12/2014 – 11/2015: Chief Supervisor – PetroVietnam Oil Corporation;
- 12/2015 to present: Chief Accountant, PV GAS.

**Qualification:**

- Bachelor in Corporate Accounting;
- Master degree in Business Administration.

# Wholly Owned Companies

## Service, Trading, Operating, Producing:

Professionalism in collecting, importing, transporting, processing, storing business gas and gas products forms and confirms their position as PV GAS’ backbone/pillar.

Company Name	PV GAS SOUTH EAST TRANSMISSION COMPANY	PV GAS CA MAU COMPANY	PV GAS NAM CON SON PIPELINE COMPANY
Function	Transport and distribute gas from Cuu Long and Nam Con Son and Thai Binh field to power plants, fertilizer plants and industrial customers in the Southeast region and Thai Binh province.	Transport gas from PM3 - Malay - Tho Chu to power and fertilizer plants in Southwest region.	Transport gas from Nam Con Son basin to Phu My Gas distribution Center.
Strength	Workforce with the longest experience in gas infrastructure operation of PV GAS; monitor and operate 520 km long gas pipeline system from Cuu Long to Ba Ria - Phu My - Nhon Trach - Hiep Phuoc, 25 km long pipeline from Thai Binh to Tien Hai, and the biggest modern gas distribution center - Phu My.	Young labor force but full of creativity, enthusiasm committed in work and learning to operate in a safe and efficient system of gas pipeline with a capacity of 6.2 million m³ / day-night	Organized on the basis of a joint venture between PV GAS and global top petroleum companies (51% PV GAS, 32.67% Rosneft, 16.33% Perenco) with advanced management methods; managing and operating the gas pipeline system with the largest transportation capacity in Vietnam at present, 22 million m³/ day-night.
Address	101 Le Loi Str., Thang Nhi, Vung Tau	Khanh An Commune, U Minh, Ca Mau	7 <sup>th</sup> Floor, PV GAS TOWER, 673 Nguyen Huu Tho Str., Phuoc Kien Commune, Nha Be District, Ho Chi Minh City
Tel	064 383 4174	0780 359 1343	08 3784 0111
Fax	064 383 4171	0780 359 1315	08 3784 0345
Website	www.pvgas.com.vn	www.pvgas.com.vn	www.pvgas.com.vn

PV GAS’ synergy in the gas industry is strengthened by professionalism in production and business activities of wholly owned companies and good coordination, effective performance of subsidiaries with wide operating network.



PV GAS VUNG TAU PROCESSING COMPANY	GAS SERVICE COMPANY	GAS TRADING COMPANY
Produce, store, distribute gas and gas products.	Regular maintain, fix, prevent, quality examine, guarantee stable operation for PV GAS pipeline system.	LPG trade, import-export in Vietnam and international market.
Manage and operate Dinh Co Gas processing plant and gas storage system, LPG and Condensate import terminals along Vietnam, accounting for over 50% of total LPG storage capacity in the country; not only help increase the value of gas products, generate more sales and profits for PV GAS, but also coordinated with the company trading gas products dominate market share in Vietnam LPG market.	Workforce with high and specialized qualification, proficiency in maintenance, repair, inspection, and calibration of PV GAS’ gas works.	Storage system all around the country (Thi Vai LPG storage with capacity of 71,260 tons, Go Dau LPG storage of 4,000 tons, Dung Quat LPG Storage of 2,000 tons, Hai Phong LPG Storage of 4,500 tons); diversified sources (Dinh Co, Dung Quat, Middle East and other countries); entering into LPG trading contracts with most of major LPG trading companies in the North, Central and South; reputation of PV GAS brand; and a workforce well understanding Vietnam LPG market.
101 Le Loi Str., Thang Nhi, Vung Tau	101 Le Loi Str., Thang Nhi, Vung Tau	11 <sup>th</sup> Floor, PV GAS TOWER, 673 Nguyen Huu Tho Str., Phuoc Kien Commune, Nha Be District, Ho Chi Minh City
064 625 0150	064 358 6381	08 3784 0220
064 383 8257	064 356 3180	08 3784 0215
www.pvgas.com.vn	www.pvgas.com.vn	www.pvgas.com.vn



Construction and investment project management company


Company Name	GAS PROJECT MANAGEMENT COMPANY	BLOCK B - O MON GAS PIPELINE MANAGEMENT COMPANY	SOUTHEAST GAS PROJECT MANAGEMENT BOARD	CA MAU GAS PROCESSING PLANT PROJECT MANAGEMENT BOARD
Function	Preparing and carrying out investment in PV GAS' significant gas projects.	Preparing and carrying out investment in Block B - O Mon gas pipeline project under the business cooperation contract between PV GAS and foreign partners.	Preparing and implementing investment in some gas gathering projects of PV GAS.	Preparing and carrying out investment in Ca Mau GPP project and other projects of PV GAS.
Strength	Workforce with longest time experience in management and implementation of PV GAS' construction investment projects.	Workforce qualified and experienced in construction and investment construction joined by foreign partners.	Workforce consisting of senior members with vast experience in many construction and investment projects in the petroleum industry, strong skills and creativity in dealing with situations arising during implementation of investment projects.	Young workforce with spirit of constant research, discovery, and creativity to reasonably solve situations arising during implementation of construction and investment projects, increasing their economic efficiency.
Address	11 <sup>th</sup> Floor, PV GAS Tower, 673 Nguyen Huu Tho, Phuoc Kien Commune, Nha Be District, HCMC	5 <sup>th</sup> Floor, PV GAS Tower, 673 Nguyen Huu Tho, Phuoc Kien Commune, Nha Be District, HCMC	12 <sup>th</sup> Floor, Petro Hotel, 9 - 11 Hoang Dieu, Ward 1, Vung Tau City	12 <sup>th</sup> Floor, PV GAS Tower, 673 Nguyen Huu Tho, Phuoc Kien Commune, Nha Be District, HCMC
Tel	08 3784 0181	08 3784 0551	064 358 4584	08 3784 0118
Fax	08 3784 0180	08 3784 0550	064 358 4585	08 3784 0120
Website	www.pvgas.com.vn	www.pvgas.com.vn	www.pvgas.com.vn	www.pvgas.com.vn

The good coordination and efficient operation of joint stock companies not only support and extend the gas production and business line of PV GAS, but also conserve and expand PV GAS' financial investment capital.

Company Name	PETROVIETNAM SOUTHERN GAS JOINT STOCK COMPANY - PV GAS SOUTH	PETROVIETNAM NORTHERN GAS JOINT STOCK COMPANY - PV GAS NORTH
Main business lines	Importing, exporting and trading liquefied petroleum gas (LPG retail);  Manufacturing and trading compressed natural gas (CNG).	Importing, exporting and trading liquefied petroleum gas (LPG retail);  CNG trading.
Strength	Leading in the household LPG market in the South; owning LPG storage system, filling stations, distribution network widespread from Da Nang to Ca Mau;  Producing and supplying CNG to transport vehicles and industrial customers in the South and the North.	One of leaders in the household LPG market in the North; owning LPG storage system, filling stations, widespread distribution network from Ha Giang to Da Nang.  Produce and supply CNG for industrial customers in the North.
Charter capital (Billion VND)	500.0	277.2
(%) PV GAS' equity percentage	35.3	35.9
Address	4 <sup>th</sup> Floor, PetroVietnam Tower, 1 -5 Le Duan, Ben Nghe Ward, District 1, HCMC	11 <sup>th</sup> Floor, Vietnam Petroleum Institute Tower, 167 Trung Kinh, Cau Giay District, Hanoi
Tel	08 3910 0108	04 3944 5555
Fax	08 3910 0097	04 3944 5333
Website	www.pgs.com.vn	www.pvgasn.vn
	 PV GAS' equity percentage <b>35.3 %</b>	 PV GAS' equity percentage <b>35.9 %</b>


# Subsidiaries (continued)


Company Name	<b>PETROVIETNAM LOW PRESSURE GAS DISTRIBUTION JSC - PV GAS D</b>	<b>PETROVIETNAM GAS CITY INVESTMENT AND DEVELOPMENT JSC - PV GAS CITY</b>
Main business lines	Trading and transporting low pressure gas by pipeline.  Producing and trading CNG	Trading gas by pipeline; installing gas supply systems for urban areas, high buildings.
Strength	Operating and supplying low pressure gas by pipeline to customers in Industrial Zones such as Phu My, My Xuan, Go Dau, Nhon Trach and Hiep Phuoc and expanding the customer network, producing and trading CNG in the North.	Being one of very few major companies operating in city gas industry nationwide; supplied with gas sources by PV GAS for production and business activities.
Charter capital (Billion VND)	900.0	188.7
(%) PV GAS' equity percentage	50.5	35.5
Address	7 <sup>th</sup> Floor, PV GAS Tower, 673 Nguyen Huu Tho, Phuoc Kien Commune, Nha Be District, HCMC	4 <sup>th</sup> Floor, Vietnam Petroleum Institute Tower, 167 Trung Kinh, Cau Giay District, Hanoi
Tel	08 3784 0445	04 3734 6848
Fax	08 3784 0446	04 3734 6838
Website	<a href="http://www.pvgasd.com.vn">www.pvgasd.com.vn</a>	<a href="http://www.pvgascity.com.vn">www.pvgascity.com.vn</a>

  
PV GAS' equity percentage  
**50.5 %**

  
PV GAS' equity percentage  
**35.5 %**

<b>PETROVIETNAM STEEL PIPE JOINT STOCK COMPANY - PV PIPE</b>	<b>PETROVIETNAM COATING JOINT STOCK COMPANY - PV COATING</b>
Manufacturing steel pipes for works and projects in and outside the petroleum industry.	Pipe coating for works and projects in and outside the petroleum industry.
Possessing Vietnam's first large-scale and advanced plant, producing straight welded steel pipes based on the production line named 3 - Roll Bending in accordance with API 5L and 2B standards -latest versions.	Being Vietnam's only company operating in pipe coating with various coating forms such as overloading concrete coating, 3-layer corrosion-resistant coating, insulated coating, bend coating, joint coating, etc. for pipelines with diameter from 6 to 48".
1,838.5	216.0
99.9	52.9
Soai Rap, Petroleum Service Industrial Zone, Kieng Phuoc, Go Cong Dong, Tien Giang	68 Truong Cong Dinh, Ward 3, Vung Tau City
07 3384 3535	064 3510 556
07 3351 3131	064 3510 555
<a href="http://www.pvpipe.vn">www.pvpipe.vn</a>	<a href="http://www.pvcoating.vn">www.pvcoating.vn</a>

  
PV GAS' equity percentage  
**99.9 %**

  
PV GAS' equity percentage  
**52.9 %**



# Partners

The gas industry is a chain of exploration - exploitation - production - trading activities from upstream, midstream to downstream.

Therefore, PV GAS always actively looks for new partners, as well as maintains and develops investment and cooperation relationship with reputable foreign and domestic partners, PVN's members, major partners in Asian-Pacific region, Europe, Australia and Middle East.

On the other hand, PV GAS is a reliable partner that domestic and foreign investors and enterprises come to when they look for opportunity to do business or investment in Vietnam gas industry.

In 2015, PV GAS maintained and improved cooperation with long-term partners to operate gas fields offshore Vietnam (Rosneft, Perenco, Petronat - Petronas, MOECO, PTTEP, Talisman, Vietsovpetro, JVPC, HLJOC, Thang Long JOC, etc.), sell dry gas (EVN, PV Power, PVFCCo, PVCFC), import LPG (Adnoc, KPC, Astomos, E1, Total, Shell, Statoil, etc), trade in LPG, Condensate (BSR, PV Oil, SaigonPetro, Petrolimex, etc.), invest, sell and trade in gas/LNG (Tokyo Gas, Gazprom, Shell, etc.), produce steel pipelines (Steel Flower and Busan City, Korea); research, develop activities in gathering, transporting and distributing gas (Vietnam Petroleum Association, University of Science and Technology); provide and use products, services of partners (Saigon Newport Corporation etc.).

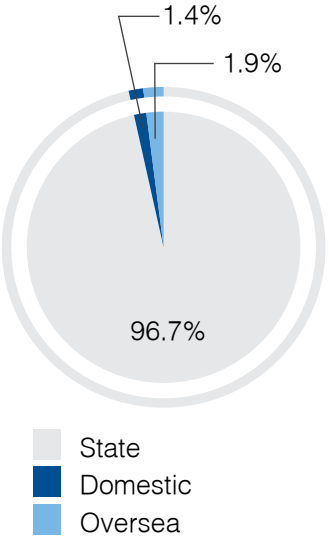
PV GAS warmly welcomes the interests of reputable investors and businesses for PV GAS and Vietnam gas industry.



# Shareholders Structure

## Ownership Structure (recorded at 23/12/2015)

No.	Shareholders	Share volume	Ratio	Shareholder amount
1	State	1,832,835,900	96.7%	1
2	Trade Union	50,000	0%	1
3	Treasury shares	601,930	0%	1
4	Others:	61,512,170	3.3%	5,569
	- Domestic	25,848,100	1.4%	5,211
	- Oversea	35,664,070	1.9%	358
TOTAL		1,895,000,000		5,572



## Main shareholder’s information

Name and address	<b>VIETNAM OIL AND GAS GROUP</b> Address: 18 Lang Ha, Ba Dinh, Ha Noi Business Group, wholly owned by Vietnam Government Website: <a href="http://www.pvn.vn">www.pvn.vn</a>
Business Scope	Involving in the whole value chain of oil and gas; Trading materials and equipments of oil and gas industry ; Trading and distributing petroleum products.  Investing in electricity, biofuels, renewable energy manufacture and trading.  Other ancillary businesses related to oil and gas and energy sector.
Share volume	1,832,835,900
Ratio over total share volume (%)	96.72%

# Titles and Awards



ESPECIALLY THE HONOR OF RECEIVING  
**THE HERO OF LABOUR**  
TITLE AWARDED BY STATE

RANKED **1** IN VIETNAM'S

TOP 50 BEST LISTED COMPANIES  
IN 2015

(VOTED BY FORBES)

RANKED **2** IN TOP 1,000

INCOME TAX PAYING ENTERPRISES  
IN VIETNAM 2015

(VOTED BY VIETNAM REPORT)

TOP **3**

SOUTHEAST ASIA'S GAS COMPANIES  
(VOTED BY NIKKEI ASIAN REVIEW)

TOP **10**

OF TOP 500 LARGEST ENTERPRISES IN VIETNAM  
2015  
(VOTED BY VIETNAM REPORT)

TOP **10**

OF TOP 50 MOST VALUABLE  
VIETNAMESE BRANDS

(VOTED BY BRAND FINANCE)

TOP **10**

GOLD STAR AWARD 2015

(VOTED BY VIETNAM YOUNG  
BUSINESS ASSOCIATION)

TOP **50**

MOST VALUABLE COMPANIES  
IN SOUTHEAST ASIA

(VOTED BY NIKKEI ASIAN REVIEW)

TOP **2,000**

OF THE LARGEST COMPANIES IN  
THE WORLD 2015

(VOTED BY FORBES)



*Ceremony to receive the title of Hero of Labor*

Through 25 years of hard work and development, PV GAS has now become the key organization in the Vietnamese gas industry, helping to ensure the country's food and energy security and contributing to social and economic growth. As the path-finder of PetroVietnam, PV GAS' preeminent position has been confirmed by its continuous success, its promotion of innovation and its tenacity in rising to the challenges facing the energy sector.

With activities across the whole country and a workforce of good education, high quality and specialized training, PV GAS owns a wide scope operating system of high integration and complexity, ensuring the safe and stable operation with a view to continuously expanding the gas industry. PV GAS is among the first organisations in the nation to be awarded with ISO & OHSAS integrated management system certificate. In recent years, PV GAS has boosted the production of steel pipe and pipe coating for oil and gas activities with international quality standard, meeting 100% demand of Vietnam market.

Being the number 1 supplier of dry gas and LPG in Vietnam, on an annual basis, PV GAS has contributed about 10% revenue of PetroVietnam and over 2% GDP; always fulfilled and exceeded the assigned targets which are higher year by year.

In 2011, PV GAS successfully achieved equitation status, by which the company contributed over 11,000 billion VND to national benefits through asset revaluation, capital surplus and furthermore energetically accelerated its operation in

fields of business advantages strengthening, wide-range investment attraction and employee ownership promotion. PV GAS has become one of the leader companies in the petroleum industry and Stock Exchange in total revenue, profit, national treasury contribution as the fact that the company and PetroVietnam share the same vision to be Vietnam macroeconomic stability devotees. PV GAS is continuously in the top of the largest enterprises in Vietnam voted by international organizations.

PV GAS' staff has successfully completed the tasks of national security and consequently ensured the regional security and work safety. PV GAS has also actively participated in charity movements and social security programs. As of 2016, PV GAS has donated over 700 billion for social welfare programs in regions all over the country.

For such achievements, PV GAS was awarded many prizes and honorable titles: Independence Order, second class, third class; Labor Order, first class, second class, third class; Feat Order, third class and many other titles and prizes, especially Hero of Labor title.

The Hero of Labor title is recognition of the State for significant achievements of PV GAS' worker generations through their effort and contribution, under the direction and efficient support of the Government, Ministries, local authorities, partners, shareholders, especially the Ministry of Industry and Trade and Vietnam National Oil and Gas Group.





## Business model transformation and integration into the international market

Transformed from state-owned enterprise to joint-stock company, PV Gas widely attracts investment capital, promoting the role of the employee ownership, improving the efficiency of production and business activities, improving management activities, strengthening international cooperation to further develop the domestic market and quickly integrate into the international market.

# Top 10

Vietnam's Top 500 Largest  
Enterprises by VNR

# 01

No. 1 dry gas and LPG  
supplier in Vietnam

# Top 3

Southeast Asian Gas Companies  
by Nikkei Asian Review



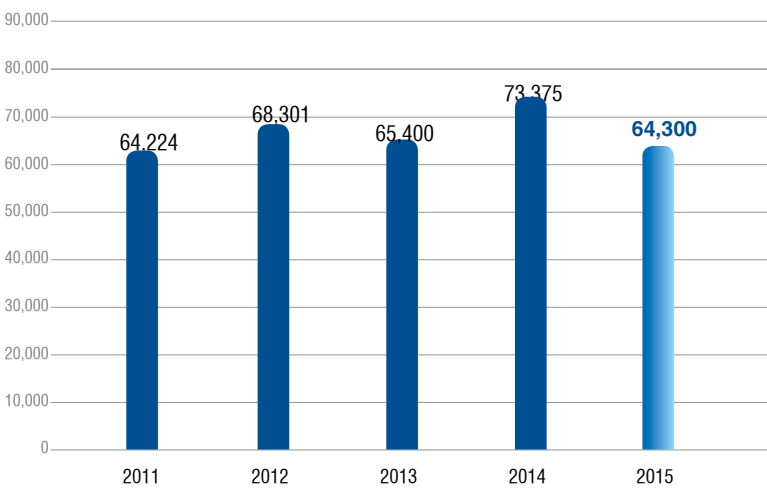


# Primary operational goals during 2011 - 2015

## Corporate financial analysis

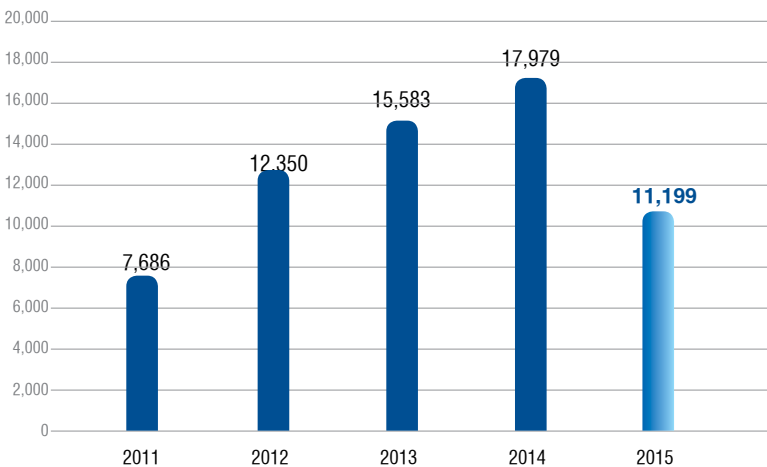
In the period from 2011 to 2015, despite the financial situation of the domestic economy has many difficulties, many companies had to restructured (through consolidating, merging with other companies) or even got dissolved, bankrupt, as a key member of Vietnam National Oil and Gas Group, a leading enterprise in gas industry, PV GAS still achieved high growth rates in business revenue and profits. With advantages of being cost-efficient, environment friendly, gas products promise to become the main material and fuel for more factories, industrial households, which expands the potential of development of PV GAS in the future.

### Revenue (Billion VND)



Net revenue 2015 reached 64,300 billion VND, decreased 9,075 billion VND (equivalent to a 12%) compared to 2014. This stems from an unexpected increase of 3,858 billion VND of the settlement of gas excess volume delivered over the committed volume. Meanwhile, in 2015, PV GAS finalized settlement of gas of power plants according to market price, which led to a decrease of 780 billion VND in revenue. In addition, the selling price of gas for power plants, fertilizer plants and industrial households, and LPG decreased as compared to 2014.

### Pre-tax profit (Billion VND)



Pre-tax profit 2015 reached 11,199 billion VND, decreased 6,780 billion VND (equivalent to a 38%) as compared to 2014. Pre-tax profit 2015 decreased as compared to 2014 due to the fact that there was arising profit from final settlement of gas excess volume of 3,858 billion VND meanwhile 2015 saw a decrease of 780 billion VND in profit because of a gas settlement for power plants based on market price. In addition, oil price decreased significantly in 2015 as compared to 2014, leading to a drop of dry gas, LPG and condensate prices and profit.

### Profitability

Items	2011	2012	2013	2014	2015
Pre-tax profit/Total revenue	12%	18%	24%	25%	17%
After-tax profit/Total revenue	10%	15%	19%	20%	14%
Return on Total Assets (ROA)	15%	22%	26%	28%	16%
Return on Equity (ROE)	28%	40%	42%	40%	22%
EPS		5,331	6,647	7,578	4,661
P/E		7.24	10.00	9.30	7.77

Profitability ratios decreased in 2015 compared to 2014 because the revenue and profit in 2015 decreased due to oil price drop, leading to gas products price drop and other revenue factors in 2014 and 2015 as analyzed above.

### Solvency Ratio

	2011	2012	2013	2014	2015
Current Ratio (times) = Current Assets / Current Liabilities	1.86	2.53	2.87	3.19	3.76
Quick ratio (times) = (Current assets - Inventories) / Current liabilities	1.76	2.33	2.62	3.02	3.62

Although business results of 2015 decreased as compared to 2014 due to the impact from oil price, PV GAS' liquidity is at a high rate. Current ratio and quick ratio in the period from 2011 to 2015 increased more and more, then reached the peak in 2015. The solvency ratio above shows a good financial capability and a good liquidity ratio of PV GAS, moreover, there is no financial difficulty in maturing liabilities. Beside Debt/Equity Ratio, this is one of important ratios used by credit organization for reviewing and ranking companies. The above ratio is an advantage for PV GAS in loan arrangement in domestic and international financial market.





# Primary operational goals during 2011-2015 (continued)

## Activity indicators 2015

### Receivables and Inventory Turnover

	2011	2012	2013	2014	2015
Receivables turnover	8.94	11.08	11.54	13.25	<b>9.65</b>
Receivables turnover (days)	40.81	32.93	31.63	27.55	<b>37.83</b>
Inventory turnover	55.70	39.96	23.64	24.64	<b>33.13</b>
Inventory turnover (days)	6.55	9.13	15.44	14.81	<b>11.02</b>

Receivables turnover in 2015 reached 9.65 cycles (equivalent to 37.8 days/cycle), a ratio complying with Corporation's sales policy. In order to achieve an efficient debt collection, PV GAS always improves debt management and collection task, issues a strict regulation of debt management, debt term analysis and customer choice to limit bad debt.

Inventory turnovers in 2015 are 33 cycles. PV GAS' inventory turnovers fluctuate without any specific trends due to PV GAS' LPG trading nature. PV GAS'

LPG trading activity is a commercial activity; in case PV GAS imports LPG in the end of the fiscal year, year-end inventory count will be high (because PV GAS has insufficient time to sell much LPG); in case PV GAS imports LPG 20-30 days before the year ends, LPG inventory count will be low. For LPG trading activity, PV GAS established an LPG task force for regular observation of LPG price as well as determination of monthly market supply-demand to ensure LPG import and consumption are efficient, avoiding inventory backlog.

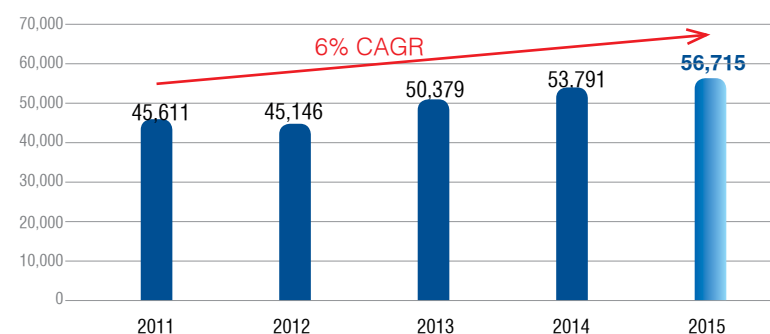
### Other financial indicators

	Plan 2012	2012	2013	2014	2015
EPS (VND)	2,688	5,331	6,647	7,578	<b>4,661</b>
P/E (times)	14	7.24	10.00	9.30	<b>7.77</b>

PV GAS' Earning Per Share (EPS) in 2015 was 4,661 VND/share. P/E ratio (as of 31 December 2015) was 7.77 times. Although both of these indicators are lower compared to 2014 values, with the market oil price

currently on a deep decline, they are still beautiful indicators in oil and gas industry and good indicators compared to other enterprises in the market.

### Total assets (Billion VND)



PV GAS' total assets were 56,715 billion VND at 31 December 2015, an increase of 5% compared to 31 December 2014. The average asset growth rate from 2011 to 2015 is 6%/year, a significant increase for an enterprise possessing immense total assets as PV GAS.

## Growth analysis in asset and equity

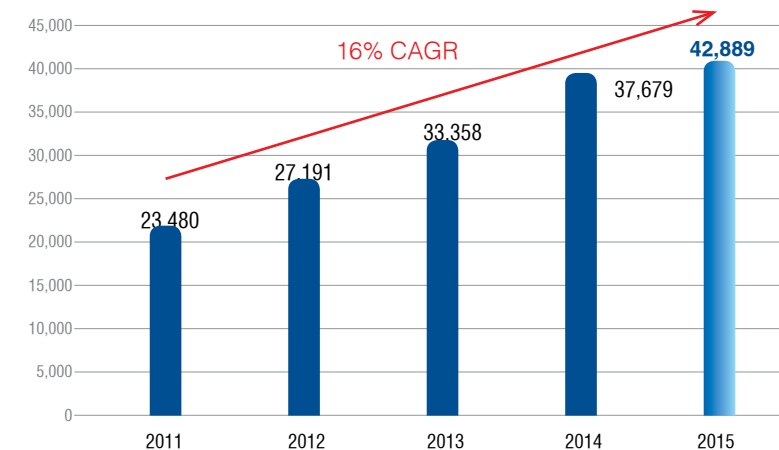
### Asset structure

Other financial indicators	2011	2012	2013	2014	2015
Asset structure					
Short term assets/Total assets	0.42	0.45	0.56	0.62	<b>0.60</b>
Long term assets/Total assets	0.56	0.54	0.43	0.37	<b>0.40</b>

Note: From 2011 to 2013, the company's financial statements are presented in accordance with Decision No 15/2006 / QD-BTC dated 04/11/2006. From 2014 onwards, the company's financial statements are presented in accordance with Circular 200/2014 / TT-BTC dated 22/12/2014.

For a manufacturing enterprise, long term asset ratio represents 40% of the total assets is a safe ratio and suitable with the field of business.

### Owner's equity (Billion VND)



PV Gas' Owner's Equity at 31/12/2015 reached 42,889 billion VND, increased 5,210 billion VND (14% higher than the number at end of 2014, meanwhile charter capital stands still at 18,950 billion VND. Average equity growth rate from 2011 to 2015 was 16% per annum. For a big enterprise like PV Gas, this number represents a huge growth in capital and operational efficiency of a good business.

### Capital Structure

Other financial indicators	2011	2012	2013	2014	2015
Liabilities/Total resource	0.45	0.36	0.30	0.30	<b>0.24</b>
Owner's equity/Total resource	0.51	0.60	0.66	0.70	<b>0.76</b>
Debt/Equity ratio	0.47	0.34	0.26	0.20	<b>0.14</b>

Shareholder's equity: Although the company spends a large amount of money in infrastructure investment, it is able to maintain the shareholder's equity/total liabilities and shareholder's equity ratio above 50%. This ratio has been increased since 2011 and hit 76% at the end of 2015. During this period, PV GAS paid off many credit agreements which decreased the debt's outstanding balance at the end of the year. PV GAS' debt/equity ratio decreased from 47% to 14% in 2015. This ratio shows that PV GAS has ample profit for reinvestment and capital resources autonomy for investment. With such operation and business activities as well as financial autonomy, PV GAS is highly regarded by leading credit rating agencies. This is an advantage for PV GAS in arranging funds to pursuit big projects in the future.

# Board of Management's Report

## Evaluation of business and outstanding achievements in 2015

### General evaluation of business in 2015

Petro Vietnam Gas Corporation is a leading enterprise in gas industry in the national economy. With the strength in oil facilities, PV GAS is currently the only enterprise transporting offshore gas ashore to customers via pipelines. For LPG, PV GAS always maintains the position as a leading LPG supplier in Vietnam with market share of 67% in 2015.

With the aim to focus investment into gas, PV GAS gradually grows stronger in Total Assets and Equity

despite continuous world oil price fall in 2015. In order to expand business activities, in 2015, PV GAS completed the construction of Nam Con Son 2 gas pipeline - Phase 1, PV GAS is currently building Ca Mau Gas Processing Plant and doing researches to invest into the construction of Nam Con Son 2 gas pipeline - Phase 2, Su Tu Trang gas gathering project and researches on deep processing projects such as Polypropylene manufacturing factory.

### Brief summary of PV GAS' production and business conditions

- ✦ International and regional economy and political situation are not stable.
- ✦ Devaluation in some countries and exchange rate risk put even more pressure on business activities of domestic companies including PV GAS.
- ✦ Significantly lower crude oil price compared to 2014 adversely affected the oil and gas industry in general, and gas price for power plants, fertilizer plants, low pressure gas plants, CNG plants and business result of PV GAS in particular.
- ✦ There are no new additional big gas customers.
- ✦ Gas consumption volume in the North is low because PV GAS has just entered the market recently.
- ✦ PV GAS simultaneously deployed many major projects such as Nam Con Son 2 - phase 1, Ham Rong -Thai Binh gas pipelines, etc. according to the investment plan adjusted in condition of urgent progress, resources gathering (personnel, finance...) to ensure the progress, quality and investment cost.

Actively being aware of and assessing these obstacles, the Leadership and all personnel of PV GAS have drastically carried out solutions in management, administration, more dedicated and creative in production and trading to minimize negative impacts of these obstacles, kept promoting internal strength not only for its growth but also for sustainable development. As



a result, PV GAS has excellently accomplished most missions and action plans. It is safe and continuous operation of gas system, not allowing any damage to human beings and harming PV GAS' prestige; fulfilled and exceeded most of the targeted plans duly approved by General Meeting of Shareholders which achieved higher growth as compared to 2014, with some targets has been achieved 2 months ahead of schedule; supplied over 10 billion m<sup>3</sup> of gas, 1.5 million tons of LPG, a highest volume since establishment, achieved the mark 10 billion m<sup>3</sup> of gas supplied to customers, completed and commissioned the Ham Rong - Thai Binh gas pipeline, Nam Con Son 2 gas pipeline Phase 1 (Dai Hung field), contributing to the supplement of Cuu Long gas sources, as well as expanding the gas market in the North, deployed ERP system, an important foundation for business management, etc. As a result, PV GAS continues to be one of leading units of PVN in terms of revenue and profit, ranked No. 2 in Top 1000 Income Tax Paying Enterprises in Vietnam 2015, Top 10 of Top 500 Largest Enterprises in Vietnam 2015 (Voted by Vietnam Report), Top 10 Gold Star Award 2015, Top 10 of Top 50 Most Valuable Vietnamese Brands (Voted by Brand Finance), Leading the list of 50 Best Vietnamese Listed Companies 2015, Top 2000 of the Largest Companies in the World 2015 (Voted by Forbes), Top 50 Most Valuable Companies in Southeast Asia 2015, Top 3 Southeast Asia's gas companies (voted by Nikkei Asian Review), and especially the honor of receiving the Hero of Labour title awarded by State.

### Security and safety

With the theme of 2015 - year of safety, from the beginning of the year, PV GAS has developed and published programs, directives, specific implementation plans for safety work across PV GAS, set a completion date, responsibilities of each unit/individual, strengthen the inspection and supervision, along with other typical activities such as: communicating on safety and security at sea and on shore in some East and Southwest provinces; practicing firefighting and fire prevention plans in gas works with the participation of many forces; cooperating with relevant authorities in the area of gas works to perform security patrol during holidays; joining with the Border Guards, Sub-Department of Exploitation and Protection of Fisheries Resources to communicate to fishermen on protection, security and safety of gas works at sea; joining with 3<sup>rd</sup> and 4<sup>th</sup> regional Coast Guard in patrolling along the sea pipeline of East and Southwest gas systems; organizing the conference on review and assessment to reinforce and promote the practice of safety; performing activities in response to the National Week on Labor Safety and Fire and Explosion Prevention etc.

After strictly carrying out the programs and plans, observing regulations as well as cooperating with relevant parties, as a result, PV GAS' manufacturing and trading units operated safely, there was no violation on environment regulation, no incident affected human being, assets as well as PV GAS' prestige. Total incidents are decreased compared to 2014, most incidents are minor and without affecting business activities.



Nam Con Son Gas Processing Plant



# Board of Management's Report (continued)

## Operation and production

The production and operation of PV GAS started since the first gas ashore in 1995 up to date, continuously keeping on a basis of year-round and 24/24 hours; beginning with the gas fields offshore Vietnam and ended with gas and gas products delivery points to end users; directly connected to gas field owners, gas sellers, gas pipeline owners, power plants, fertilizer plants, condensate processing plants, LPG companies, carriers and contractors, PV GAS D, etc.



Cuu Long gas system

✦ **Cuu Long gas system:** Wet gas from Bach Ho, Vom Bac, Rong, Doi Moi, Rang Dong, Phuong Dong, Su Tu Den, Su Tu Vang, Su Tu Trang, Te Giac Trang, Hai Su Den, Hai Su Trang, Ca Ngu Vang, Dai Hung fields, etc. is transported ashore via Cuu Long gas pipeline, through Long Hai to Dinh Co GPP in Ba Ria - Vung Tau province for the production of three kinds of gas product: dry gas, LPG and condensate. Dry gas is then transported via pipeline from Dinh Co GPP to Ba Ria, Phu My for delivering to end customers. LPG and Condensate are transported via pipeline to Thi Vai storage, stored in tanks and delivered to LPG trading companies by means of vessels or tank trucks and to PV Oil's Condensate Processing Plant via pipeline. In addition, from the end of November, 2014, wet gas from Su Tu Den, Su Tu Vang, Te Giac Trang, Hai Su Den, Hai Su Trang fields has been also transported and delivered to Japan Vietnam Petroleum Co., Ltd (JVPC) right at the platforms offshore for JVPC's EOR (Enhanced Oil Recovery).



Nam Con Son gas system

✦ **Nam Con Son gas system:** Gas from lots, fields 06.1, 11.2, Chim Sao, Hai Thach, and Moc Tinh was transported ashore via Nam Con Son gas pipeline, through Long Hai to Nam Con Son GPP in Ba Ria - Vung Tau province for the production of two kinds of gas product: dry gas and condensate. Dry gas is then transported via gas pipeline from Nam Con Son GPP to Phu My, Nhon Trach, Hiep Phuoc for delivery to end customers. Condensate is transported via Cuu Long gas pipeline system to Thi Vai Storage, stored in tanks and carried to purchasers by ship or pipeline.

✦ Gas from Cuu Long and Nam Con Son can be supplied in case of shortage via Phu My Gas Distribution Center.

✦ **PM3 gas system:** gas from PM3-CAA, 46 Cai Nuoc fields is transported ashore via PM3 gas pipeline, through Mui Tram to Ca Mau Gas Distribution Center and delivered to end customers.

✦ **Ham Rong - Thai Binh gas system:** gas from Thai Binh field is transported ashore via Ham Rong - Thai Binh gas pipeline, through Tien Hai to Gas Distribution Center in Tien Hai Industrial Park, delivered to PV GAS D in order to produce low pressure gas and CNG, and then exported to end customers.

✦ In addition, PV GAS also procures LPG from Dung Quat and imports LPG from overseas, stores LPG in storage systems in the North, Central and South and delivers it to LPG trading companies with vessels or tank trucks.



Ham Rong - Thai Binh gas system

In 2015, PV GAS has maintained safe, stable and continuous operation and production for 4 gas systems: Cuu Long, Nam Con Son, PM3 and Ham Rong - Thai Binh including pipelines, plants, gas distribution centers, storages and terminals, etc.

As a result, the total wet gas output reached 10,613 million m<sup>3</sup>, dry gas output 10,445 million m<sup>3</sup>, LPG 288.5 thousand tons, and condensate 60.5 thousand tons, these exceeded the 2015 plan, including:

### Cuu Long gas system

Although a number of gas fields have been stopped/reduced supply at certain planned or unexpected times for maintenance/troubleshoot/replacement/connection; additional gas source from Dai Hung field operated since the end of December 2015 but the output was low; JVPC only received gas for EOR projects in a short time, not according to the plan registered at the beginning of the year; however, PV GAS' completion of the maintenance during the

downtime of gas system in August 2015 as planned and safely commissioning the system again; ensuring the stable and continuous operation of system; gas field operated at high level during non-maintenance time, therefore, Cuu Long's gas volume reached 1,476 billion m<sup>3</sup> of wet gas (including 6 million m<sup>3</sup> for EOR project), and helped produce 1,283 million m<sup>3</sup> of dry gas, 288.5 thousand tons of LPG and 60.5 thousand tons of Condensate.

### Nam Con Son gas system

With the efforts of PV GAS on stable, continuous, fixed and reasonable operation of air system; completion of the maintenance and repair during the downtime in September 2015 as planned, safely commissioned the gas system again; some fields have been stopped/reduced gas supply at certain times for maintenance/troubleshooting but this did not affect the air supply

plan, therefore, Nam Con Son gas output was still higher than other gas sources, reached 7,169 million m<sup>3</sup>, equal to 108% of the year plan, an increase of 5% compared to 2014 and accounted for almost 69% of total gas consumption; this has been the highest gas output of Nam Con Son since the system got commissioned.

### PM3 gas system

For the upstream, beside the certain periods of downtime/interruption of the gas supply by field owners for maintenance/drill moving/replacement as planned, there were some incidents interrupted/stopped gas supply unexpectedly, however, the number of incidents have been decreased significantly over the same period in 2014; along with the efforts of PV GAS in completion of the maintenance and repair during

the downtime in August 2014 as planned, ensuring the stable operation of gas system in order to utilize the maximum gas sources ashore, taking full advantage of Vietnam's interests in the exploitation of gas fields in the area overlapping with Malaysia, the factors above made PM3 output reach 1,972 million m<sup>3</sup>, equivalent to 107% of the year plan, an increase of 7% compared to 2014.

### Ham Rong - Thai Binh gas system

Beginning supplying gas to customers in the North since 07 August 2015 is an achievement of PV GAS in expanding its gas market, contributing to promote development of the gas industry across the country. However, due to being recently commissioned, there were not many gas customers, therefore, supply output was low, over 20 million m<sup>3</sup>, equivalent to 103% of the year plan.

# Board of Management's Report (continued)

## GAS VOLUME

	UNIT	2011	2012	2013	2014	2015 Planned	2015
<b>Associated Gas</b>	<b>M.m<sup>3</sup></b>	<b>8,704</b>	<b>9,347</b>	<b>9,669</b>	<b>10,137</b>	<b>9,980</b>	<b>10,613</b>
Cuu Long	M.m <sup>3</sup>	1,285	1,255	1,422	1,479	1,460	1,476
Nam Con Son	M.m <sup>3</sup>	5,869	6,189	6,263	6,812	6,660	7,144
PM3	M.m <sup>3</sup>	1,550	1,902	1,984	1,846	1,840	1,972
Ham Rong - Thai Binh	M.m <sup>3</sup>					20	20
<b>Production</b>							
<b>Dry Gas</b>	<b>M.m<sup>3</sup></b>	<b>8,533</b>	<b>9,175</b>	<b>9,469</b>	<b>9,966</b>	<b>9,540</b>	<b>10,445</b>
Cuu Long	M.m <sup>3</sup>	1,114	1,056	1,198	1,271	1,020	1,283
Nam Con Son	M.m <sup>3</sup>	5,869	6,216	6,287	6,849	6,660	7,169
PM3	M.m <sup>3</sup>	1,550	1,902	1,984	1,846	1,840	1,972
Ham Rong - Thai Binh	M.m <sup>3</sup>					20	20
<b>Condensate</b>	<b>1000T</b>	<b>58</b>	<b>60</b>	<b>61</b>	<b>60</b>	<b>48</b>	<b>60</b>
<b>LPG (Dinh Co)</b>	<b>1000T</b>	<b>245</b>	<b>267</b>	<b>299</b>	<b>303</b>	<b>234</b>	<b>289</b>

## GAS VOLUME - ACCORDING TO GAS SYSTEM (UNIT: M.m<sup>3</sup>)

Cuu Long	1,476	Nam Con Son	7,160	PM3	1,972	Ham Rong - Thai Binh	20
Bach Ho, Vom Bac, Rong Doi Moi	301	06.1	3,765			Thai Binh	20
Rang Dong, Phuong Dong	8	11.2	1,282				
Su Tu Den, Su Tu Vang, Su Tu Trang	642	12W	370				
Te Giac Trang, Hai Su Den, Hai Su Trang	390	Hai Thach, Moc Tinh	1,743				
Ca Ngu Vang	135						

In 2016, with the completion of connection to Thien Ung rig, the new gas flow from Thien Ung field will join the Cuu Long gas system in Southeast region, and Thai Binh gas output ashore will increase in the North, PV GAS ensures the continuous sufficient supply to customer's gas needs.

## Maintenance and repair

PV GAS' maintenance and repair operations is carried on for the purpose of maintaining continuous operation status, stability and efficiency of the gas projects; prevent and quickly remedy problems that interrupt the operation and production. And above all it serves safety goals - quality - effectiveness; decentralized implementation to affiliated companies - the unit directly manage and operate the gas projects (including the Southeast Gas Transport Company, Ca Mau Gas Company, Southern Con Son Pipelines Gas Company, Vung Tau Gas Processing Company, Gas Services Company) to execute regular maintenance and repair, calibration; maintenance and repair to prevent; and unscheduled maintenance. The good implementation of maintenance and repair work on the workload, schedule and quality plays an important role, helping operating activities, production, sales of PV GAS safe, ensures no serious accidents happened during the past 25 years.

In 2015, PV GAS has done all 3 types of regular maintenance and repair activities: calibration, preventive and unscheduled. Some great work has been done include:

- ✦ Regular maintenance and repair in downtime: Completing the repair and maintenance during downtime of Cuu Long, PM3 gas in August 2015 and during downtime of Nam Con Son gas in September 2015.

Considering the 24/24 and 365 days/year production and business operation of PV GAS, the timely completion of repair and maintenance in each downtime period has a significant meaning to PV GAS, helping PV GAS to limit the loss of output, revenue, and profit caused by operation stoppage.

- ✦ Finishing the survey and repair of sea pipeline, shore pipeline belonged to Cuu Long and PM3 gas systems.

- ✦ And many scheduled repair maintenance, calibration testing, preventive maintenance and other unscheduled works.

**The good implementation of maintenance and repair work on the workload, schedule and quality plays an important role, helping operating activities, production, sales of PV GAS safe, ensures no serious accidents happened during the past 25 years.**



Thi Vai Terminal



Gas business activities

2015 is a significantly difficult year, the low oil price compared to 2014 has affected the gas price for power plants, fertilizer plants, low pressure gas plants, CNG plants, and thus directly affected business results of PV GAS. To reduce the impact of low oil price on business activities, PV GAS has implemented many proactive measures such as planning on the basis of balancing the priority of mobilizing gas from mines/lots with low input cost after ensuring contractual obligations under the commitment with customers, implementation of the reasonable moderation/fixation, especially strictly controlling and ensuring the stable operation of PV GAS' gas system, allowing no incident to occur and lead to downtime/decrease of gas supply. As a result, PV GAS has exceeded the gas supply plan without affecting the contractual terms signed with customers, reduced the impact on revenue and profit due to low oil price, despite unstable operation of some field gas supply due to incident/maintenance. Total gas supply volume for customer is 10,451 million m<sup>3</sup>, equivalent to 107% of the year plan, an increase of 5% compared to 2014, this is the highest gas consumption volume per year since PV GAS' establishment; in which, power plants represent 84% of gas consumption, fertilizer plants represent 10%, other industrial customers represent 6%, JVPC comprised of a small ration.

Trade of LPG and condensate

LPG

Overview of LPG global market

International LPG market in 2015 is relatively consistent to the oil price, with a low CP price since January 2015, along with 6 months of significant decrease and 6 months of slight increase, therefore, the CP average price in 2015 was only USD 426.5/ton, a decrease of USD 374/ton (equivalent to 47%) compared to 2014 (USD 800.6/ton). The main reason of the decrease in 2015 is the drop of oil price (average price of Brent oil in 2015 was USD 52/bbl compared to USD 98/bbl in 2014). In addition, a significant increase of LPG export from US to Asia market has also put a pressure on CP price drop in 2015.

AVERAGE CP PRICE OVER YEARS  
Unit:USD/tons

CP price (according to Saudi Aramco)	2011	2012	2013	2014	2015
1	927.5	880.0	955.0	1,105.0	447.5
2	815.0	1,025.0	910.0	970.0	465.0
3	840.0	1,205.0	895.0	862.5	480.0
4	882.5	992.5	812.5	807.5	465.0
5	970.0	852.5	755.0	817.5	470.0
6	890.0	722.5	757.5	835.0	422.5
7	890.0	597.5	792.5	830.5	410.0
8	860.0	775.0	820.5	790.0	382.5
9	827.5	950.0	862.5	765.0	330.0
10	775.0	995.0	835.0	750.0	362.5
11	780.0	1,020.0	895.0	605.0	415.0
12	795.0	980.0	1,162.0	560.0	467.5
Average years	849.8	916.3	871.0	800.6	426.5

Overview of Vietnam LPG market

LPG's domestic consumption reached 1.53 million tons in 2015, an increase of 16% compared to 2014. All market regions had good growth, among which, Southern market and Central market grew by 12% and 14% respectively, Northern market had a remarkable development, grew by 22% compared to 2014. LPG consumption demand in 2015 increases strongly compared to 2014 due to low general LPG price level, hence a stimulation to consumption demand in many fields, especially in household and commercial ones.

PV GAS' LPG business

In 2015, along with many member companies in Vietnam National Oil and Gas Group, PV GAS' LPG business encountered severe difficulties caused by the dramatic decrease of global oil price beyond the lowest price level in 10 years, leading to a domestic LPG price drop.

In 2015, PV GAS completed effectively at high level of planned output with the supply of 1,336 million tons of LPG to the market (including exports and international trade). The total output of PV GAS including member companies is approximately 1,668 million ton LPG (after deducting overlapping amounts). The highlight of PV GAS' LPG business is the export and international trade business with an approximate

250% increase of 2015 output as compared to 2014. With the advantages in facilities, commodity sources, human resources, and business partners have helped PV GAS maintain its position as Vietnam's Number 1 LPG producer and trader and the only importer in Vietnam with the capability to import refrigerated LPG from the Middle East. Besides importing refrigerated LPG, PV GAS also has spot contracts from big traders in the regional and international market such as Shell, Total, Astomos, etc. and importing pressurized LPG by small shipments from Southern China. For LPG exports, besides maintaining traditional customers such as Cambodia, Malaysia, Philippines, etc., PV GAS continues to promote exports to other markets such as Bangladesh, Indonesia and Sri Lanka, etc.

STRUCTURE OF LPG OUTPUT BY LPG SOURCE  
Unit: Thousand tons

Year	Done/ Planned 2011	Done/ Planned 2012	Done/ Planned 2013	Done/ Planned 2014	Plan 2015	Done/ Planned 2015	Percent- age 2015
Output of the parent company	1,166	1,027	1,061	1,086	960	1,336	100%
Dinh Co source	244	258	302	290	234	283	21%
Dung Quat source	66	105	66	74	84	72	6%
Imports and international trade	856	664	693	669	722	981	73%

STRUCTURE OF GAS CONSUMPTION BY CUSTOMERS  
Unit: Million m<sup>3</sup>

Year	Done/ Planned 2011	Done/ Planned 2012	Done/ Planned 2013	Done/ Planned 2014	Plan 2015	Done/ Planned 2015	Percent- age 2015
Total output	8,533	9,175	9,444	9,971	9,971	10,451	100%
Power plants	7,472	8,016	7,808	8,196	7,916	8,767	84%
Urea plants	527	545	1,012	1,140	1,044	1,029	10%
Low pressure gas	534	613	624	629	580	649	6%
JVPC				6	231	6	

In 2015, with receiving new gas sources from Thien Ung, Dai Hung, Thai Binh fields, and reasonable fixing, and moderating the gas sources at certain times for each customer range, PV GAS will satisfy

maximum domestic demands for gas consumption, efficient exploitation of national natural resources and bring maximum profit for PV GAS in gas production and trading activities.

# Board of Management's Report (continued)

## Condensate

In 2015, Condensate source produced by Dinh Co GPP continues to be sold to PV OIL under a long term contract to serve petroleum processing at Phu My Condensate plant. The Condensate output in 2015 was 60.5 thousand tons and is scheduled to increase in 2016 due to additional gas source from Dai Hung field transferred through Dinh Co GPP.

CONDENSATE OUTPUT  
UNIT: THOUSAND TONS

Year	2011	2012	2013	2014	Plan 2015	Done 2015
Output	58	61	62	59	48	60

## Transportation

A key service provided by PV GAS: transporting gas and gas products, including transporting gas and condensate from Nam Con Son tank and gas from PM3 mine to the mine owners and sellers.

In 2015, PV GAS transported 7,169 million m<sup>3</sup> of Nam Con Son gas, 137 thousand tons of Nam Con Son, Hai Thach - Moc Tinh Condensate and 1,972 million m<sup>3</sup> of PM3 gas, fully satisfying the leasing party.

PV GAS transported  
**7,169** million m<sup>3</sup>  
of Nam Con Son gas

## Activities of member companies

Thanks to practical and prompt supports from PV GAS - parent company, major shareholders, and efforts in 2015, PV GAS' subsidiaries achieved quite good operating results, of which remarkable companies including PV GAS D, PV GAS South and PV Coating, jointly contributing to the development of Vietnam gas industry.

PV GAS D supplied over 640 million m<sup>3</sup> of gas to industrial customers and CNG manufacturer in Ba Ria - Vung Tau, Dong Nai, Ho Chi Minh City and some provinces in the North, increased by nearly 2% as compared to 2015, achieving revenue of 4,900 billion VND and after-tax profit of 238 billion VND, reaching a fairly high net profit/ charter capital ratio (26%). With the completion of Tien Hai - Thai Binh pipeline project investment, PV GAS D began supplying low pressure gas to industrial customers in Thai Binh province, as well as cooperating with CNG Vietnam/PV GAS South, PV GAS North in trading CNG in the north market from August 2015, to expand the low pressure gas and CNG market. In addition, in 2015, PV GAS D has increased the charter capital to 900 billion VND.

Revenue  
PV GAS D  
**4,900**  
billion VND

Revenue  
PV GAS South  
**5,956**  
billion VND

Thanks to practical and prompt supports from PV GAS - parent company, major shareholders, and efforts in 2015, PV GAS' subsidiaries achieved quite good operating results, of which remarkable companies including PV GAS D, PV GAS South and PV Coating, jointly contributing to the development of Vietnam gas industry.

Revenue  
PV Coating  
**967**  
billion VND



PV GAS South with its 6 gas cylinder trade names including PetroVietnam, VTG, A Gas, Dang Phuoc, Dak Gas, JP Gas supplied approximately 235 thousand tons of LPG to households, restaurants, hotels and industrial customers. Owning complete facilities with storages; LPG filling stations; gas cylinder repairing, painting and inspecting stations throughout the business market, plus the support from PV GAS - the parent company in terms of the gas source etc., PV GAS South is now the leading LPG trader (retailer) in the South and the South Central markets regarding to output. For CNG business, PV GAS South and CNG Vietnam still dominate the CNG market of the Southeast region and join the CNG business in the North market from August 2015, supplying over 180 million m<sup>3</sup> of CNG to industrial customers and transport vehicles. As a result, PV GAS South's business remained effective with 5,956 billion VND of revenue and nearly 165 billion VND of after tax profit, reaching the after tax profit/charter capital ratio up to 33%.

PV GAS North with its 2 gas cylinder trade names including PetroVietnam and Hascom supplied 200,000 tons of LPG to households, restaurants, hotels and industrial customers. Owning complete facilities with storages; LPG filling stations; gas cylinder repairing, painting and inspecting stations throughout the business market, plus the support from PV GAS - the parent company in term of the gas source etc., PV GAS North is now the leading LPG trading company (retailer) in the North and the North Central markets regarding to output. From August 2015, PV GAS North has begun CNG business in Thai Binh province and neighboring regions, which helps diversify PV GAS products and earn more profit.

PV GAS City's operating activities have not changed much as compared to 2014, with nearly 50 thousand tons of LPG, over 663 billion VND in revenue and 6 billion VND in net profit because the real estate market has remained stagnant, causing domino effect upon the implementation and operation of PV GAS City's investment projects and gas center systems for urban areas and apartments. In the coming years, when Vietnam real estate market gets truly heated up, PV GAS City's production and business activities will certainly achieve many positive changes.

PV Pipe has been granted with certificates of HSE management system under ISO 14001 & OHSAS 18001, certificates of API 2B, API 5L by international organizations, which are prerequisites for PV Pipe to participate in bidding and signing contracts of steel pipe production in and outside the petroleum industry. Accordingly, in 2015, PV Pipe produced and delivered over 19 thousand tons of steel pipes to customers, affirming its capacity in producing pipes for projects in and outside the petroleum industry. In 2016, PV Pipe will continue producing pipes for Ca Mau GPP, Block B - O Mon, Su Tu Trang as well as for other orders.

PV Coating carried out coating and delivered coated pipes to project investors (Nam Con Son 2 gas pipeline project - Stage 1, Nam Con Son 2 - Bach Ho, Ham Rong - Thai Binh, Tien Hai - Thai Binh, H5/ Te Giac Trang, etc.) in strict compliance with committed schedule and guaranteed quality. This enabled PV Coating to earn over 967 billion VND in revenue, 126 billion VND in net profit, higher than those in 2013 and the 2014 plan, reaching a very impressive net profit/ charter capital ratio (68%), helping PV Coating in terms of reputation and finance to follow bidding for new pipe coating projects in the coming years.



## Scientific research and technical innovations

**As in previous years, the movements on promoting initiatives, technical innovation and production rationalization were launched from the beginning of the year to each member company, department, and was actively and practically supported by the entire staff of PV GAS, yielding hundreds of billion VND in profit for PV GAS.**

Research activities and technical innovations activities are more and more practical, generating practical and instant economic benefits as well as preparing for new PV GAS' production and business activities in the coming years such as completion/deployment of: Research report on "Evaluation and proposed solutions for expanding LNG market for industrial customers in North and Central regions"; Research report on "Usage of composite tanks for developing LPG retail market"; research paper on "Research and proposed methods for processing impurities and recovering liquid products from Thai Binh - Ham Rong gas project"; research paper on: "Evaluation of Ethane production potentials from Southeast region gas source, calculation and proposed Ethane price based on the duty to supply to LSP and the deployment possibility of deep processing of ethane source of PV GAS"; research paper on: "Research on deployment of CNG supply for transportation in Hanoi and some Northern provinces using Thai Binh gas source"; research paper on "Preparation of Vietnam Standards (TCVN) on measurement system in civil gas supply (LPG, natural gas, LNG) for urban areas"; research paper on "Vietnam Standards (TCVN) on liquefied natural gas (LNG) - Equipment system and installation - LNG storage with the capacity up to 200 tons", etc.

As in previous years, the movements on promoting initiatives, technical innovation and production rationalization were launched from the beginning of the year to each member company, department, and was actively and practically supported by the entire staff of PV GAS, yielding hundreds of billion VND in profit for PV GAS.

In addition, PV GAS also completed the Vietnam Gas Industry Model plan, PV GAS' development strategy to 2025 and PV GAS' development orientation to 2035, 5 years plan from 2016 to 2020, submitted to PVN and competent authorities for consideration and approval as the basis for PV GAS' implementation.



## Corporate innovation and restructuring

PV GAS has kept carrying out the corporate innovation and restructure to make proper adjustments on structure, organization, functions, duties throughout PV GAS, aiming at further strengthening and focusing on PV GAS' major business lines and other business lines directly supporting PV GAS.

In 2015, PV GAS kept performing the corporate innovation and restructuring according to PV GAS' restructuring plan for 2012-2015; with specific results as follows:

### ✦ For PV GAS - parent company:

- PV GAS changed the name and functions of Investment & Construction Division; established the Board of Supervisors and International Cooperation and Investor Relations Division.
- PV GAS issued shares under PV GAS' ESOP based on the approval of Ministry of Industry and Trade, PVN and General Meeting of Shareholders.
- PV GAS bought GAS shares as Treasury shares (601,930 shares).

### ✦ For PV GAS South, PV GAS North, PV GAS D:

PV GAS maintained the existing capital contribution ratio in these 3 companies: PV GAS South (35.3%), PV GAS North (35.9%), PV GAS D (50.5%). In which, in the first quarter of 2015, PV GAS South issued shares to increase its equity from owner's equity (from 380 billion VND to 500 billion VND); and in the fourth quarter of 2015, PV GAS D issued shares to increase its equity from owner's equity (from 600 billion VND to 900 billion VND); PV GAS is a current shareholder, thus it maintains the existing capital contribution ratio in PV GAS South and PV GAS D.

### ✦ For PV GAS City: PV Gas is considering options for re-structuring in PV Gas City.

### ✦ For PV Coating: as of the report no. 09/BC-KVN dated March 12 2015 sent to SSC, HOSE and PV

Coating, PV GAS notified that it had sold 5,090,000 PV Coating shares (stock code: PVB) from 09 March 2015 to 11 March 2015 by order matching method so PV GAS' capital contribution ratio in PV Coating decreased from 76.5% to 52.9% after completing transaction.

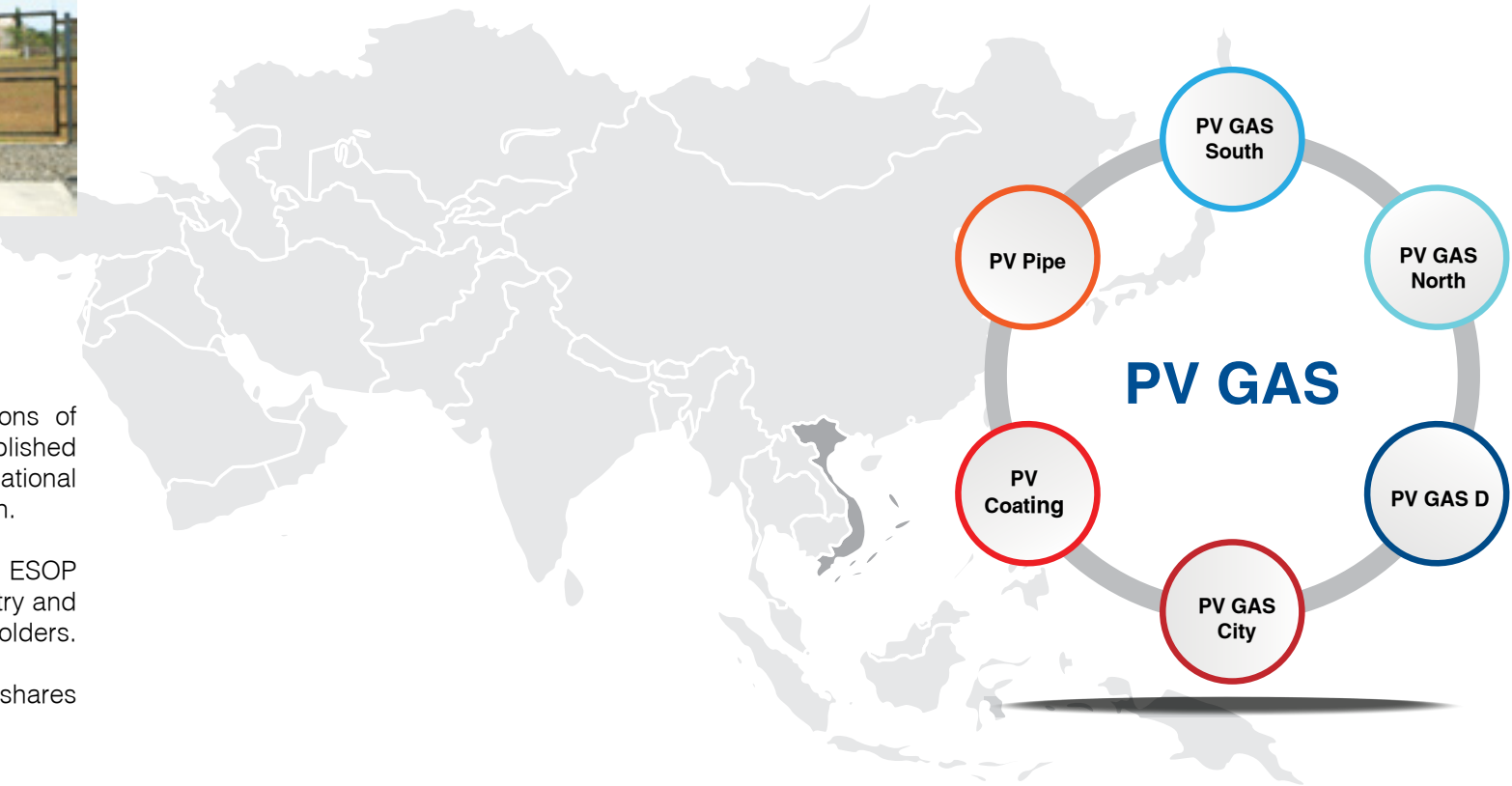
### ✦ For PV Pipe: PV GAS has been looking for domestic and foreign partners with sufficient financial capability and professional expertise in steel pipe production to transfer PV GAS' shares in PV Pipe and reduce it to 51% of charter capital.

### ✦ For Cuu Long Petro Gas Transportation Joint Stock Company - CGT (stock code: PCT): as of

Report no.14/BC-KVN dated 24 March 2015 sent to SSC, HOSE and PCT, PV GAS notified that it had sold 4,500,000 PCT shares (stock code: PCT) from 20 March 2015 to 23 March 2015 by negotiation method, therefore PV GAS has no longer contributed capital in PCT after completing the transaction (decreased from 19.57% to 0%).

### ✦ For the Southeast Asia Commercial Joint Stock Bank - SeABank: PV GAS transferred entire its

shares in SeABank by auction (on 16 December 2015).





Investment and construction

Construction investment activities of PV GAS is done purely for investment purposes including developing gas supplies from domestic fields and gas imported oversea, develop infrastructure to increase production and trading capacity, and add the value of the produce by deep processing...; decentralization was made to companies and project management units (including project management company, gas pipeline operating company Block B - O Mon, gas project management unit Southeast, Board of project management of Ca Mau GPP) with skillful as well as experienced specialists, engineers, and experts. The whole constructing progress was made complied with current regulations and subject to the inspection and supervision as well as support and guidance of PV GAS, PetroVietnam and the State authorities in order to ensure the quality and efficiency.

In 2015, PV GAS deployed the preparation and execution for investment, settlement for 9 group A projects, 9 group B projects and group C projects, procurement of equipment and financial investment; disbursed 4,687 billion VND, equal to 79% of the plan. Investment and construction was actively and aggressively implemented as planned and scheduled, with guarantee of disbursed capital source according to progress of projects; especially, the Nam Con Son 2 gas pipeline Phase 1 (Dai Hung field) and Ham Rong - Thai Binh gas pipelines Phase 1 were completed and commissioned, Dinh Vu LPG storage was upgraded, which contributed to expand Cuu Long gas sources, and the trading market of PV GAS in the North.

INVESTMENT ON MAIN PROJECTS IN 2015

No.	Project Name	Investment (Billion VND)
	<b>Total</b>	<b>4,687</b>
<b>I</b>	<b>Gas Procurement</b>	
1	Nam Con Son 2 gas pipeline system, phase 1	2,076
2	Ham Rong - Thai Binh gas pipeline system, phase 1	933
3	Block B - O Mon gas pipeline system	40
4	Nam Con Son 2 gas pipeline system, phase 2 and gas transportation and procurement from Su Tu Trang	3
<b>II</b>	<b>Enhance gas products storage and processing capability</b>	
1	Improve capacity of LPG Dinh Vu, Hai Phong	104
2	Provide associated gas from Nam Con Son to GPP Dinh Co	57
3	Ca Mau gas processing plant	1,215
4	Detach Ethane from Cuu Long and Nam Con Son gas	9
<b>III</b>	<b>Settle/Prepare to invest/Invest in other projects; equipment procure; and financial investment</b>	<b>250</b>

Projects achievements in 2015

Gas Procurement:

Construction of new pipeline system has been conducted in order to gather gas from new fields, increase gas supply to the market.

Nam Con Son 2 gas pipeline, phase 1

On 14 December 2015, Nam Con Son 2 gas pipeline project - phase 1 (NCS2-S1), with PetroVietnam Gas Joint Stock Corporation (PV GAS) as the Investor officially welcomed its first commercial gas flow. Since then, the associated gas source from Dai Hung field of Nam Con Son basin has been officially brought ashore via Nam Con Son Gas Pipeline 2 - Phase 1 and Bach Ho - Dinh Co Pipeline. The success of the project marks a solid development step of PV GAS in particular and Vietnam's oil and gas industry in general. This fact affirmed the potentials and strengths of member companies of Vietnam Oil and Gas Group in the strategy of developing internal force to sail out to the vast sea during Vietnam's strong integration into the international market.

NCS2 gas pipeline project was one in the "Master plan for development of gas industry in the Southeast Region, in the stage to 2015 with orientation to 2025", and upon completion, it plays an important role in synchronous expansion and development of Vietnam's gas infrastructure, especially the marine gas pipeline system for connection of gas fields. The project was aimed at gathering and transporting gas from offshore fields in Nam Con Son and Cuu Long basins on Vietnam's continental shelf, transporting gas ashore to the gas treatment and processing plants, and then to consuming households (power plants, fertilizer plants and industrial households, etc.) with purpose of increasing gas usage value and guaranteeing national energy security and sovereignty.

Phase I of the Project constructed and installed approximately 151km of 26-inch pipeline from Thien Ung rig in Nam Con Son basin to BK4A rig - Bach Ho field, which was performed simultaneously with the 3 component projects: Dai Hung gas gathering project; Thien Ung field development project, and Project for supplementary investment/upgrading of Bach Ho field infrastructure. Upon completion, this project chain will transport gas from Dai Hung and Thien Ung fields ashore via Bach Ho - Dinh Co gas pipeline and ultimately utilize the existing infrastructure.

In 2015, the NCS2 - P1 has been completed with the approach of direct transport of Dai Hung field gas without treatment on Thien Ung rig into NCS2 - P1 in order to gather and transport gas from Dai Hung field ashore, in an effort to avoid wasting gas resources currently being burnt off and causing environmental pollution, contributing national energy security.

PV GAS considers its successful task of implementing the NCS2 - Phase 1 as a great honor but underwent a lot of pressure to carry out the whole project chain on schedule, with high quality and safety assurance. However, PV GAS, with confidence in experience in management, construction and operational deployment of previous gas pipeline projects, cooperated closely with Vietsovpetro, PVEP POC to successfully implement this project chain.

The fact that NCS2 - P1 was completed and commissioned is also the most practical congratulations of PV GAS, combined with the joy nationwide to celebrate the success of 12<sup>th</sup> National Congress of the Party, 40<sup>th</sup> anniversary of Vietnam Oil & Gas Group, 25<sup>th</sup> anniversary of PV GAS, and thus honoring the "Hero of Labor" title awarded to PV GAS by the State President on 30 November 2015.



Nam Con Son gas system



# Board of Management's Report (continued)

## Ham Rong - Thai Binh gas pipeline, phase 1

With implementation started in 2013, the Project "System for gathering and distributing Ham Rong and Thai Binh field gas, lot 102 and lot 106, Phase 1" was commissioned by Vietnam Oil and Gas Group/ PetroVietnam Gas Joint Stock Corporation - PV GAS in August, 2015, in Tien Hai industrial zone (Dong Co Commune, Tien Hai District, Thai Binh Province):

The project "System for gathering and distributing Ham Rong and Thai Binh field gas, lot 102 and lot 106, Phase 1" was the first gas gathering project of PV GAS in the Northern Gulf, marking an important step of PV GAS in expanding the scope of operation from the South to the North, promoting development of gas industry nationwide.

The project chain with total investment of 153.81 million USD, equivalent to 3,236 billion VND, included: The midstream project "System for gathering and distributing Ham Rong and Thai Binh field gas, lot 102 and lot 106, Phase 1" was assigned to PetroVietnam Gas Joint Stock Corporation, the investor nominated by Vietnam National Oil and Gas Group, with the investment in Phase 1 of 91.7 million USD, equivalent to 1,925 billion VND. The downstream project "Low pressure gas distribution System for Tien Hai - Thai Binh industrial zone" invested by PetroVietnam Low Pressure Gas Distribution Joint Stock Company (PV GAS D) as authorized by PV GAS, with the investment of 62.11 million USD, equivalent to 1,311 billion VND.

The midstream project included: System for gas reception on Thai Binh rig, system of 12-inch gas pipeline from Thai Binh rig to Tien Hai gas distribution center with the total length of 25.5 km, basic flow of around 566,000 Sm<sup>3</sup>/day. The downstream project included gas pipelines (main pipelines, branch pipelines, secondary pipelines) to customers' stations in the Tien Hai Industrial Zone, with the flow of around 1.1 million m<sup>3</sup> gas/day and night and CNG compressor station with capacity of 150 million Sm<sup>3</sup>/year.

In Phase 1, Ham Rong - Thai Binh gas system will receive and distribute natural gas to consuming customers at the Tien Hai industrial zone in the form of Low pressure gas, and to the customers in neighboring provinces in the form of CNG transported by tank trucks. Gas consumption output is expected to be 560,000 Sm<sup>3</sup> of gas/day and night (around over 200 million Sm<sup>3</sup> of gas/year) when gas consumers remain



Ham Rong - Thai Binh gas system

stable. Particularly in 2015, there were 25 customers receiving and consuming low pressure gas/Thai Binh CNG (15 customers using low pressure gas and 10 customers using CNG) with the total estimated output of 20 million m<sup>3</sup>. Compared to traditional fuel such as FO, LPG used by enterprises, low pressure gas and CNG are more competitive, by around 10 - 15%. Otherwise, the natural gas also has advantages such as no impurities, high thermal efficiency and stability, which helps reduce equipment maintenance costs and contribute to improve product quality. With such advantages, this project for gas gathering and distribution will certainly create demand stimulation to attract investors to Tien Hai - Thai Binh industrial zone in particular and Northern region in general.

The successful implementation of Ham Rong - Thai Binh gas system affirmed the position and prestige of Vietnam Oil and Gas Group in Vietnam's energy industry, gradually establishing the trademark of PetroVietnam Gas Joint Stock Corporation in the Northern market. The most successful achievement of the project is positive effects not only on economic aspects, but also on social aspects for Thai Binh Province - the cradle of Vietnam gas industry.

## Lot B gas pipeline - O Mon

Investing in gas pipeline systems to transport gas from Block B&52, supply gas to power plants and other gas consumers in Southwest area.

Works implemented in 2015: completing the treatment of O Mon GDC foundation; cooperating in describing pipeline plans to government management authorities.

## Nam Con Son 2 gas pipeline, Phase 2 & gathering and transporting gas of Su Tu Trang field

Investing in gas pipeline systems and incomplete gas construction of Nam Con Son 2 gas pipeline project after phase 1 completion, gas pipeline from Su Tu Trang to procure gas from Su Tu Trang, Dai Nguyet.

Works implemented in 2015: completing and submitting the research report on implementation orientation to PVN for review and approval.



Nam Con Son gas system

## Gas import

Aimed at supplementing gas supply to the market in the future when the demand exceeds domestic supply, PV GAS has developed LNG import projects:

### 1 MMTPA LNG Receiving and Regasification Terminal at Thi Vai

Investing in 1 MMTPA LNG receiving and regasification terminal at Thi Vai, Vung Tau to import LNG and provide regasified gas to customers with total investment capital of 285.8 million USD.

Works implemented in 2015: rescheduling the project progress; updating and balancing gas supply - demand, LNG consumption market, economic efficiency of projects in order to propose the project restart to PVN; promoting investment and seeking partners.



LNG Receiving and Regasification Terminal at Thi Vai

### 3-6 MMTPA LNG Receiving and Regasification Terminal at Son My

An important component project of the national power - gas complex at Son My, Binh Thuan, Son My LNG Receiving and Regasification Terminal has mission to import LNG and supply gas to Son My Power Center and supplement gas shortage to the Southeast region in the future.

Works implemented in 2015: submitting to PVN the concerted development plan for gas-electricity project chain using LNG; promoting investment and seeking partners.



# Board of Management's Report (continued)



## Strengthening the capacity of gas and gas product processing and storage

### Upgrading capacity of Dinh Vu LPG Storage, Hai Phong

Investing in upgrading Dinh Vu LPG Storage (from one 1,500 tons tank to three tanks with total storage capacity of 4,500 ton) in order to diversify LPG supply, more active in LPG export-import, improve competitive ability, broaden market, maintain and increase LPG market share in the North with total investment of 8.7 million USD.

Works implemented in 2015: completing and commissioning the project in December, 2015.

### Ca Mau GPP

Investing and upgrading pipeline, gas processing plant, storage, export terminal in Ca Mau to produce LPG and Condensate out of gas from PM3, Block 46-CN and other areas with total investment of 494.6 million USD.

Works implemented in 2015: completing FEED design, deploying procurement of EPC package for the plant, storage and terminal, completing basically the foundation leveling and treatment.

### Supplement Nam Con Son associated gas to Dinh Co GPP

Investing in pipeline, equipment in order to transport gas from Nam Con Son to GPP Dinh Co to produce LPG and Condensate, increasing value of Nam Con Son gas, guarantee the efficiency of GPP Dinh Co with total investment of 177 billion VND.

Works implemented in 2015: completing basically construction, installation and preparation for receiving gas - in early 2016.

### Upgrading LPG recovery rate at Dinh Co GPP

Researching solutions, adjusting operation modes, additionally retrofitting/installing technical equipment systems to improve the operational efficiency of Dinh Co GPP, ensuring maximum recovery of liquid products.

Works implemented in 2015: preparing the pre-feasibility research report.

### Separating Ethane from Cuu Long and Nam Con Son gas sources

Investing, converting equipment in GPP Dinh Co in order to detach ethane from Cuu Long and Nam Con Son gas, supplying to Long Son oil refinery Complex.

Works implemented in 2015: Completing and submitting the feasibility research report to relevant authorities for review and approval.

### Polypropylene Plant

Using propane sources imported and/or produced from domestic gas processing plants to manufacture the product of greater value, i.e. polypropylene, extending the value chain of natural gas in accordance with the orientation of increasing deep processing for value enhancement of gas use.

Works implemented in 2015: adding the project into the plan of petroleum industry; preparing the feasibility study report.

## Accounting and final settlement

Works implemented in 2015: Approving the final settlement report of investment capital for PM3 compressor cluster and the extended Rong - Doi Moi gas gathering system.

## ERP system implementation

PV GAS implemented ERP system, an important basis for corporate governance in the new development stage:

ERP implementation helped PV GAS obtain management system based on IT foundation, which reflected all main activities of the enterprise according to actual time, with centralized database, and helped managing levels recognize all activities of the enterprise, thus accelerating and enhancing decision making, and helped senior leaders keep track of important financial indicators affecting PV GAS' health, thus bringing timely policy making.

The application of ERP also helped PV GAS gradually apply international advanced standards and methods of corporate governance, enhance labor efficiency and productivity, transparency and provide competitive advantage for the business.

The basic benefit of ERP is the ability of integrating and processing simultaneously multiple professional processes with reasonably shared and authorized information access, thus providing specific effects as follows:

- ✦ Enhancing the availability of business information source;
- ✦ Improving the affiliation among units of the enterprise strengthening transparency and integrability;

- ✦ Strengthening the reliability of data;
- ✦ Strengthening labor productivity and operational efficiency;
- ✦ Business decisions were ultimately supported;
- ✦ Tasks were not duplicated, no more repeated and diversified data;
- ✦ Controlling corporate compliance and management;
- ✦ Improving interaction with suppliers, customers and involving parties;
- ✦ Effectively managing asset portfolio, including tangible and intangible assets, investments, affiliations;
- ✦ Optimizing operations of supply chain (downstream) including gas transportation, storage and distribution;
- ✦ Strictly managing operation expense (OPEX) and capital expense (CAPEX) to optimize profit, benefiting shareholders.
- ✦ Supporting adherence to national and international regulations.. ERP provides risk assessment tool (human and machine) and modes for monitoring labor safety and environmental pollution.





**PV GAS actively performed concerted resolutions, including boosting cost reduction in production and business activities; monitoring and accelerating implementation schedules of projects of high value.**

## Evaluation of activities of PV GAS in 2015

In 2015, there were many political and economical changes globally, especially crude oil prices remaining low, devaluation in several countries, exchange risks had been putting more and more pressure on production and business activities of domestic enterprises, including PV GAS. In the face of such changes, PV GAS actively performed concerted resolutions, including boosting cost reduction in production and business activities; monitoring and accelerating implementation schedules of projects of high value, rescheduling projects which were not of dire urgency; prioritizing exploiting gas from fields/lots with lower input costs; balancing loans in VND and foreign currencies, arranging and using capital with highest efficiency, in combination with utilizing opportunities, promoting the power of solidarity and high determination of the leading board together with all employees, PV GAS successfully operated gas works without any incident causing

Quantity reached  
**100** Billion m<sup>3</sup>

No.	Item	Unit	Done '15	Done '15/ Plan '15	Done '15/ Plan '14
1	Associated gas	Million m <sup>3</sup>	10,612	106%	105%
2	Consumption gas	Million m <sup>3</sup>	10,451	107%	105%
3	Condensate	1000 tons	60	125%	102%
4	LPG	1000 tons	1,336	139%	123%
5	Revenue	Billion VND	64,300	106%	88%
6	Pre-tax profit	Billion VND	11,199	109%	62%
7	After-tax profit	Billion VND	8,832	108%	61%
8	After-tax profit/Charter capital ratio	%	47	108%	62%
9	Payment to State budget	Billion VND	4,423	104%	57%
10	Capital disbursement for investment and construction (parent company)	Billion VND	4,686	79%	113%

human or asset loss, exceeded the 2015 plan with some production and sales indicators reaching the targets 02 months ahead of schedule, achieving the highest output volume since its foundation, accomplishing the milestone of 100 billion m<sup>3</sup> of gas supplied to customers; commissioning the gas pipelines of Ham Rong - Thai Binh, Nam Con Son 2 Phase 1 (Dai Hung field), contributing to supplement Cuu Long gas sources as well as expanding gas trading market into the North. Results of key target performance are as follows:

Beside safely and continuously operating gas works in 2015; completing significant maintenance and repair works during downtime of PM3 - Ca Mau, Cuu Long, Nam Con Son systems in August and September 2015, and commissioning these systems safely on schedule; PV GAS strived to perform gas and gas products manufacture and trading activities with flexible solutions on operation, fixation, moderation, gas sources, LPG sources, etc. to ensure supply of gas, LPG, Condensate as stipulated in the terms of the signed contracts with customers, exceeding the planned supply of gas and gas products volume, significantly reducing adverse impact of low oil prices on revenue and profit, despite the fact that several gas fields did not supply stable output of gas due to failure/maintenance.

Investment and construction works were implemented aggressively and strictly in accordance with schedules, with rigorous control of costs, which led to completing and commissioning Ham Rong - Thai Binh gas pipelines (August

2015), Nam Con Son 2 - phase 1, increasing the capacity of Dinh Vu LPG storage (December 2015); basically completing the project for supplying Nam Con Son wet gas, preparing gas in early 2016; preparing and implementing investment for the projects of Ca Mau GPP, Polypropylene production plant, enhancing the LPG recovery rate at Dinh Co GPP, Nam Con Son 2 - phase 2 pipeline, importing LNG; and approving the final settlement report for PM3 compressor cluster and extension of Rong - Doi Moi gas gathering system.

Beside the success in main production and business activities, restructuring activities, scientific research, innovation promotion, cost reduction, investment cooperation, labor, wages, social security, etc. also achieved good results, and contributed to the overall success of PV GAS in 2015 in terms of business performance

of the enterprise as well as contributions to the community.

Consequently, PV GAS remains one of the leading units of PVN on revenue and profit; ranked second in "Top 1,000 Payers of highest corporate income tax in Vietnam 2015", included in Top 10 "Ranking chart of 500 biggest enterprises of Vietnam 2015" (voted by Vietnam Report), Top 10 "Vietnam Gold star Award 2015", Top 10 of "50 most valuable brands in Vietnam 2015" (announced by Brand Finance), leading the list of "50 best listed enterprises of Vietnam 2015", ranked in "Top 2,000 World's Largest Companies 2015" of Forbes, being the sole representative of Vietnam in "Top 50 most valuable companies in Southeast Asia2015", "Top 3 of gas enterprises in Southeast Asia" voted by Nikkei Asian Review, and especially was awarded the honorable title "Hero of Labor" by the State.



## Supervision results of management and administration activities of the Board of Management in 2015

### Board of Management has

- ✦ Directed, strictly implemented the Resolutions/Decisions/Directives of the General Meeting of Shareholders, BOM on Development strategy, annual plan, production, business, investment and construction, accounting and finance, restructuring, personnel organization, labor, salary, training, investment cooperation, etc.
- ✦ Closely managed and implemented the production and business activities, promptly identified factors with favorable or adverse impacts upon production and business activities, deployed the flexible solutions rapidly, drastically according to actual situation.
- ✦ Managed, implemented production and business activities in accordance with the authorization between BOD and BOM.
- ✦ Reported regularly and fully during implementation progress as directed by BOD.
- ✦ Managed, implemented production and business activities in a professional, truthful, prudent with a high sense of responsibility, overcoming difficulties, constantly improving the professional and modern management capabilities in order to fulfill assigned tasks for legitimate and ultimate interests of PV GAS and shareholders.
- ✦ Followed and directed functional units and departments to comply with legal provisions, and superior management agencies in all production and business activities.
- ✦ Had long-term strategic vision and made ready action plans and solutions, etc.

Board of Directors has successfully completed the task of management and operation in 2015, as demonstrated by results of production and business activities in 2015, 5-year action plan of 2016 - 2020, and the development strategy until 2025, the orientation to 2035 of PV GAS.

## Activities of the BOD in 2015

In 2015, the BOD has successfully performed its roles and duties in the management of production and business activities, investment and construction, finance, organization, personnel, etc. of PV GAS as well as monitored task management and administration of the BOM by reviewing and issuing 200 resolutions, decisions and direct sessions with the BOM, Units and Departments. The BOD has always closely directed, regularly monitored, and promptly supported the BOM on implementation of Resolutions, Decisions of the BOD, implementing PV GAS management and administration activities, helping PV GAS operates safely and effectively its business. Details are as follows:



- ✦ Action plan, strategy: The BOD has directed the construction, review, approval and submitting to PVN / General Meeting of Shareholders the Development Strategy of PV GAS to 2025 with orientation to 2035, 5-year action plan 2016 - 2020, 2016 action plan, 2015 adjusted action plan; simultaneously approved/delivered 2016 action plan as well as 2015 plans with adjustments / supplements during the implementation process of all the units in PV GAS.

- ✦ Restructuring: The BOD has directed the implementation of PV GAS ESOP plan as approved by the Ministry of Industry and Trade, PVN and the General Meeting of Shareholders (increasing the charter capital to 19,139,500,000,000 VND and amending and supplementing the Charter of PV GAS according to the new charter capital authorized by General Meeting of Shareholders); buying GAS shares as treasury shares (601,930 shares purchased); selling all shares held in CGT (finished); reducing the capital contribution ratio in PV Coating (from 76.5% down to 52.94% of charter capital); selling all shares held in Seabank (finished); looking for partners to sell shares in PV Pipe; approving the plan to increase the charter capital of PV GAS D (finished), etc.
- ✦ Personnel organization: The BOD has appointed/approved the appointment of key personnel (Members of BOM, President & CEO, Chief accountant and other key staffs); approving the reorganization of organizational structure, matching current functions and responsibilities/expanding production and business activities of some subsidiaries; as well as the appointment of representatives of the joint-stock companies in accordance with the interests of PV GAS.
- ✦ In business activities, to keep in line with fluctuations of oil prices, which affect prices of the other fuels in the market, the BOD has approved the adjustment of pricing formula of low pressure gas, CNG, Condensate for customers. In addition, the BOD also approved the amendment and supplementation of gas purchase contracts with the field owners/sellers and with customers under the new regulations of the State and PVN on gas prices, charges, etc.
- ✦ Investment and construction: The BOD has directed closely investment and construction through accepting/approving relevant issues of significant projects such as: accepting/approving and implementing the 2015 program of monitoring and assessing investment; bidding documents for packages, assigning responsibility for implementation, progress of level II for Ca Mau Gas Processing Plant project (amended); results of EPC contractor selection for 1 MMTA LNG storage project at Thi Vai; reporting on investment opportunities of project Nam Con Son 2 phase 2 and plans for gas gathering at Su Tu Trang; reporting on investment opportunities of project Polypropylene production plant; final settlement for Ca Mau compressor station, expanded Rong - Doi Moi gas gathering system etc.
- ✦ Based on the plan agreed upon between the BOD and Board of Supervisors (BOS), the Board of

Supervisors has examined and supervised the all operations at 5 subsidiaries and 5 joint-stock companies. From examination results, the BOD has instructed the BOM to issue directives for timely regulating the companies.

- ✦ Investment cooperation: For stable, long-term development, the cooperation with partners having potentials and experience in the gas field/relating to the gas filed is necessary. Thus, the BOD's review and acceptance have laid the foundation for PV GAS' BOM to cooperate with Vietnam Oil and Gas Association, University of Technology on the research, development of gas gathering, transporting, processing and distributing activities; Saigon Newport Corporation on supplying and using product and service of both parties; with Gazprom on producing and using natural gas for transportation; with Tokyo Gas on promoting working with the investor of Long Thanh airport on using the district cooling system for the entire airport; joining PVN in signing several domestic and international cooperation agreements; looking for partners for investment cooperation into LNG project, selling a part of capital held in PV Pipe, etc.
- ✦ The BOD has instructed preparing documents and organizing the General Meeting of Shareholders on 17 April 2015; irregular General Meeting of Shareholders held in 22 January 2016 to approve the appointment of the BOD members, electing head of BOS; consulting GMS on ESOP plan, implementing the 3<sup>rd</sup> dividend payout in 2014 and the 1<sup>st</sup> dividend payment in 2015; as well as instructed PV GAS' representatives to participate in voting/commenting during meetings of BOD, BOM, General Meeting of Shareholders of PV GAS' joint stock companies on the principle of ensuring the rights and obligations of PV GAS.
- ✦ The BOD has issued/modified/amended numerous provisions/regulations/procedures to keep in line with reality as well as to ensure consistency in corporate management tasks such as: Regulations on outbound business trips, Employee policy, Salary and bonus payment regime, Economic and technical norms for operation and maintenance/repair, regulations on management of liquid product shrinkage, Decentralization of investment and bidding management; Regulations on finance of subsidiaries, project management boards, etc.
- ✦ The BOD has directed implementation of action plans, solutions for performing the 2015 Plan, for limiting impact of the low oil price, for practicing thrift and preventing wasting, etc.



## Board of Directors' Operation Orientation in 2016

As forecasted for 2015, global and domestic difficulties adversely affecting business activities of enterprises will continue. Besides, for PV GAS particularly in 2016, apart from ensuring safe, continuous and effective operations of gas systems, the pressure is going to further increase through: Vietnam's access to FTA, TPP, resulting in the possibility of LPG sources available at 0% preferential import tariff rate competing directly with LPG sources imported from Middle East (current tax rate: 5%); maintenance downtime longer than last year; decrease in volume of cheap gas sources ashore or initiation of negotiation and application of new gas prices from field owners, etc.

Taking into account all the above factors as well as aiming to achieve the plan of 2016, PV GAS' BOD has affirmed the operation orientation in 2016 as following:

- ✦ Summarizing and evaluating operations of BOD in the period 2011 - 2016 and electing BOD members for a new term.
- ✦ Continuing forming a professional BOD with high responsibility awareness, efficiently perform directing and supervising task.
- ✦ Maintaining regular meeting and irregular meeting when insensible, participating in all the Board's meeting.
- ✦ Supervising the implementing of the Resolutions/ Decisions/ Directives of the BOD.
- ✦ To direct:
  - Implementing PV GAS' development strategy to 2025 with orientation to 2035, 5-year plan 2016-2020 for the sake of PV GAS' sustainable development as soon as those are approved by competent authorities.
  - Implementing 2016 plan with flexible and feasible solutions in order to limit the impact of oil price drop, expensive gas sources, etc.

- Reviewing investment projects, prioritizing resources for key effective investment projects.
- Building the development strategy of LPG retail business in order to increase retail market share in Vietnam.
- Boosting searching, gathering, and developing other gas sources at home and abroad; joining in upstream investment when conditions permit.
- Research, promote deep processing to increase the value of gas products;
- Study to invest in infrastructures, terminals to get ready for gas importing, in order to meet the needs of the market;
- Keeping restructuring PV GAS in the next phase on the principles of compactness, efficiency and focusing on core business fields.
- Deploying the ERP (Enterprise Resource Planning) system of, applying to PV GAS in turn, which helps improve efficiency in management/ administration.
- Building and applying PV GAS' Corporate Culture, ensuring professional and reputable performance of PV GAS' activities;
- Boosting the search for strategic partners, especially foreign investors with ample qualifications and experience in gas sector, ensuring sustainable development of PV GAS.
- ✦ Aiming for the year of 2016: safely and efficiently operating existing gas projects, ensure the on time schedule of the investments, supply more than 9.7 billion m<sup>3</sup> gas to consumers, guarantee supply 70% LPG domestic market share, total revenue reach 54 thousand billion VND and profit before tax get to approximately 9 thousand billion VND, maintain the position as the key member of Vietnam Oil and Gas Group, meet the expectation of PV GAS' shareholders.

## Board of Supervisors' activities in 2015

Implementing functions and duties of BOS described in the Charter of PV GAS and Regulations on BOS' operation, in 2015, the BOS has performed the supervision of PV GAS' activities as follows:

### Inspection and auditing

The BOS has performed inspection and auditing in accordance with the plan prepared in the beginning of 2015 at member companies (100% owned companies and subsidiaries controlled by PV GAS); reflecting achievements as well as remaining shortcomings in production and business activities of member companies; raising proposals and solutions. BOS has reported to PV GAS BOD/President and CEO after each inspection in order that the President and CEO issued specific instructions to each member company; Supervision has also been performed through periodic

and extraordinary reports from member companies and through inspection and audit results from the State management and superior agencies on production and business activities, capital management and usage, investment and trading activities, costs saving, and restructuring.

BOS has prepared quarterly/annual reports on inspection and supervision of PV GAS' production and business activities, as well as financial management, which reflect advantages, disadvantages, achieved and unachieved results for reporting to superior agency (PVN).

### Verification of PV GAS' 2015 financial statements

The BOS has performed quarterly and annual verification of financial statements, ensuring rightness and transparency of reports. Results show that:

- ✦ The 2015 financial statements have given a true and fair view of PV GAS' financial circumstances as of 31 December 2015 as well as its business results in 2015;
- ✦ PV GAS' 2015 financial statements are audited by Deloitte Vietnam Co., Ltd. in accordance with PV GAS' Charter and Shareholder's Committee Resolution in 2015;
- ✦ The 2015 financial indicators have reflected the sound financial standing, ensuring solvency, capital preservation and growth of PV GAS;
- ✦ Recording, opening accounting books, classifying

economical contents of PV GAS complied with Accounting Standards issued by the Ministry of Finance; preparing and submitting reports in accordance with State regulations, providing a true and extensive overview of PV GAS' financial activities.

- ✦ PV GAS has managed, archived accounting records and documents in accordance with regulations;
- ✦ PV GAS has made regular information report and disclosure to the State Securities Commission and the Ho Chi Minh Stock Exchange in accordance with regulations of the Ministry of Finance on information declaration on the stock market;
- ✦ PV GAS has made governance reports in accordance with PVN's regulations;

### The implementation of Resolutions of General Meeting of Shareholders in 2015

- ✦ Profit distribution: According to the current regulations, there is no financial reserve fund, so PV GAS temporarily deducts of 2% of the welfare reserve fund as profit distribution under the resolution No. 59 / NQ-KVN. The profit distribution in 2015 will seek adjustment approval at General Meeting of Shareholders in 2016.
- ✦ PV GAS has chosen Deloitte Vietnam to audit the company's financial statements 2015. The audited reports are delivered on schedule and provides timely information for the shareholders. It reflects faithfully the financial position of the company in 2015.
- ✦ Remuneration for members of the BOD and BOS was implemented in accordance with the resolution

of the General Meeting of Shareholders 2015.

- ✦ The implementation of Financial targets:
  - Financial targets set by the resolution of Shareholders meeting was based on the assumption of Oil price at 100 USD/barrel. However, at the end of 2015, the Oil price plunged into 30 USD/barrel (a reduction of 70%) that had impact on PVGas financial targets.
  - The BOD promulgated resolution No. 129/NQ-KVN (in accordance with the proxy of Shareholders meeting in resolution No. 59/NQ-KVN). Net profit of Mother Company reached 8,720 billion VND, about 109% of the 2015 target.

## Supervision results on management and administration activities of the Board of Management and the Board of Directors in 2015

### Activities of the BOD

The BOD has strictly carried out the 2015 business plan approved by the General Meeting of Shareholders;

The BOD has issued resolutions/decisions/instructions relating to production, business, construction investment activities and personnel organization in strict compliance with PV GAS' Charter.

The BOD has well fulfilled its role to direct, supervise and support the BOM and other functional divisions, member companies of PV GAS in operating business activities and exceeding business targets approved by the General Meeting of Shareholders;

The BOD has strictly arranged and stabilized PV GAS' activities in the model of a joint stock company; ensuring continual business activities; and restructuring PV GAS in accordance with PVN's resolution;

The BOD has kept promoting co-operation activities, seeking domestic and foreign investment opportunities for additional gas sources, developing gas gathering and distribution pipeline system, building storage facilities and actively building the gas trading market, and promoting PV GAS brand name both domestically and internationally.

### Activities of the BOM



The BOM has implemented and instructed member companies and departments in collaboration with functional divisions to strictly implement the BOD's resolutions/decisions/instructions, striving to overcome difficulties, applying close management measures and excellently surpassing the 2015 business plan;



The BOM has reinforced its management, classification and taken measures to recover, handle debts, inventories and assets not in use at member companies to eliminate risks, reduce tie-up capital causing adverse impact on cash flow in support of business activities;



The BOM has regularly reviewed investment projects to ensure safe and qualified implementation, satisfactory to the approved schedule.



The BOM has regularly worked with member companies to promptly adjust business activities under general orientations, promptly handling any difficulties in business and investment of each member company;



PV GAS' recruitment activities have complied with procedures and regulations on recruitment, satisfying employment demands. The improvement of training quality and human resources development has seen positive results, and been thoroughly communicated to each 100% owned company, subsidiary, ensuring thrift practice and efficiency.



Regarding to salary and benefit policies: PV GAS has promptly raised/adjusted salary for PV GAS' employees as scheduled, ensured payment in strict compliance with applicable rules and regulations.

## Evaluation on operation coordination among the Board of Supervisors, Board of Management and Board of Directors in 2015

### A. Implementing Resolutions of the General Meeting of Shareholders in 2015

PV GAS has allocated its profit based on the Resolution No. 59/NQ-KVN.

PV GAS has chosen Deloitte Vietnam Co., Ltd for auditing PV GAS' 2015 financial statements. The audit report is duly made, timely provides information for shareholders. The auditor report has truly reflected PV GAS' financial position in 2015.

Remuneration for BOD and BOS was carried out as per the resolution approved by the 2015 General Meeting of Shareholders.

Performance of financial targets: Financial targets of General Meeting of Shareholders' resolution was approved based on the oil price of USD 100/barrel. At the yearend 2015, the oil price dropped deeply to USD 30/barrel (decreased by nearly 70%), and this situation adversely affected PV GAS' financial targets. BOD issued the Resolution No. 129/NQ-KVN (authorized by GMS as per Resolution No. 59/NQ-KVN) on adjusting the 2015 plan. The parent company's after-tax profit reached 8,720 billion VND, representing 109% of 2015 annual plan.

### B. Board of Supervisors' operation orientation in 2016

To strictly carry out control tasks in accordance with the Law on Enterprises and PV GAS' Charter, the BOS has built the 2016 action plan as following:

- ✦ To summarize and evaluate activities of BOS in the period 2011 - 2016 and to elect BOS members for the new tenure.
- ✦ To keep organizing the BOS' mechanism to work professionally with high sense of responsibility, well perform the BOS tasks and functions.
- ✦ To send BOS' members to participate in advanced training as well as conferences related to supervising specialty.
- ✦ To perform activities such as:
  - To monitor the observance of the law provisions and PV GAS' Charter, implementation of resolutions, decisions of the General Meeting of Shareholders, BOD;
  - To keep carrying out inspection and supervision on operating activities and business management by functions and duties prescribed in the Law on Enterprises and PV GAS' Charter;
  - To supervise the observance of Charter, regulations and internal management process of PV GAS, also review and suggest revising internal documents of PV GAS to comply with current regulations of the State, PVN, PV GAS' Charter and actual practice at PV GAS;

- To monitor and report on handling PVN's recommendations in supervision reports as well as instructions/resolutions/decisions... of PVN;
- To check and supervise the implementation of plans, progress on production, business and investment activities, bidding and procurement activities of PV GAS and PV GAS' member companies;
- To check and supervise the implementation of waste combat, thrift practice, cost saving activities (at the year end); to check and supervise the restructuring work;
- To enhance supervision of management of capital invested in other enterprises and PV GAS' representatives in other enterprises;
- To supervise and urge the implementation of proposals of State management agencies, PVN; To review and verify quarterly and annual financial statements of PV GAS;
- On schedule prepare and submit quarterly and annual supervision reports to PVN;
- To enhance close coordination between BOS' members at member companies and internal control units of PV GAS in implementation of inspection and supervision;
- To improve coordinated work with PVN's auditing, control divisions to achieve agreement and good support in control and supervision.



# Share Information

Market capitalization value as at 31 December 2015: over 3 billion USD.

## Statistics of GAS share trading transactions in 2015

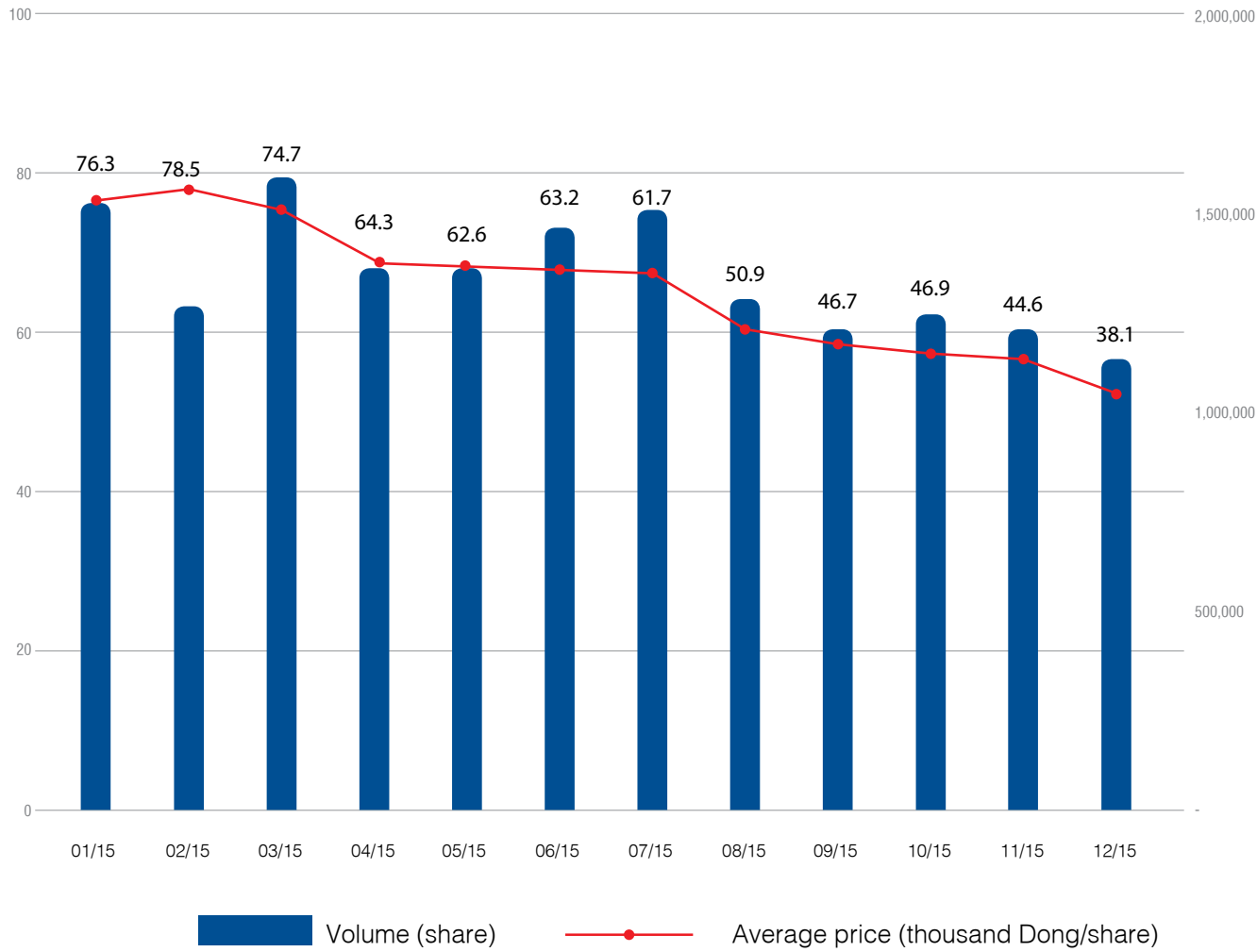
Total trading sessions	247
Lowest price	
Total trading volume	115,203,778 shares
Total matched value	6,593 billion VND
Highest price	81,000 VND
Lowest price	36,200 VND



## Treasury share trading in 2015

From 30 March 2015 to 31 March 2015, PV GAS redeemed 601,930 shares as treasury shares in the form of matched transaction with average price of 65,632 VND/share. At transaction end, PV GAS has 1,894,398,070 outstanding shares and 601,930 treasury shares.

CHART OF GAS SHARE TRADING IN 2015



## Comparison with other companies in the industry

	Market Capitalization (Billion VND)	Total revenue (Billion VND)	After-tax profit (Billion VND)	ROE	ROA
GAS	68,577	64,300	8,832	21%	16%
DPM	11,058	9,851	1,522	18%	14%
PVD	9,234	14,696	1,747	13%	7%
PVS	7,460	23,363	1,467	12%	6%
NT2	7,286	6,729	1,142	24%	10%
DCM	6,829	5,584	760	12%	5%
PVT	2,610	5,761	433	10%	4%
PET	1,125	10,652	212	13%	4%
PVC	800	3,604	199	17%	10%

Sources: data from [www.cafef.vn](http://www.cafef.vn) at 31 December 2015

# Operating Result of 100% Owned Companies and Member Companies



## Wholly Owned Companies

### PETROVIETNAM GAS SOUTH EAST TRANSMISSION COMPANY

**Main activities in 2015:** Receiving, operating the gas pipeline from Thai Binh field to Tien Hai field, connecting Dai Hung field to Bach Ho system; Safely and effectively distributing 8,479 million m<sup>3</sup> gas to JVPC customers offshore and power, fertilizer, and industrial consumers onshore.

**Orientation:** Continuing to safely operate gas works to transport and distribute the maximize gas output from gas sources being currently exploited in the Southeast and Northern regions; preparing resources to receive and operate new gas sources in upcoming years.

### GAS CA MAU COMPANY

**Main activities in 2015:** Safely and effectively transporting 1,972 million m<sup>3</sup> gas to power, and fertilizer customers.

**Orientation:** Maintaining safe operation of PM3 gas pipeline system and prepare resources to transport additional gas output from PM3 field ashore.

### NAM CON SON GAS PIPELINE COMPANY

**Main activities in 2015:** Safely and effectively transporting 7,169 million m<sup>3</sup> of gas ashore; ensuring reliable and 100% ready operation in 3 consecutive years

**Orientation:** Continuing safe operation of gas works to transport maximum gas output from Nam Con Son basin, maintaining and promoting the Company's strengths.

### VUNG TAU GAS PROCESSING COMPANY

**Main activities in 2015:** Receiving and operating the extension part of LPG storage Dinh Vu - Hai Phong (from 1 tank of 1,500 tons to 3 tanks with total capacity of 4,500 tons). Receiving and processing 1,470 million m<sup>3</sup> of wet gas from Cuu Long Basin, producing 1,283 million m<sup>3</sup> of dry gas, 288.5 thousand tons of LPG, 60 thousand tons of Condensate, transporting 137 thousand tons of Condensate from Nam Con Son and Hai Thach - Moc Tinh fields and fully meeting reasonable needs of customers using warehousing services at Thi Vai terminal.

**Orientation:** Continuing safe operation of gas works for optimal production, efficient storage, distribution of gas and gas products; preparing resources to produce LPG from Nam Con Son gas source and diversifying products and services (producing ethane and providing refrigerated LPG storage leasing service to Long Son Petrochemical Plant, etc.).

### GAS SERVICE COMPANY

**Main activities in 2015:** Performing and completing scheduled and unscheduled maintenance, repair, testing, and calibration activities. Among the above is the outstanding completion of corrective maintenance during the downtime of Cuu Long, Nam Con Son, PM3 systems, and the survey, repair of Cuu Long, PM3 gas systems.

**Orientation:** Maintaining and developing the workforce having high and in-depth qualifications to self-maintain and self-repair PV GAS' gas works.

### PETROVIETNAM GAS TRADING COMPANY

**Main activities in 2015:** Trade more than 1.3 million tons of LPG in Vietnam market and worldwide; taking more than 50% market share in Vietnam market.

**Orientation:** Maintain its position as the leading LPG company in Vietnam.

### GAS PROJECT MANAGEMENT COMPANY

**Main activities in 2015:** Completing the investment and commissioning Ham Rong - Thai Binh gas pipeline projects (August, 2015), upgrading LPG storage Dinh Vu (December 2015); basically completing a project to supply additional Nam Con Son wet gas to Dinh Co Gas Processing Plant for gas-in in the beginning of 2016; preparing for investment into LNG storage projects at Son My, polypropylene manufacturing factory, Ca Rong Do gas pipeline, improving LPG recovery ratio at Dinh Co Gas Processing Plan; and finalizing settlement of projects whose investments are completed.

**Orientation:** Maintaining the role as PV GAS' key subsidiary in management and implementation of construction and investment projects; completing investment projects on schedule and with quality assurance; preparing resources to perform new investment projects of PV GAS.

### BLOCK B - O MON GAS PIPELINE MANAGEMENT COMPANY

**Main activities in 2015:** Completing O Mon GDC Station foundation treatment; cooperating with/reporting to PVN, Departments, Ministries for approval of the pipe plans.

**Orientation:** Preparing resources to accelerate progress of investment projects when the project is resumed.

### SOUTHEAST GAS PROJECT MANAGEMENT BOARD

**Main activities in 2015:** Completing the investment and commissioning Nam Con Son 2 gas pipeline - Phase 1 system - Dai Hung field (December, 2015); preparing investment in the project at Dinh Co Gas Processing Plant to separate ethane from the mixture of gas sources from Cuu Long Basin and Nam Con Son Basin; and conducting final settlement for completed packages and projects.

**Orientation:** Completing the investment and commissioning Nam Con Son 2 gas pipeline - Phase 1 project - Dai Hung field; preparing resources for investment preparation and investment implementation of new PV GAS' projects (Nam Con Son 2 gas pipeline - Phase 2, Su Tu Trang, a project at Dinh Co Gas Processing Plant to split ethane from the mixture of gas sources from Cuu Long Basin and Nam Con Son Basin,...).

### MANAGEMENT BOARD OF CA MAU GAS PROCESSING PLANT PROJECT

**Main activities in 2015:** Completing FEED design, implementing EPC package procurement for the plant and terminal; basically completing the land filling and foundation treatment of Ca Mau Gas Processing Plant project.

**Orientation:** Implementing investment in Ca Mau GPP project on schedule and with ensured quality.



# Operating Result of 100% Owned Companies and member companies (continued)

## Subsidiaries

No.	Subsidiaries	Main activities in 2015		Orientation	Revenue (Billion VND)	Profit before tax (Billion VND)	Net profit/ Charter Capital: (%)	Holding ratio of PV GAS (%)
1	PETROVIETNAM SOUTHERN GAS JOINT STOCK COMPANY - PV GAS SOUTH	Producing and selling approximately 235 thousand tons of LPG, 180 million m <sup>3</sup> of CNG; accounting for over 30% market share of household LPG market in the South.		Maintaining the leading position in the South's household LPG market; Expanding CNG customer network.	5,956.3	164.6	32.9	35.3
2	PETROVIETNAM NORTHERN GAS JOINT STOCK COMPANY - PV GAS NORTH	Producing and selling nearly 200 thousand tons of LPG, 3 million m <sup>3</sup> CNG, accounting for about 16% of market share of household LPG in the North.		Maintaining as one of the leading position in the South's household LPG market in the North of Vietnam; Expanding CNG customer network.	2,736.8	24.4	8.8	35.8
3	PETROVIETNAM LOW PRESSURE GAS DISTRIBUTION JSC - PV GAS D	Supplying over 640 million m <sup>3</sup> of low pressure gas and CNG; completing investing and operating low pressure gas and CNG distribution system in Thai Binh and neighbor provinces.		Increasing the output for low pressure gas consumption in the South market; creating and developing the low pressure gas and CNG consumer network in the North.	4,935.2	238.2	26.5	50.5
4	PETROVIETNAM GAS CITY INVESTMENT AND DEVELOPMENT JSC - PV GAS CITY	Supplying approximately 50 thousand tons of LPG to urban areas, vehicles and industrial customers.		Boosting urban gas construction and gas supply	663	5.6	3.0	35.51
5	PETROVIETNAM STEEL PIPE JOINT STOCK COMPANY - PV PIPE	Producing steel pipes for projects such as Nam Con Son 2 gas pipeline - Phase 1, Bach Ho expansion, etc.		Promoting advantages in manufacture of straight welded steel pipes to supply to projects in and outside the petroleum industry; locating and cooperating with foreign partners to supply products, services and jointly joining bids for projects.	644	-47.6	-2.59	99.99
6	PETROVIETNAM COATING JOINT STOCK COMPANY - PV COATING	Pipe coating for projects such as Nam Con Son 2 gas pipeline - Phase 1, Bach Ho expansion, Ham Rong - Thai Binh, Tien Hai - Thai Binh, and other projects of VSP and JOC, etc.		Affirming the strong position in Vietnam pipe coating industry; locating and cooperating with foreign partners to provide products, services and jointly joining bid for projects.	967.7	126.3	58.3	52.9



## Journeys of compassion, building own identity as a brand of humanity

as one the pioneers in financial support in national scale, PV GAS is proud to have its contribution in encouraging the enthusiasm and kindness, bringing the humanity identity of the people working in the petroleum sector in Vietnam to the community.

**5,000** houses  
PV GAS has sponsored  
several projects of building  
"Great unity" house; houses  
of gratitude and charity

**300** billion VND  
PV GAS supports  
education

**14** medical clinics  
PV GAS supports  
community medical care





## Personnel of the Board of Directors (BOD)

As at 31 December 2015, BOD consists of 5 members, including 4 dedicated members and 1 concurrently being PV GAS' President; as follows:

1. Mr. Le Nhu Linh	BOD Chairman
2. Mr. Duong Manh Son	BOD member, concurrently PV GAS' President.
3. Mr. Phan Quoc Nghia	BOD member
4. Ms. Vo Thi Thanh Ngoc	BOD member
5. Mr. Nguyen Manh Tuong	BOD member

BOD personnel changes in 2015: With detail at the table in page 81.



## Operation principles of BOD

BOD operates according to the principles regulated in the Law on Enterprises, Circular 121/2012/TT-BTC dated 26 July 2012 of the Ministry of Finance on management, PV GAS' charter approved by General Council of Shareholders (GCS), Management rules, Operation rules of BOM, Task assignment in BOM and regulations on devolution between BOM and President issued by BOM; mainly including:

- ✦ BOD reviews and decides matters that are not under GCS' authority and unauthorized to President; has issued 200 Solutions, Decisions; detailed as below.
- ✦ BOD reviewed and decided matters within its authority at BOM meetings or submitted opinions via written documents.
- ✦ BOD meeting: Scheduled meetings were held at least once each quarter and unscheduled meetings many times (chaired 16 BOM meetings and co-chaired, attended other PV GAS' meetings; details as below) when convened by BOD Chairman. All meetings were recorded in writing and confirmed with signature of all attending BOD members.

- ✦ To ensure PV GAS management and administration promptness, when a BOD meeting could not be held, BOM Chairman shall collect written opinions by sending a request to all voting BOD members.
- ✦ All issued BOD Resolutions or Decisions complied with the regulations, with more than 50% BOD members participating in the meeting and voting for affirmation or, in case of voting in writing, more than 50% BOD members voting for affirmation.
- ✦ Additionally, BOD assigned each BOD member to be in charge of certain professional fields to promote their strengths and responsibilities in their decision-making; monitored activities of each unit to stay closer to them and help them solve difficulties promptly for improved production and business effectiveness, and competitive strength, as well as contribute to perfect mechanisms and policies of the parent company for the member companies, create most favorable conditions to boost production and business activities to improve effect and efficiency of BOD Resolutions and Decisions; etc.

## BOD meetings and Resolutions, Decisions

### BOD meetings and other meetings

- ✦ Members of the BOD participated in all BOD meetings and other meetings unless on business trip in other provinces. Absent member gave opinions and votes by written documents or telephone.
- ✦ There were 16 BOD meetings on the following dates: 12 January 2015 (2 meetings), 2 March 2015, 16 April 2015, 22 April 2015, 4 May 2015, 8 May 2015 (2 meetings), 18 June 2015, 24 July 2015, 19 August 2015, 22 September 2015, 20 October 2015, 21 October 2015, 1 December 2015, 25 December 2015. 100% BOD members attended BOD meetings in person;
- ✦ Annual GCS in 2015 was held on 17 April 2015. 100% BOM members attended BOM meetings in person;

- ✦ Shareholders' written opinions were collected for approval of the Resolution of GCS on the Employee Stock Option Plan (ESOP) and items assigned by GCS for BOD to implement on 10 August 2015. 100% BOD members directly participated in collecting written opinions for approval of the GCS' Resolution;
- ✦ Lead/co-lead important meetings relating PV GAS' production, trading, investing, financing, governing, personnel, restructuring.
- ✦ Participated in all BOM's regular meeting (18 meetings).

### BOM Resolutions, Decisions

BOM issued 200 Resolutions, Decision for management and administration of PV GAS relating to issues under BOM's authority; focusing on the following issues:

- ✦ Development, submission for approval and implementation of Plans of 2015, 2016, PV GAS Development Strategy until 2015, with vision to 2035, 5-year Plan of 2016 - 2020;
- ✦ Continuing with PV GAS restructuring (PV GAS ESOP; purchase of GAS shares as treasury shares; sale of all shares in CGT, SeABank; reduction of capital contribution in PV Coating; seeking partners to sell shares in PV Pipe to; acceptance of PV GAS D's charter capital increase plan).
- ✦ Appointing/approving key PV GAS personnel; approving the rearrangement of organizational structure, matching current functions and responsibilities/expanding production and business activities of some member companies; appointing representatives at joint-stock companies.
- ✦ Accepting the modification to the formula of sale price of low pressure gas, CNG, Condensate for customers as adaptation to oil price changes; as well as the amendment, addition to gas trade contracts with gas field owners/selling parties and customers.
- ✦ Accepting/approving issues relating to significant projects such as: Ca Mau Gas Processing Plant, 1 million tons/year LNG storage at Thi Vai, Nam Con Son 2 gas pipeline - Phase 2, Su Tu Trang, Polypropylene production plant, etc.

- ✦ Directing the BOM to give prompt corrective instructions to companies based on results of inspection and supervision of activities at subsidiaries and joint-stock companies.
- ✦ Accepting investment cooperation with partners having potentials and experience in gas/gas-related areas for PV GAS' stable and long term development.
- ✦ Directing the preparation of materials and organization of annual General Meeting of Shareholders (GMS) on 17 April 2015; of irregular GMS scheduled in January 2016; asking for GCS' opinion in writing on August 2015; payment and advanced payment of dividends; directing PV GAS representatives to vote/give opinion in BOM meetings and GCS at joint-stock companies.
- ✦ Issuing/modifying/supplementing numerous provisions/regulations/procedures as an adaptation to reality as well as to ensure consistency in corporate management tasks.
- ✦ Implementing action programs for and solutions to 2015 Plan, limiting impact of oil price stumble, thrift practice and waste prevention...

(For detail, refer to the Board of Directors' Report).

Among them were 18 Resolutions and Decisions on compulsory information disclosure according to regulations in the Circular guiding information disclosure on securities markets.

## BOD Resolutions and Decisions are subject to disclosure according to regulations in the Circular guiding information disclosure on securities markets.

NO.	No. of Resolution/ Decision	Date	Content
1	01/NQ-KVN	08/01/15	Resolution on approving the policy and plan to repurchase shares as treasury shares
2	48/QĐ-KVN	12/01/15	Decision on the establishment of PV GAS branch in Thai Binh.
3	35/NQ-KVN	02/03/15	Resolution on approving the details of capital sources for repurchasing shares as treasury shares
4	36/NQ-KVN	02/03/15	Resolution on approving the finalization of shareholder list and schedule to hold PV GAS' Annual General Meeting (AGM) of Shareholders in 2015.
5	59/NQ-ĐHĐCĐ	17/04/15	Resolution of PV GAS' 2015 AGM of Shareholders.
6	564/QĐ-KVN	23/04/15	Decision on assignment to Mr. Le Nhu Linh.
7	606/QĐ-KVN	09/05/15	Decision on appointment of Mr. Duong Manh Son.
8	64/NQ-KVN	11/05/15	Resolution on approving the 3 <sup>rd</sup> cash dividend payment in 2014.
9	76/NQ-KVN	17/07/15	Resolution on gathering shareholders' written opinions on Employee Stock Option Plan.
10	84/NQ-KVN	10/08/15	Resolution on approving the Proposal to gather shareholders' written opinions on Employee Stock Option Plan.
11	91/NQ-ĐHĐCĐ	10/09/15	Resolution on approving the method to gather shareholders' written opinions on PV GAS' Employee Stock Option Plan.
12	94/NQ-KVN	15/09/15	Resolution on approving the 1 <sup>st</sup> cash dividend payment in advance in 2015.
13	1355/QĐ-KVN	20/10/2015	Decision on appointment of a BOD member (Ms. Vo Thi Thanh Ngoc).
14	1570/QĐ-KVN	01/12/2015	Decision on appointment of a Board of Directors member (Mr. Nguyen Manh Tuong).
15	1571/QĐ-KVN	01/12/2015	Decision on release of Mr. Mai Huu Ngan from the post of Chief Accountant.
16	1569/QĐ-KVN	01/12/2015	Decision on appointment of Chief Accountant (Mr. Vu Trong Hai).
17	123/NQ-KVN	08/12/15	Resolution on convention of extraordinary GMS in 2016.
18	129/NQ-KVN	28/12/15	Resolution on modification of PV GAS' 2015 plan.

## Organization, personnel of consultancy for BOD

✦ PV GAS Secretary was designated by BOD to support PV GAS' administration so that it will be implemented effectively. PV GAS Secretary prepared, consulted, attended, recorded minutes of meetings for BOD, BOS, GC of Shareholders; ensured Resolution, Decisions of BOM to comply with legal regulations; supported BOD members to perform their assigned rights and duties; supported PV GAS to build shareholders relationship, protecting lawful privileges and benefits of shareholders;...

✦ Board of Internal Supervisors: Established by BOD to help BOM check and monitor production, business, management and administration activities in PV GAS; help BOD to detect, prevent, limit, and correct faults, violations, risks, and ineffectiveness in production and business activities; and support Board of Supervisors to perform their duties in accordance with regulations in Enterprise Law and PV GAS Charter. The Board of Internal Supervisors works independently from other administrative and functional units and divisions in PV GAS; always guarantees objectiveness, truthfulness, and fairness in supervision; all members of Board of Internal Supervisors have necessary knowledge, qualifications and skills of supervision.

## Personnel of Board of Supervisors

As at 31 December 2015, BOS consists of 3 members and all of them are dedicated members; including:

1. Mr. Nguyen Anh Tuan	Chief Supervisor
2. Mr. Pham Dinh Dat	Supervisor
3. Ms. Ho Thi Ai Thanh	Supervisor

BOS personnel changes in 2015: None.



## Operation principles of BOS

BOS operates under the principles prescribed in the Law on Enterprises, Circular No. 121/2012/TT-BTC dated 26 July 2012 of Ministry of Finance on administration, PV GAS' charter approved by GCS, Management statute, Operation regulation of BOS, Duty assignment in BOS; mainly including:

- ✦ BOS reviewed, decided matters under its authority at BOS meetings or submits opinions via written Proposal.
- ✦ All adopted BOS Decisions complied with the regulation with more than 50% BOS members participating in the meeting and voting for affirmation or, in case of voting in writing, more than 50% BOS members voting for affirmation.
- ✦ Additionally, BOS assigned each BOS member to be in charge of certain professional fields to promote their strengths and responsibilities in decision-making; monitored activities or each unit to stay closer to them, contributing to ensure PV GAS' and units' operations are transparent, lawful, effective, guarantee shareholders' lawful, maximum benefit.
- ✦ BOS received from PV GAS (BOD, President, Heads of Divisions, Directors of 100% owned companies, Representatives of member companies) all information and materials, participated in meetings and working sessions at PV GAS;...



## Management Situation (continued)

### Remuneration and bonus for BOD, BOS

PV GAS has built and applied a remuneration and bonus policy that match the basis of law and regulations as well as PVN's policy, take into account the position and level of work achievement. This policy need to have approval from the General Council of Shareholders.

- ✦ At the annual meeting held on 17 April 2015, GC of Shareholders approved the plan of salary and bonus in 2015 for BOD and BOS with details about total fund for remuneration and bonus, monthly salary, year bonus and reward principle.
- ✦ Plan of remuneration and bonus for BOD and BOS in 2015 were implemented correctly according to GCS Resolution at the annual meeting held on 17 April 2015 and should be reported in details in the 2016 annual GMS.

### Independent Auditor

- ✦ The annual GMS held on 17 April 2015 was attended by 2 leadership representatives of Deloitte Vietnam Company Limited - PV GAS' financial auditing company in 2014. Deloitte Vietnam's leadership representatives, together with PV GAS, answered shareholders' questions relating to PV GAS' 2014 financial statement auditing.
- ✦ Opinions of Deloitte Vietnam in the Independent Auditor's Reports No 443 and 444 dated 15 March 2016 of Deloitte Vietnam on the auditing of PV GAS' consolidated financial statements and individual financial statements in 2015: PV GAS' financial statements reflected, in a truthful and reasonable manner, on critical aspects, PV GAS' financial standing as at 31 December 2015, as well as business results and cash flow standing for the fiscal year then ended, conforming with accounting standards, Vietnam enterprise accounting system and legal regulations relating to the development and presentation of financial statements. Deloitte Vietnam gave no exclusion opinion, disapproving opinion, rejecting opinion to PV GAS' 2015 financial statements.

Changing the list of related person (RP) of PV GAS according to Clause 34 Article 6 of the Law on Securities

NO.	Full name	Position	Being a RP from	No longer a RP from	Reason
1	Mr. Do Khang Ninh	Former BOD member, concurrently PV GAS President		23 April 2015	Transferred to another unit according to PVN's assignment and appointment
2	Mr. Le Nhu Linh	BOD Chairman, concurrently President (assigned duty)	23 April 2015		Received duty, concurrently President pursuant to BOD Decision No. 564/QĐ-KVN dated 23 April 2015
3	Mr. Le Nhu Linh	BOD Chairman		09 May 2015	BOM appointed Mr. Duong Manh Son to be BOD member, concurrently President
4	Mr. Duong Manh Son	BOD member, concurrently President	09 May 2015		Appointed to BOD member, concurrently President pursuant to BOD Decision No. 606/QĐ-KVN dated 9 May 2015
5	Ms. Vo Thi Thanh Ngoc	BOD member	20 October 2015 (replacing Mr. Nguyen Trung Dan, former BOD member, retired according to regulations)		Appointed to BOD member pursuant to BOD Decision No. 1355/QĐ-KVN dated 20 October 2015
6	Mr. Nguyen Xuan Hoa	Former BOD member		21 October 2015	Released from the post of BOD member to assume new duty assigned by PVN
7	Mr. Nguyen Manh Tuong	BOD member	1 December 2015, replacing Mr. Nguyen Xuan Hoa		Appointed to BOD member pursuant to BOD Decision No. 1570/QĐ-KVN dated 1 December 2015
8	Mr. Mai Huu Ngan	Former Chief Accountant		1 December 2015	Released from the post of Chief Accountant to be appointed to Chief Supervisor by GMS pursuant to BOD Decision No. 1571/QĐ-KVN dated 1 December 2015
9	Mr. Vu Trong Hai	Chief Accountant	1 December 2015, replacing Mr. Mai Huu Ngan		Appointed to Chief Accountant pursuant to BOD Decision No. 1569/QĐ-KVN dated 1 December 2015

# Management Situation (continued)

## Ownership of internal shareholders

NO.	Full name	Position	Number of shares held (31 December 2015)	% total shares (31 December 2015)
<b>Board of Director</b>				
1	Mr. Le Nhu Linh Representing PVN's capital share	BOD Chairman	0 506,335,900	0 26,7196
2	Mr. Duong Manh Son Representing PVN's capital share	BOD member, President	0 379,000,000	0 20
3	Mr. Phan Quoc Nghia Representing PVN's capital share	BOD member	15,900 284,250,000	0,00084 15
4	Ms. Vo Thi Thanh Ngoc Representing PVN's capital share	BOD member	0 284,250,000	0 15
5	Mr. Nguyen Manh Tuong Representing PVN's capital share	BOD member	0 379,000,000	0 20
<b>Board of Supervisors</b>				
1	Mr. Nguyen Anh Tuan	Chief Supervisor	0	0
2	Mr. Pham Dinh Dat	BOS member	11,500	0,00061
3	Ms. Ho Thi Ai Thanh	BOS member	6,100	0,00032
<b>Board of Management</b>				
1	Mr. Duong Manh Son	BOD member, concurrently President	0 379,000,000	0 20
2	Mr. Nguyen Quoc Huy	Vice President	0	0
3	Mr. Tran Hung Hien	Vice President	16,400	0,00087
4	Mr. Nguyen Thanh Nghi	Vice President	0	0
5	Mr. Pham Hong Linh	Vice President	0	0
6	Mr. Bui Ngoc Quang	Vice President	0	0
7	Mr. Ho Tung Vu	Vice President	0	0
8	Mr. Nguyen Mau Dung	Vice President	0	0
9	Mr. Pham Dang Nam	Vice President	0	0
<b>Chief Accountant</b>				
1	Mr. Vu Trong Hai	Chief Accountant	0	0
<b>Person authorized to disclose information</b>				
1	Mr. Trinh Van Minh	Head of Planning Division	0	0

## Share transaction of internal shareholders and related persons

None

## Contracts or transactions with internal shareholders

In 2015, no transactions arose among PV GAS and members of BOD, BOS, BOM and management staff.

## Dividend payment, advance payment

### 3<sup>rd</sup> cash dividend payment in 2014

- ✦ Last registration date: 29 May 2015.
- ✦ Realization ratio: 7%/share (700 VND dividend per share).
- ✦ Payment date: 22 June 2015.

### 1<sup>st</sup> cash dividend payment in advance in 2015

- ✦ Last registration date: 05/10/2015.
- ✦ Realization ratio: 10%/share (1,000 VND dividend per share).
- ✦ Payment date: 23/10/2015.

## Share issuance according to Employee Stock Option Plan

### Implementation basis

- ✦ Resolution No. 91/NQ-DHĐCĐ dated 10 September 2015 of GMS approving the plan to issue shares according to Employee Stock Option Plan and contents on which General Meeting of Shareholders authorized BOD to decide.
- ✦ Document No. 7188/UBCK-QLPH dated 28 November 2015 of State Securities Commission of Vietnam announcing the full reception of all reporting materials of PV GAS.

### Basic information

- ✦ Issuance purpose

- To acknowledge the contribution, to promote and improve the role, and responsibility of each PV GAS employee.

- To attract and retain skilled and experienced key personnel; improve working spirit and devotion of employees for contribution to PV GAS' development.

- To acknowledge individuals contributing to PV GAS' development.

- To supplement self-financed capital for PV GAS' gas projects.

- ✦ The total number of issued shares: 18,950,000 shares.

- ✦ Share class: Ordinary share.

- ✦ Par value: 10,000 VND/share.

- ✦ Issue price: 20,000 VND/share.

- ✦ Total estimated value to gain from the issuance: 379,000,000,000 VND.

- ✦ Transfer restriction: 01 year, from issuance completion date.

- ✦ Issue target: Target specified in the issuance purpose section, according to Share issuance statute.





# Risk Management

In the context of unstable petroleum sector performance with constantly decreased oil price, companies and their management always face many risks which have sound negative impact on the companies' mission. Therefore, handling risks is one of the most important factor that have brought about such success for PV GAS.



As the leading and decisive enterprise in Vietnam gas industry, PV GAS has received more and more opportunities and new challenges requiring innovation, improvement of corporate governance capability, in which corporate governance plays an important role in achievement of sustainable development, working as the principle contributing to effectiveness of corporate governance.

Currently, risk management is the top priority and given top concern ever by PV GAS Leadership through identification, assessment of risk factors affecting business activities of PV GAS, construction and improvement of the system to identify, assess, analyze, control risks to achieve high business efficiency.

Business activities of PV GAS are mainly affected by following risks:

NO	Risks	Description	Solutions
1	Operation risk		
	Operation	Gas and gas products are flammable products and potential causes of damage to human, properties, environment. In addition, if incidents occur on gas works and gas pipeline systems, they may interrupt PV GAS' business activities.	<p>To put objectives of safe, qualified and eco-friendly operation as top priority;</p> <p>To frequently check compliance with Safety - Quality - Environment management processes according to international standards such as OHSAS 18001:2007, ISO 9001:2008, ISO 14001:2004;</p> <p>To fully develop plans of firefighting, emergency response and annual drill;</p> <p>To carry out regular and unscheduled preventive maintenance and repair; to deploy verification, calibration and pigging according to plans, processes, quality and guarantee that systems/constructions/plants operate stably and constantly.</p>
	Human resources	To develop the distinct gas industry requiring high technology and engineering, the labor force in lack of qualifications and key personnel will not be a lever to boost PV GAS' development.	<p>To always facilitate employees in promoting their personal capacities;</p> <p>To develop and apply appropriate labor policies.</p>
	Processes, regulations	Shortages or mistakes of Processes, Regulations of internal governance will cause inconsistency in enterprise.	To regularly issue/revise and re-issue Regulations, Processes in accordance with actual situation: Charter, Financial Regulation, Regulation on low pressure gas business, Dinh Co LPG Auction Process, Investment Supervision and Evaluation Program, etc.
	Information technology	As a joint stock company, PV GAS has paid more attention to information technology, which is the important bridge helping to improve effectiveness of business activities, establish relations with clients, investors, partners, shareholders. Inappropriate, interruptive, misleading and insecure information technology system will affect PV GAS' activities.	<p>To improve information technology system supporting PV GAS' business activities: applying ERP management system in financial and accounting management; expanding Maximo software in maintenance, repair; setting up Kpoint Online Project Collaboration software in project management, etc.</p> <p>To gradually improve PV GAS' website, strengthening relations with shareholders;</p> <p>To enhance secure information system.</p>

## Risk management (continued)

	Information release	Releasing information lately and incorrectly will affect the trust of shareholders, investors, partners as well as reputation, business activities of PV GAS.	Improving corporate management, ensuring evidence, publicity, and efficiency.  Building the Investor Relations team, ensuring updating information, information releasing transparently and quickly.
<b>2</b>	<b>Financial risk</b>		
	Interest rate	PV GAS is exposed to interest rate risk mainly stemming from loans at committed interest rate. Interest risk arises when PV GAS borrows loans at floating interest rates and fixed interest rates.	To maintain loans at floating interest rates and fixed interest rates to reasonable extent.
	Exchange rate	Some PV GAS' activities are influenced by exchange rate fluctuations: trading activities of natural gas and liquid products; loans in foreign currency for project investment.	For trading activities of gas and gas products: PV GAS signs contracts to sell gas and LPG to clients at current exchange rate;  For long-term foreign currency loans: PV GAS has actively worked with commercial banks to locate sources of foreign currency at the most competitive rate, avoiding additional expenses in exchange rate variance.
	Price fluctuation	Oil price and CP price influence input and output gas, LPG price of PV GAS => influence financial situation of PV GAS.	To establish a specialized team to monitor the market and forecast Oil, LPG price to effectively prepare dry gas, LPG business plan.  To implement investment projects, to build a business plan propre to changes of oil price and LPG price;  To bulid different solutions of Oil price and CP price to promptly response to situation.

	Liquidity	PV GAS' operation has been maintained at very stable level and in constant growth over the past years. Thus, liquidity indices are reasonable, ensuring capital sources and satisfying financial obligations of PV GAS.	To frequently monitor current and expected liquidity to ensure sufficient cash reserve, loans and adequate capital committed by owners in order to satisfy regulations on short-term and long-term liquidity.
	Credit	Credit risk occurs when a client or partner fails to fulfill payment obligations in contracts, resulting in PV GAS' financial loss. At present, PV GAS has no major credit risk with its clients or partners as receivables come from large number of clients operating in different fields and allocated in various geographical regions.	To maintain suitable credit policy;  To regularly monitor situation to assess whether PV GAS has any credit risks or not.
<b>3</b>	<b>Climate risk</b>		
		Climate and season changes affect consumption of gas and gas products, balance between gas supply and demand of PV GAS.	To strengthen forecast activities of gas demand in order to efficiently, thoroughly exploit gas resources and products.
<b>4</b>	<b>Legislation risk</b>		
		PV GAS' operation is governed by Law on Enterprises, Securities Law, Petroleum Law and Stock market Law, etc. Any changes in Laws, Sub-law documents and fluctuations of stock market will more or less affect PV GAS' business activities.	To frequently update Law and Sub-law documents;  To widely publicize Regulations, Law documents relating to PV GAS personnel.



Improving quality of shareholder and investor relations is an important part of PV GAS’ strategic orientation while the investors often look at the quality of corporate administration, investor relations as important factors when making any investment decisions.

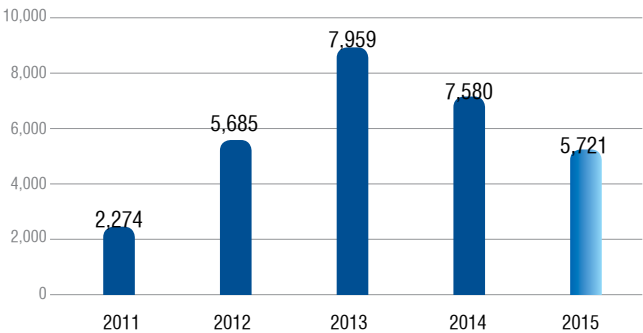


PV GAS’ Investor relations (IR) activities always aim at protecting and facilitating shareholders to fully exercise their rights. In specific, PV GAS has:

- ✦ Facilitated the shareholders in attending and voting at the 2014 AGM;
- ✦ Ensured full and prompt payment of dividends;

After 5 years listed and traded on HCMC stock exchange, PV GAS has always ensured shareholders’ cash dividend payment at high ratio.

Dividend in cash 2011 - 2015  
(billion VND)



Year	Dividend cash ratio (%/ Charter Capital)
2015 (Planned)	30
2014	40
2013	44
2012	30
2011 (16/05/2011 - 31/12/2011)	12

- ✦ Ensuring timely and transparent information disclosure to shareholders.
- Organized the administrative department in charge of PV GAS’ website including infrastructure, information technology application and information contents, ensuring the website to operate continuously, promptly, quickly and regularly updated with accurate information on PV GAS’ production and business activities;
- Established the Investor Relations division and set up the email address to receive and answer questions from shareholders, investors, securities companies: [irgas@pvgas.com.vn](mailto:irgas@pvgas.com.vn);
- Created the Investor Relations section on PV GAS’ website, a connection between shareholders and PV GAS;

- Promptly disclosed transparent information according to the law regulations through websites of State Securities Commission, HCMC Stock Exchange and PV GAS;
- Communicated with the press agencies to correct any misinformation about PV GAS; responding to interviews on newspapers of interest to shareholders and investors such as Securities investment Newspaper, Securities News, etc.
- ✦ Organized/attended seminars, meetings for direct relationship between PV GAS and domestic & foreign shareholders, investors, fund management companies and stock companies;
- ✦ And facilitated shareholders in exercising other rights prescribed in the Charter of PV GAS.

Human and Enterprise

Human resources

At 31 December, 2015, total number of employees of PV GAS was 3,870 person, including 1,363 persons in PV GAS’ Head quarter and wholly owned companies like in the chart below.

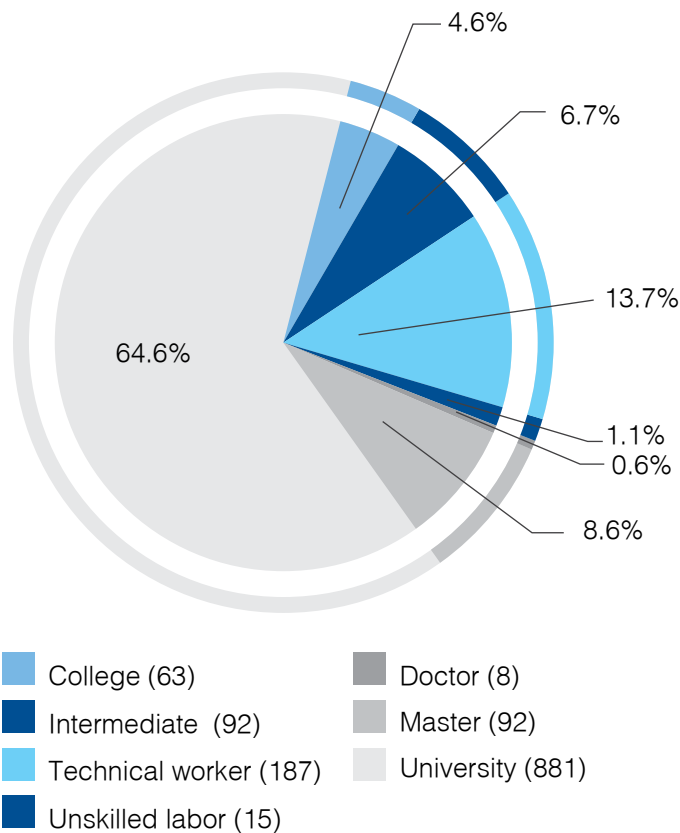
The business lines of labor force used by PV GAS are very diversified, including up to 20 business line groups, with the main focus on technical fields (over 60%). This is due to specific activities in the gas industry.

In terms of gender, also due to specific activities in the gas industry, nearly 80% of employees are male, the majority of which work in maintenance and repair, gas construction.

With high rate of highly qualified employees, university qualifications and above account for 73.8%, mainly in senior and middle management teams, technical experts. This is a great advantage of PV GAS in developing human resources.

Management staff possesses high professional qualifications, has grown through business practices, satisfying development and integration, operating production and business activities with high efficiency for many years.

Employee Education Attainment



Human resource is the most valuable and crucial factor in developing sustainably and maintaining well-founded position of PV GAS in the market. After 25 years of development, PV GAS has built a system of human resource that is well-trained with specific skills with the purpose of helping the Company’s business to flourish in the long run.



Total employees  
3,870  
employees

Employees with University degree and higher  
73.8%



## Employee policy

PV GAS has prepared and issued the employee policy on the basis of law regulations and its specific characteristics with flexible and competitive salary, bonus structure in line with the market mechanism in order to retain and attract talents in and out of Vietnam for long-term employment with PV GAS:

- ✦ Ensuring high and stable wage and income; Wage, bonus, and other fringe benefits are based on actual capability and work performance of each individual;
- ✦ Rewarding individuals and member companies for achievements on regular and extraordinary basis, rewarding for initiatives; rewarding for safe operation of gas works; rewarding on national holidays and on PVN and PV GAS' special events;
- ✦ Applying specific allowances of the gas industry in line with working conditions and environment of each position;
- ✦ Applying social insurance, medical insurance, and unemployment insurance policies in compliance with State regulations; providing insurance of high benefits to personnel (accident insurance, life insurance, and hospitalization surgery insurance);
- ✦ Employees entitled to regular health check and monitoring; annual domestic and abroad vacation; gifts and allowances on PV GAS' special events;
- ✦ Frequently organizing cultural, art, and sport activities for employees;
- ✦ Respect and comply with the standards of safety, health and environment. PV GAS has a professional work environment, always apply the advanced technology and modern equipment;
- ✦ Employees are trained, fostering knowledge, work skills, training on demand to law, professional training, and periodic safety.



## On the rights of the Executive Committee

PV GAS builds and applies wage, bonuses regime to the Boards in accordance with the provisions of the laws and regulations of Vietnam Oil and Gas Group (PVN) on the salary, bonus and the policy regime for the representative of PVN in PV GAS according to the

job titles held and results complete the task of each Member at the same time in harmony with the policy of staff. Salary, bonus regime of PV GAS' Boards was approved by the General Assembly of Shareholders.

## Corporate culture

PetroVietnam Gas Joint Stock Corporation (PETROVIETNAM GAS - PV GAS) is one of the key corporations - member companies of PetroVietnam Oil and Gas Group, mainly engaging in gathering, transporting, storing, processing, distributing and trading gas products. After 25 years of efforts and growth, PV GAS has strived best, deserving the key role in national gas industry, laying the foundation for development of potential energy industry of the country.

PV GAS brand was established with high reputation by consuming households, domestic business partners and is gradually reaching out internationally. PV GAS' leaders and employees have increasingly grown and developed with full of enthusiasm and consistent resolve in management, mastering technology for best performance of assignments.

In order to keep pace with the general development trends, PV GAS has promoted its achievements and accumulated experience, together with the youth power and the solidarity tradition of the leadership and employees, PV GAS will make strong development steps forward, given Vietnam's ongoing vertical and horizontal global integration, to successfully achieve its strategic development goals to 2025, with vision to 2035, including:

PV GAS leadership always wishes to build its own distinct corporate culture on one hand, while staying compliant with and consistent to PetroVietnam's corporate culture on the other hand, to maintain PV GAS' constant improvement and sustainable development in an effort to become a truly professional and effective organization, providing best quality products and services to customers. PV GAS employees at all levels, especially those at senior management levels, must be "ambassadors" for these values, both inside and outside PV GAS, to create a consistent and distinguished brand name message,

contributing to the achievement of its strategic goal-making gas industry one of the leading industries in the economy, step by step reaching out into the international market.

PV GAS' most important core value is "Safety is our vital concern". This is not PV GAS' own culture as compared to Petrovietnam's corporate culture, but this is the factor being evaluated, determined, selected, and oriented by PV GAS for development, absorption and penetration into every thought, action, and feeling of each employee.

Originating from the important mission of contributing to the assurance of national energy security, and also due to specific issues of gas industry requiring huge investments of capital, technique, and technology; most facilities and equipment are of automatic and advanced technologies. Therefore, the gas industry is exposed to highly potential risks, strongly dangerous and toxic working environment, and gas works are mainly offshore and far from residential areas.

PV GAS determines on: maintaining the policy of attaching much importance to and improving safety practice not only through speeches, displayed slogans, etc. but also making it the safety culture, which is expressed as daily habit of the most senior leaders as well as each PV GAS' employee.

**PV GAS brand was established with high reputation by consuming households, domestic business partners and is gradually reaching out internationally. PV GAS' leaders and employees have increasingly grown and developed with full of enthusiasm and consistent resolve in management, mastering technology for best performance of assignments.**



## Community

### Social security work, community activities in 2015

PV GAS has not only well fulfilled business tasks assigned by the Party and the State, but also actively responded to and attended social security programs across the areas nationwide.

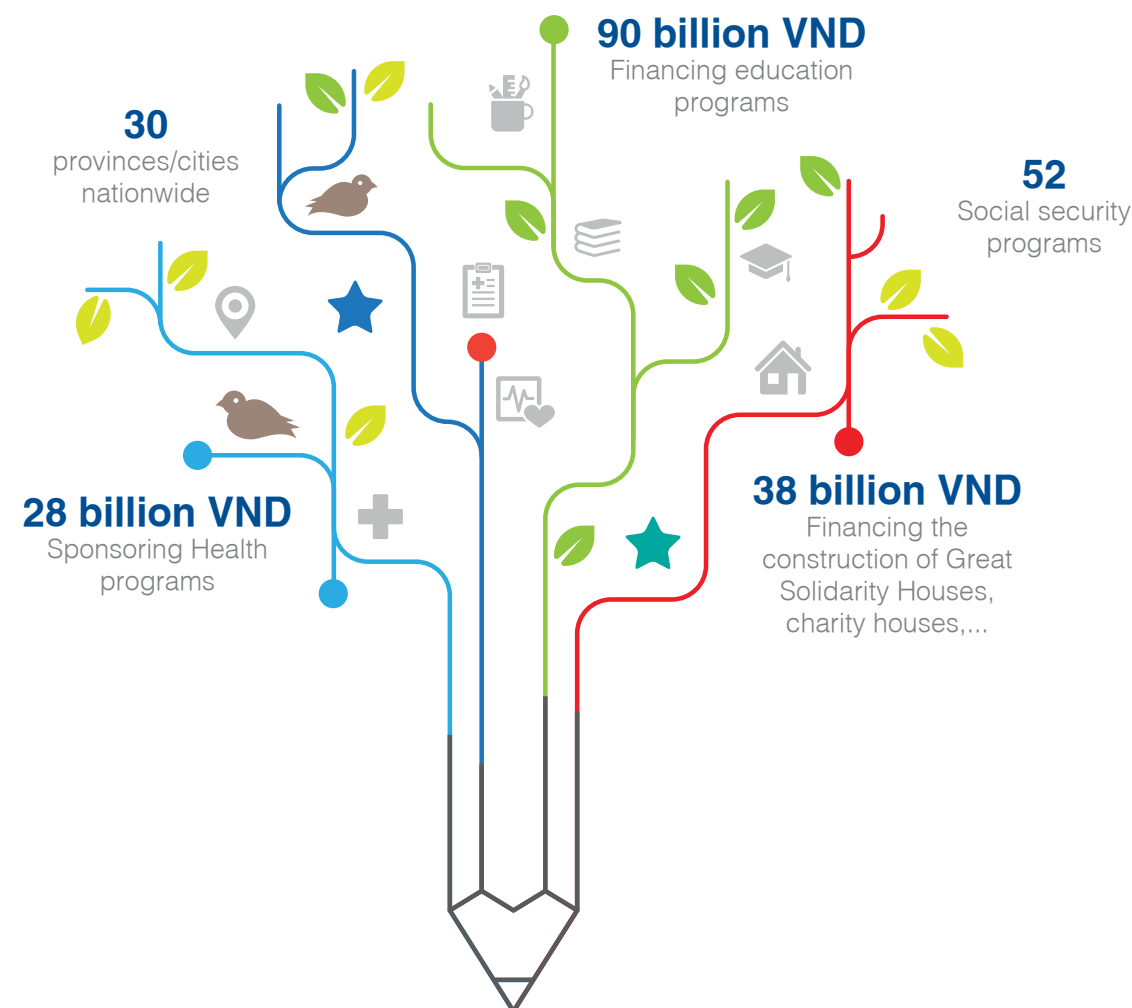
In 2015, PV GAS sponsored 155 billion VND to implement 52 social security programs in 30 provinces/cities nationwide, mainly focusing on underprivileged and remote areas, mountainous regions, islands as follows:

- ✦ Financing education programs (building schools; financing scholarship fund...): approximately 90 billion VND. Typically, financing of Junior High School construction at Thuan Mang Commune, Ngan Son District, Bac Kan Province was reported by mass media nationwide.

- ✦ Sponsoring Health programs (building medical stations; donating medical equipment; sponsoring medical examination programs for the poor): approximately 28 billion VND;

- ✦ Financing the construction of Great Solidarity Houses, charity houses, supporting natural disaster relief, gratitude programs and other social security activities: approximately 38 billion VND.

Since 2009, PV GAS has financed social security tasks with over 700 billion VND. Practical social security activities of PV GAS in recent years have deep political - social significance, practically contributing to socio-economic development of the country.







Safety - quality - health - environment

The gas industry is involved in advanced engineering and technologies with strict requirements for safety and fire prevention. PV GAS' gas works are located far and wide, under sea, on shore, running through many provinces, cities, regions of complex terrain, such as: rivers, forests, industrial parks, roads with activities possibly causing fire, posing many potentially unsafe risks. Accordingly, ensuring the Safety - Quality - Health - Environment activities is always the top concern of PV GAS.

If the traditional method of Safety - Quality - Health - Environment management often deals with work-related accidents, incidents, PV GAS' Safety - Quality - Health

**PV GAS therefore orients towards preparing the working safety culture standard, builds the safety awareness in each employee and considers this as one of the leading criteria for Corporate culture sustainability.**



- Environment activities are extensively deployed for both preventive and corrective purposes. In such activities, the control and risk reduction planning are of top priority. Experience in many countries demonstrates that fire and explosion incidents of gas works have often left very serious consequences, sometimes disasters.

The Safety - Quality - Health - Environment activities at PV GAS have always won close and frequent attention and instructions from the Leadership thanks to their strong awareness of the risks mentioned, which helps promote the development of such activities at each 100% owned company, subsidiary and employee, prevent risks well, allow no incidents to seriously harm people, assets, and environment as well as the brand and reputation of PV GAS, ensuring safe operation of PV GAS' gas works and systems, thus constantly contributing to national energy and food security.

Safety - Quality - Health - Environment management system

In production and business activities, apart from investment in good quality facilities of gas works and advanced technology, satisfactory to safe operation requirements of international standards, all member companies of PV GAS have continuously built, applied, maintained and improved the Safety - Quality - Health - Environment management system, including legal regulations and the integrated management system which were evaluated and certified by international organizations TUV, and BSI: OHSAS 18001:2007, ISO 9001:2008, ISO 14001:2004.

Safety - Quality - Health - Environment management process

In particular, a lot of management regulations and procedures to minimize risks have been deployed in PV GAS such as: Implementing and controlling Safety in process of production and business activities; Organizing scheduled and unscheduled inspection and supervision, assessing the safety performance in detail; Maintaining and Improving the effectiveness of safety training; Carrying out labor protection; and other Safety training programs, etc.

Safety - Quality - Health - Environment tasks

Safety - Quality - Health - Environment activities have always been strictly improved and implemented in PV GAS. The gas systems, production and business facilities have been safely operated without any unfortunate incidents harming humans, environment, assets as well as reputation of PV GAS. A total sum of over 10.13 million hours of safety work in 2015 was recorded in PV GAS. The reliability of the system reached over 99.9%.

PV GAS has fully abided by regulations of PV GAS, PVN and the State regarding Safety-Quality-Health-Environment activities as well as meeting international standards on Safety-Quality-Health-Environment management activities; constantly reviewing and issuing all regulations, rules and measures on Safety-Health-Environment according to legal regulations; organizing regular inspection and promptly performing recommendations to improve reliability of the system, ensure safe, continuous and stable operations; fully developing plans for firefighting, emergency response and organizing annual drills joined by relevant departments and employees; providing training on Safety-Quality-Health-Environment activities to all personnel; closely working/coordinating with the Coast Guard Command, Navy High Command, Vietnam Maritime Administration, Department of exploitation and protection of aquatic resources and provincial governments in performing patrols, launching communication campaigns to protect gas pipelines under sea. Statistic surveys, inspection and reports on security, safety, fire protection of gas works with the ministries, local governments and PVN have always been fully performed. As a result, all production and business facilities of PV GAS have operated safely, without violating environmental regulations, and any serious incidents.

PV GAS currently has its Emergency Incident Response Office, completed with communication equipment to maintain communication 24/24 hours, regularly monitoring, updating information with PVN's Emergency Response Steering committee, State administration agencies, local authorities of places with gas works. All member companies in PV GAS have their own emergency response procedures, clearly assigned responsibility for safety work, fire protection and fire fighting; having Steering committee, Emergency Response Committee to maintain the permanent responding mode.

Safety - Quality - Health - Environment culture in PV GAS

Statistics of work accidents in Vietnam and the world shows that, besides objective reasons, labor accidents, incidents are often associated with workers' failure to comply with safe technical procedures at

work. Numerous workers still mistakenly assume that the application of Safety-Quality-Health-Environment regulations will affect their productivity and they are not willing to use personal protective devices and equipment. In fact, however, the cost and productivity loss for the time needed to take work safety steps are negligible as compared to the damage to people, assets and environment in the event of incident.

PV GAS therefore orients towards preparing the working safety culture standard, builds the safety awareness in each employee and considers this as one of the leading criteria for Corporate culture sustainability. To achieve this, PV GAS' employees are regularly updated, provided with information on safety to protect them and ensure safety for the others at the working place. PV GAS has also applied the transparent incentive/ penalty policy to employees, encouraging, promoting and applying innovations, inventions, evaluations on Safety-Quality-Health-Environment before performing tasks to reduce potential risks; at the same time strictly handling any case of violation of safety regulations, causing risks of accidents and incidents. Since then, the Safety-Quality-Health-Environment culture has been instilled in each PV GAS employee, helping eliminate accidents, incidents due to human fault, and contributing to the success of PV GAS' Safety-Quality-Health-Environment policies.

Safety - Health - Quality - Environment policies are the guideline for all activities of PV GAS to prevent risks, and ensure no damage to people, property and environment in gathering, transporting, processing, storing, distributing gas and gas products to satisfy the increasing demand of customers for a qualified and competitive clean source of fuels and feedstock. All teams and individuals of PV GAS as well as Leadership at all levels are responsible for building and maintaining the Safety Culture of PV GAS.

Having the role duly evaluated in production and business activities, with control solutions to maintain the safety to meet requirements of Vietnam law and international standards, PV GAS' constantly maintained and improved activities of Safety-Quality-Health-Environment have been, still are and will be an important factor contributing to the overall success, complying with PV GAS' orientation for sustainable development.



## Target and mission

To safely and effectively operate existing gas facilities and ensure their safety and security activities.

To ensure efficiency in production, consumption and supply of gas and gas products at maximum output for consuming households. To co-operate with member companies in satisfying over 70% of LPG demand nationwide.

To control and ensure progress of investment and construction projects, especially key projects such as Ca Mau GPP, Lot B - O Mon, Nam Con Son 2 - Phase 2, Ca Rong Do. To complete connecting Thien Ung to Nam Con Son 2 project - Phase 1, commission the project of Offsetting Nam Con Son wet gas to Dinh Co GPP and projects in information technology field for improving administration tasks. To promote project settlement upon completion according to current regulations.

To effectively manage/operate contracts of gas trading

and transportation; to develop gas consumption market, gradually decrease ratio of gas used for electricity and fuel, to intensify deep processing, product diversification. To build the development strategy for LPG retail activities, to speed up and keep increasing its ratio as well as retail market share.

To actively promote completion of approval of gas and freight price policies, and amendment of gas trading contracts at new gas prices.

Promoting research in gas gathering, searching, developing other gas sources at home and abroad; involving in upstream investment when conditions permit.

To perform corporate restructuring, to check and arrange personnel in line with PV GAS' production and business activities and ensure efficiency. To improve corporate governance; to promote thrift practice, cost reduction in all activities.

## Business plan of 2016 of PV GAS submitted to the 2016 AGM for approval will be as follows:

### a. Basis

✦ The development strategy of PV GAS towards 2025, with orientation to 2035; upstream gas supply and maintenance and repair schedule of field owners; downstream gas consumption and maintenance and repair schedule of customers;

✦ Demand/availability:

- Southeast and Southwest regions: The existing customers using gas in electricity generation, fertilizer production have not increased; industrial households using low pressure gas and CNG have increased and decreased as well, so the gas output has not increased significantly.

- Northern region: New gas supply system was commissioned, there have not been many consumers yet and 100% of them are industrial households, the first stage may be unstable.

✦ Gas sources ashore: there was new gas source brought from Thien Ung field into Cuu Long gas system, however, the project was commissioned at the end of the year, the gas ashore output was negligible;

the other systems (Nam Con Son, PM3 - Ca Mau and Ham Rong - Thai Binh) had no new additional gas sources; some blocks/fields of Nam Con Son and Cuu Long basins saw their output declining over the operation time. All of Cuu Long, Nam Con Son and PM3 systems halted gas supply for maintenance and repair in certain days of the year.

✦ Produced gas output and gas product: the recovery ratio of dry gas and liquid products are equal to the actual recovery ratio on average;

✦ Gas and gas product supply and consumption output of customers in electricity, fertilizer, low pressure gas and industrial households, LPG companies, Condensate Processing Plant; wet gas used offshore for JVPC's EOR (Enhanced Oil Recovery) project;

✦ Brent oil price at 60 USD/barrel.

✦ The selling price and freight of gas and gas products in line with rules and regulations of the government/ PVN and signed contracts.

### b. Main targeted norms (according to plan of Brent oil price of 60 USD/barrel)

No.	Items	Unit	2016's plan (according to plan of Brent oil price at 60 USD/barrel)
I	Output		
1	Wet gas ashore	Million m <sup>3</sup>	9,850
2	Consumption gas	Million m <sup>3</sup>	9,724
-	Wet gas for consumption offshore	Million m <sup>3</sup>	140
-	Dry gas for production, consumption	Million m <sup>3</sup>	9,584
	+ Cuu Long gas (Cuu Long gas + Offset gas from Nam Con Son)	Million m <sup>3</sup>	1,302
	+ Nam Con Son gas	Million m <sup>3</sup>	6,412
	+ PM3 gas	Million m <sup>3</sup>	1,800
	+ Tien Hai - Thai Binh gas	Million m <sup>3</sup>	70
3	Condensate	Ton	56,665
4	Parent company's LPG	Ton	987,000
II	Finance		
1	Revenue	Billion VND	54,751
-	Including parent company's contribution	Billion VND	51,345
2	Pre-tax profit	Billion VND	8,574
-	Including parent company's contribution	Billion VND	8,505
3	After-tax profit	Billion VND	7,085
-	Including parent company's contribution	Billion VND	7,032
4	After-tax profit/Charter capital ratio	%	37
5	Dividend payout ratio	%	30
6	Charter capital	Billion VND	19,139
7	Contribution to State budget	Billion VND	2,931
-	Including parent company's contribution	Billion VND	2,863
8	Parent company's disbursement for investment and construction		4,747
-	Owners' equity	Billion VND	2,483
-	Borrowings + other capitals	Billion VND	2,264
9	Parent company's laborers at closing period	Person	1,377
10	Social security implementation	Billion VND	130
-	In accordance with PVN's program	Billion VND	100
-	Implemented by PV GAS	Billion VND	30

Investment and construction plan

In 2016, PV GAS plans to perform investment preparations, implementation and final settlement of: 12 projects of group A (2 projects completed, 3 projects in progress, 7 projects on investment preparation) with on-demand disbursement capital of 4,124 billion VND; 8 projects of group B (2 projects completed, 1 project on progress, 2 newly commenced projects, 3 projects on investment preparation) with on-demand disbursement capital of 167 billion VND and projects of group C, equipment procurement and financial investment with on-demand disbursement capital of 455 billion VND; total on-demand disbursement capital will be 4,747 billion VND; mainly focusing on the development of gas supply sources from domestic fields and import gas from the international partners, develop the infrastructure system to enhance the business abilities and to implement deep processing for product value enhancement, etc.



DISBURSEMENT PLAN FOR SOME MAJOR PROJECTS

No.	Project name	Disbursement plan (Billion VND)
	<b>Total</b>	<b>4,747</b>
<b>I</b>	<b>Gas gathering</b>	
1	Nam Con Son 2 gas pipeline, Phase 1	922
2	Ham Rong - Thai Binh gas pipeline, phase 1	30
3	Ca Rong Do gas pipeline	90
4	Nam Con Son 2 gas pipeline, Phase 2 & gathering and transporting gas of Su Tu Trang field	73
<b>II</b>	<b>Strengthening the ability of gas and gas product processing and storage</b>	
1	Ca Mau GPP	2,730
2	Upgrading Dinh Vu LPG Storage, Hai Phong	18
3	Supplying Nam Con Son wet gas to Dinh Co GPP	40
4	Upgrading LPG recovery ratio at Dinh Co GPP	23
<b>III</b>	<b>Final settlement; investment preparations, implementation of other investment projects; equipment procurement and financial investment</b>	<b>821</b>

Main task of some major projects

✦ Gas gathering

- Nam Con Son 2 gas pipeline, Phase 1: completing connection to Thien Ung rig, implementing final settlement.
- Ham Rong - Thai Binh gas pipeline, Phase 1: Implementing final settlement.
- Lot B - O Mon gas pipeline: cooperating with partners in implementing investments according to investment plans approved by competent authorities.
- Nam Con Son 2 gas pipeline, Phase 2: approving the Deployment Solution Research Report, FEED, cost estimate.
- Gathering and transporting gas of Su Tu Trang field: approving the feasibility study report.
- Ca Rong Do gas pipeline: completing the Feasibility Study Report and submitting it to competent authorities for approval.

✦ Gas import

- 1 MMTA LNG storage at Thi Vai: updating and balancing the gas supply and demand, LNG consumption market, economic efficiency of projects, readiness for restarting projects upon approval of competent authorities; promoting investment, seeking partners and investment cooperation.
- LNG Storage, Terminal of 3-6 million tons/year in Son My: ready for implementing projects upon

approval of competent authorities; promoting investment, seeking partners and investment cooperation.

✦ Strengthening the ability of gas and gas product processing and storage

- Ca Mau GPP: accomplishing 80% of EPC package of the plant, storage, terminal; complete land leveling and foundation treatment, making risk quantitative assessment; preparing investment in Loop pipeline and compressor No. 2 upon approval of competent authorities.
- Upgrading Dinh Vu LPG Storage, Hai Phong: Implementing final settlement.
- Supplying Nam Con Son wet gas to Dinh Co GPP: completing and commissioning the project since quarter I/2016 and conducting final settlement.
- Upgrading LPG recovery ratio at Dinh Co GPP: completing the Feasibility Study Report and submitting it to competent authorities for approval.
- Separating Ethane from Nam Con Son and Cuu Long gas sources: approving the Feasibility Study Report; implementing further tasks in line with progress of Long Son petrochemical complex and GPP investment plan of Nam Con Son 2 gas pipeline, Phase 2.
- Polypropylene Plant: completing the Feasibility Study Report and submitting it to competent authorities for approval.





## Efficiently operating and wide coverage business

Effective operations, with extensive coverage network with the safe management and operation of continuous gas gathering, transmission, storing, processing, distribution systems from Cuu Long, Nam con son basins (in the South East), Malay-Chu (in the Southwest ), Hong River ( in the North), currently each year PV GAS supplies gas for 35% of electricity production, 70% fertilizer production; and maintains 70% of domestic LPG market share.

PV GAS supplies gas  
to produce:

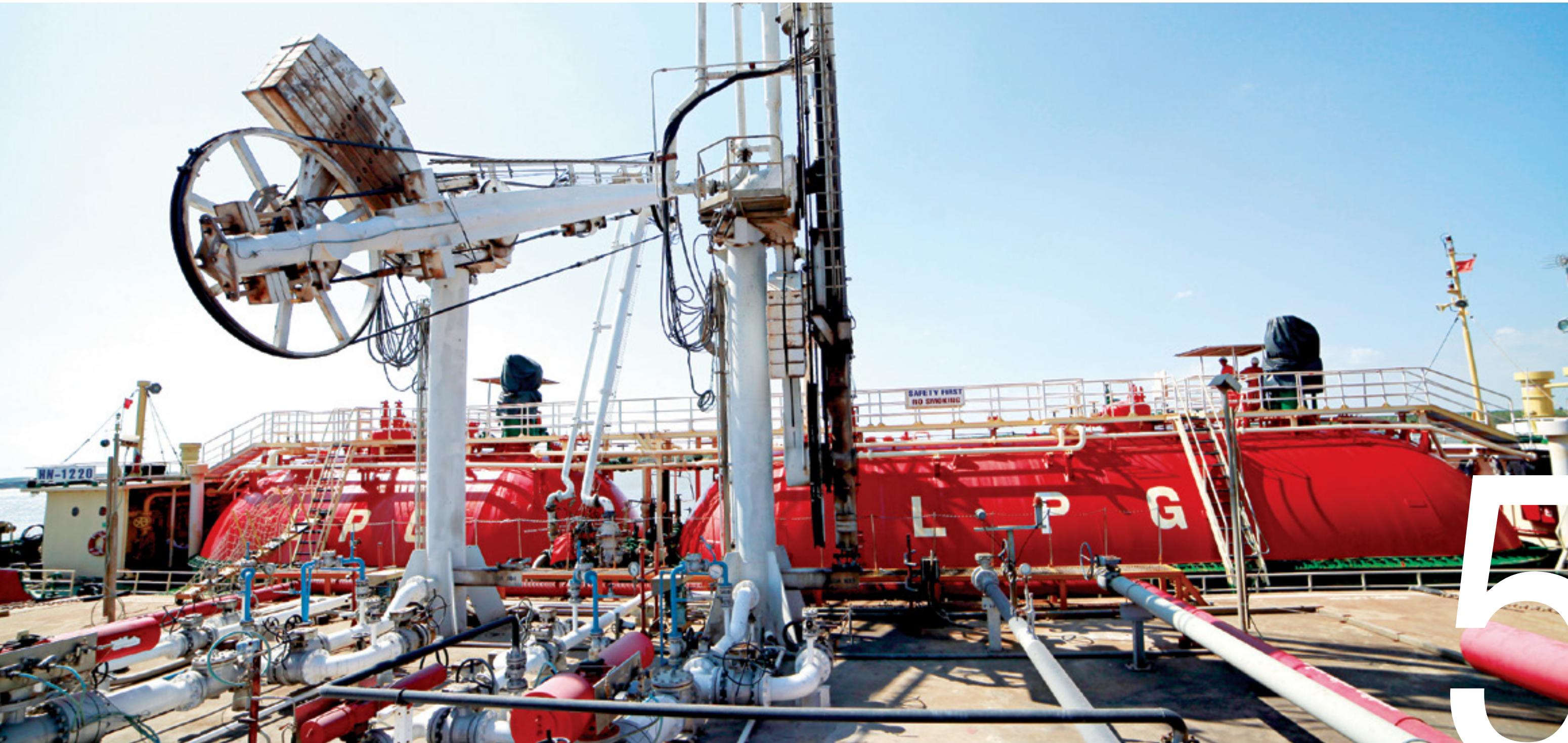
**35%** of electricity

and

**70%** of the  
fertilizer  
demand

Profit after-tax/  
Chartered capital ratio

**47%**







**PETROVIETNAM GAS JOINT STOCK CORPORATION**  
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2015

TABLE OF CONTENTS

<a href="#">CONTENTS</a>	<a href="#">PAGES</a>
STATEMENT OF THE BOARD OF MANAGEMENT	103 - 104
INDEPENDENT AUDITORS' REPORT	105 - 106
CONSOLIDATED BALANCE SHEET	107 - 108
CONSOLIDATED INCOME STATEMENT	109
CONSOLIDATED CASH FLOW STATEMENT	110 - 111
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	112 - 157

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Gas Joint Stock Corporation (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2015.

THE BOARDS OF DIRECTORS AND MANAGEMENT

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

[Board of Directors](#)

Mr. Le Nhu Linh	Chairman
Mr. Duong Manh Son	Member (appointed on 09 May 2015)
Mr. Do Khang Ninh	Member (resigned on 23 April 2015)
Mr. Nguyen Xuan Hoa	Member (resigned on 01 December 2015)
Mr. Phan Quoc Nghia	Member
Mr. Nguyen Trung Dan	Member (resigned on 20 October 2015)
Mr. Nguyen Manh Tuong	Member (appointed on 01 December 2015)
Ms. Vo Thi Thanh Ngoc	Member (appointed on 20 October 2015)

[Board of Management](#)

Mr. Do Khang Ninh	President and CEO cum Member of the Board of Directors (resigned on 23 April 2015)
Mr. Duong Manh Son	President and CEO cum Member of the Board of Directors (appointed on 09 May 2015)
Mr. Tran Hung Hien	Vice President
Mr. Pham Hong Linh	Vice President
Mr. Nguyen Thanh Nghi	Vice President
Mr. Bui Ngoc Quang	Vice President
Mr. Nguyen Quoc Huy	Vice President
Mr. Ho Tung Vu	Vice President
Mr. Nguyen Mau Dung	Vice President
Mr. Pham Dang Nam	Vice President

BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

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



STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

BOARD OF MANAGEMENT’S STATEMENT OF RESPONSIBILITY (Continued)

- 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 consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

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

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,



Duong Manh Son  
President and CEO

15 March 2016

INDEPENDENT AUDITORS’ REPORT

No.: 444/VN1A-HN-BC

To: The Shareholders  
The Boards of Directors and Management  
PetroVietnam Gas Joint Stock Corporation

We have audited the accompanying consolidated financial statements of PetroVietnam Gas Joint Stock Corporation (the “Corporation”), prepared on 15 March 2016, as set out from page 107 to page 157, which comprise the balance sheet as at 31 December 2015, the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly in all material respects, the financial position of the Corporation as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Emphasis of Matter

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 01 January 2015. Circular 200 supersedes the regulations on 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 Corporation has adopted Circular 200 in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2015. The major effects of Circular 200 on the consolidated financial statements are presented in Note 04 and Note 45 of the Notes to the consolidated financial statements.



**Pham Hoai Nam**  
Deputy General Director  
Audit Practising Registration Certificate  
No. 0042-2013-001-1  
**For and on behalf of**  
**DELOITTE VIETNAM COMPANY LIMITED**

15 March 2016  
Hanoi, S.R. Vietnam

**Vu Manh Hung**  
Auditor  
Audit Practising Registration Certificate  
No. 2737-2013-001-1

## CONSOLIDATED BALANCE SHEET

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014 (Restated)
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>33,814,788,566,844</b>	<b>33,289,238,987,142</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>17,748,332,404,746</b>	<b>24,080,005,607,944</b>
1. Cash	111		2,147,732,019,635	4,855,353,568,912
2. Cash equivalents	112		15,600,600,385,111	19,224,652,039,032
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>6,099,320,000,000</b>	<b>1,683,875,000,000</b>
1. Held-to-maturity investments	123		6,099,320,000,000	1,683,875,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>8,209,846,277,244</b>	<b>5,118,146,845,310</b>
1. Short-term trade receivables	131	7	3,310,931,705,919	4,227,147,634,336
2. Short-term advances to suppliers	132	8	927,894,847,686	631,737,398,040
3. Other short-term receivables	136	9	4,064,220,566,010	356,090,051,057
4. Provision for short-term doubtful debts	137	10	(93,200,842,371)	(97,014,584,555)
5. Deficits in assets awaiting solution	139		-	186,346,432
<b>IV. Inventories</b>	<b>140</b>	<b>11</b>	<b>1,212,197,842,312</b>	<b>1,860,494,504,580</b>
1. Inventories	141		1,304,391,246,249	1,936,137,670,317
2. Provision for devaluation of inventories	149		(92,193,403,937)	(75,643,165,737)
<b>V. Other short-term assets</b>	<b>150</b>		<b>545,092,042,542</b>	<b>546,717,029,308</b>
1. Short-term prepayments	151	12	138,011,276,268	159,046,970,613
2. Value added tax deductibles	152		333,286,538,325	348,394,101,230
3. Taxes and other receivables from the State budget	153	21	73,794,227,949	39,275,957,465
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>22,899,817,720,444</b>	<b>20,502,168,360,963</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>22,782,850,117</b>	<b>25,490,795,105</b>
1. Other long-term receivables	216	9	22,782,850,117	25,490,795,105
<b>II. Fixed assets</b>	<b>220</b>		<b>14,870,118,511,535</b>	<b>15,230,811,087,587</b>
1. Tangible fixed assets	221	13	14,444,685,150,041	14,778,107,841,990
- Cost	222		37,681,016,707,046	35,015,948,305,693
- Accumulated depreciation	223		(23,236,331,557,005)	(20,237,840,463,703)
2. Finance lease assets	224	14	67,464,983,238	93,944,853,925
- Cost	225		202,905,476,655	228,700,252,298
- Accumulated depreciation	226		(135,440,493,417)	(134,755,398,373)
3. Intangible assets	227	15	357,968,378,256	358,758,391,672
- Cost	228		412,153,609,640	399,978,956,486
- Accumulated amortisation	229		(54,185,231,384)	(41,220,564,814)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>6,598,168,402,238</b>	<b>3,780,282,380,909</b>
1. Construction in progress	242	16	6,598,168,402,238	3,780,282,380,909
<b>IV. Long-term financial investments</b>	<b>250</b>	<b>6</b>	<b>85,741,527,821</b>	<b>87,201,169,122</b>
1. Investments in associates	252		75,741,527,821	77,201,169,122
2. Equity investments in other entities	253		85,000,000,000	85,000,000,000
3. Provision for impairment of long-term financial investments	254		(75,000,000,000)	(75,000,000,000)
<b>V. Other long-term assets</b>	<b>260</b>		<b>1,323,006,428,733</b>	<b>1,378,382,928,240</b>
1. Long-term prepayments	261	12	882,541,690,429	861,635,599,757
2. Deferred tax assets	262	17	47,020,833,374	37,235,738,307
3. Goodwill	269	19	393,443,904,930	479,511,590,176
<b>TOTAL ASSET (270=100 + 200)</b>	<b>270</b>		<b>56,714,606,287,288</b>	<b>53,791,407,348,105</b>

The notes set out on pages 112 to 157 are an integral part of these consolidated financial statements.



## CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2015

FORM B 01-DN/HN

Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014 (Restated)
<b>C. LIABILITIES</b>	<b>300</b>		<b>13,825,543,405,185</b>	<b>16,112,058,787,504</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>9,002,416,525,380</b>	<b>10,420,030,585,116</b>
1. Short-term trade payables	311	20	1,873,430,985,918	1,782,284,125,251
2. Short-term advances from customers	312		71,776,566,945	123,166,550,322
3. Taxes and amounts payable to the State budget	313	21	379,728,946,381	1,571,798,803,751
4. Payables to employees	314		191,297,256,581	153,146,072,621
5. Short-term accrued expenses	315	22	3,950,248,963,072	1,184,508,998,173
6. Short-term unearned revenue	318		23,260,584,852	35,424,063,091
7. Other current payables	319	23	670,474,641,698	2,738,873,632,524
8. Short-term loans and obligations under finance leases	320	25	1,589,777,540,020	2,443,227,901,530
9. Short-term provisions	321	24	53,626,429,837	99,095,022,162
10. Bonus and welfare funds	322		198,794,610,076	288,505,415,691
<b>II. Long-term liabilities</b>	<b>330</b>		<b>4,823,126,879,805</b>	<b>5,692,028,202,388</b>
1. Other long-term payables	337	23	194,119,770,764	194,663,433,474
2. Long-term loans and obligations under finance leases	338	25	4,503,688,430,821	5,131,620,297,904
3. Deferred tax liabilities	341	26	44,924,303,926	-
4. Long-term provisions	342	24	49,038,329,745	334,388,426,461
5. Scientific and technological development fund	343		31,356,044,549	31,356,044,549
<b>D. EQUITY</b>	<b>400</b>		<b>42,889,062,882,103</b>	<b>37,679,348,560,601</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>27</b>	<b>42,889,062,882,103</b>	<b>37,679,348,560,601</b>
1. Owner's contributed capital	411		18,950,000,000,000	18,950,000,000,000
- Ordinary shares carrying voting rights	411a		18,950,000,000,000	18,950,000,000,000
2. Share premium	412		421,727,266	1,216,727,266
3. Other owner's capital	414		251,892,478,129	59,449,827,984
4. Treasury shares	415		(40,111,223,937)	-
5. Investment and development fund	418		11,513,442,679,453	11,691,641,648,790
6. Other reserves	420		134,945,065,666	134,944,997,553
7. Retained earnings	421		10,251,053,322,087	5,144,151,727,400
- Retained earnings accumulated to the prior year end	421a		3,825,764,124,148	231,062,564,792
- Retained earnings of the current year	421b		6,425,289,197,939	4,913,089,162,608
8. Non-controlling interests	429		1,827,418,833,439	1,697,943,631,608
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>56,714,606,287,288</b>	<b>53,791,407,348,105</b>






**Dang Thi Hong Yen**  
Preparer

**Vu Trong Hai**  
Chief Accountant

**Duong Manh Son**  
President and CEO

15 March 2016

The notes set out on pages 112 to 157 are an integral part of these consolidated financial statements.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2015

FORM B 02-DN/HN

Unit: VND

ITEMS	Codes	Notes	2015	2014 (Restated)
<b>1. Gross revenue from goods sold and services rendered</b>	<b>01</b>		<b>64,509,114,172,646</b>	<b>73,548,625,920,930</b>
2. Deductions	02		208,910,134,361	173,479,716,511
<b>3. Net revenue from goods sold and services rendered (10=01-02)</b>	<b>10</b>	<b>30</b>	<b>64,300,204,038,285</b>	<b>73,375,146,204,419</b>
4. Cost of sales	11	31	50,903,608,817,829	53,231,657,394,562
<b>5. Gross profit from goods sold and services rendered (20=10-11)</b>	<b>20</b>		<b>13,396,595,220,456</b>	<b>20,143,488,809,857</b>
6. Financial income	21	32	1,096,546,341,436	1,168,755,042,079
7. Financial expenses	22	33	644,194,031,699	521,986,522,712
- In which: Interest expense	23		192,515,313,041	365,715,353,306
8. Share of net profit of associates	24		1,981,123,472	3,497,901,222
9. Selling expenses	25	34	1,729,017,467,247	1,412,303,065,766
10. General and administration expenses	26	34	1,002,792,079,242	1,390,206,066,144
<b>11. Operating profit (30=20+(21-22)+24-(25+26))</b>	<b>30</b>		<b>11,119,119,107,176</b>	<b>17,991,246,098,536</b>
12. Other income	31	35	140,203,743,456	36,111,303,368
13. Other expenses	32	36	60,688,270,425	48,026,518,733
<b>14. Profit from other activities (40=31-32)</b>	<b>40</b>		<b>79,515,473,031</b>	<b>(11,915,215,365)</b>
<b>15. Accounting profit before tax (50=30+40)</b>	<b>50</b>		<b>11,198,634,580,207</b>	<b>17,979,330,883,171</b>
16. Current corporate income tax expense	51	37	2,378,039,202,544	3,650,242,219,392
17. Deferred corporate tax (income)	52		(11,530,540,814)	(31,736,519,851)
<b>18. Net profit after corporate income tax (60=50-51-52)</b>	<b>60</b>		<b>8,832,125,918,477</b>	<b>14,360,825,183,630</b>
18.1. Equity holders of the Holding Company	61		8,533,695,412,604	14,113,678,170,889
18.2. Non-controlling interests	62		298,430,505,873	247,147,012,741
<b>19. Basic earnings per share</b>	<b>70</b>	<b>38</b>	<b>4,400</b>	<b>6,985</b>






**Dang Thi Hong Yen**  
Preparer

**Vu Trong Hai**  
Chief Accountant

**Duong Manh Son**  
President and CEO

15 March 2016

The notes set out on pages 112 to 157 are an integral part of these consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2015

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	2015	2014 (Restated)
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>1. Profit before tax</i>	<i>01</i>	<i>11,198,634,580,207</i>	<i>17,979,330,883,171</i>
<i>2. Adjustments for:</i>			
Depreciation and amortisation of fixed assets	02	3,108,201,526,816	3,467,376,276,521
Provisions	03	8,532,955,939	370,737,700,282
Foreign exchange loss arising from translating foreign currency items	04	149,040,082,301	64,849,496,291
(Gain) from investing activities	05	(841,394,917,756)	(1,122,148,503,636)
Interest expense	06	192,515,313,041	365,715,353,306
<i>3. Operating profit before movements in working capital</i>	<i>08</i>	<i>13,815,529,540,548</i>	<i>21,125,861,205,935</i>
(Increase)/Decrease in receivables	09	(2,943,962,913,441)	926,525,991,768
Decrease in inventories	10	631,746,424,068	615,096,329,725
Increase/(Decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	1,457,276,523,587	(2,807,726,103,949)
Decrease in prepaid expenses	12	129,603,673	530,232,154,562
Interest paid	14	(183,332,908,994)	(379,776,463,577)
Corporate income tax paid	15	(3,330,895,941,032)	(2,980,914,126,718)
Other cash outflows	17	(319,618,216,109)	(327,849,789,135)
<i>Net cash generated by operating activities</i>	<i>20</i>	<i>9,126,872,112,300</i>	<i>16,701,449,198,611</i>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(4,737,118,637,350)	(2,859,942,028,772)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	1,930,299,272	9,208,786,216
3. Cash outflow for lending, buying debt instruments of other entities	23	(4,986,320,000,000)	(549,700,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	227,000,000,000	28,100,000,000
5. Cash recovered from investments in other entities	26	198,414,290,000	-
6. Interest earned, dividends and profits received	27	1,037,485,815,055	1,112,482,063,829
<i>Net cash (used in) investing activities</i>	<i>30</i>	<i>(8,258,608,233,023)</i>	<i>(2,259,851,178,727)</i>

The notes set out on pages 112 to 157 are an integral part of these consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2015

FORM B 03-DN/HN

Unit: VND

ITEMS	Codes	2015	2014 (Restated)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Capital withdrawals, buy-back of issued shares	32	(40,111,223,937)	-
2. Proceeds from borrowings	33	4,123,189,844,032	6,243,748,745,580
3. Repayment of borrowings	34	(5,724,457,031,633)	(6,140,037,307,744)
4. Repayment of obligations under finance leases	35	(38,634,958,934)	(52,751,025,649)
5. Dividends and profits paid	36	(5,519,637,734,500)	(8,123,284,760,000)
6. The payment of the excess of the gas volume delivered over the committed volume		-	(582,827,540,832)
<i>Net cash (used in) financing activities</i>	<i>40</i>	<i>(7,199,651,104,972)</i>	<i>(8,655,151,888,645)</i>
<i>Net (decrease)/increase in cash (50=20+30+40)</i>	<i>50</i>	<i>(6,331,387,225,695)</i>	<i>5,786,446,131,239</i>
<i>Cash and cash equivalents at the beginning of the year</i>	<i>60</i>	<i>24,080,005,607,944</i>	<i>18,292,997,853,785</i>
Effect of changes in foreign exchange rates	61	(285,977,503)	561,622,920
<i>Cash and cash equivalents at the end of the year (70=50+60+61)</i>	<i>70</i>	<i>17,748,332,404,746</i>	<i>24,080,005,607,944</i>

  
Dang Thi Hong Yen  
Preparer

15 March 2016

  
Vu Trong Hai  
Chief Accountant

  
Duong Manh Son  
President and CEO



The notes set out on pages 112 to 157 are an integral part of these consolidated financial statements.



1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Gas Joint Stock Corporation (the “Corporation”), formerly known as PetroVietnam Gas Corporation - One Member Company Limited, is a subsidiary of Vietnam Oil and Gas Group which was established in accordance with Decision No. 2232/QĐ-DKVN dated 18 July 2007 issued by Vietnam Oil and Gas Group and the first Business Registration Certificate No. 3500102710 dated 17 January 2007.

PetroVietnam Gas Corporation - One Member Company Limited was officially transformed into PetroVietnam Gas Corporation - Joint Stock Company in accordance with Business Registration Certificate dated 16 May 2011 issued by the Department of Planning and Investment of Ho Chi Minh City with the charter capital of VND 18,950 billion. The Corporation’s stocks are listed on Ho Chi Minh City Stock Exchange with the stock symbol GAS.

The Corporation’s head office is located in PV GAS Tower, No. 673 Nguyen Huu Tho Street, Phuoc Kien Commune, Nha Be District, Ho Chi Minh City, S.R. Vietnam.

Principal activities

The principal activities of the Corporation are to collect, transport, store gas and gas products; to produce fuel gas, distribute gaseous fuel through pipelines, i.e. to process gas and gas products; to wholesale solid, liquid and gaseous fuel and other relevant products, i.e. to distribute and trade dry gas, LNG, CNG, LPG and Condensate; to import and export dry gas, LNG, LPG and Condensate; to perform architectural activities and relevant technical consultancy, i.e. to provide consulting services in investment, design and construction of mechanical engineering works; to supervise construction and completion of industrial and civil works; to perform other relevant construction activities i.e. to invest, construct, manage, maintain, repair gas and gas related construction works and projects; to wholesale and trade in other fields, i.e. trade materials, equipment, chemicals in gas and gas product processing and utilizing fields, to import materials, equipment and means used for gas industry; to trade in real estate, land use rights attached to owners, users or for lease, i.e. warehouses, port, real estate business; to invest in infrastructure for distribution systems of dry and liquid gas from supply to wholesale and retail distribution; to research and develop technical and scientific fields i.e. to research and apply in gas industry and renovate gas works; to provide gas related services, renovate, repair engines, install conversion equipment of vehicles and used in agriculture, forestry and fishery; to transport cargo by road i.e. to provide transport services and means of transport using gas, to transport gas products (doing business in gas product transportation services).

The principal activities of the Corporation are to collect, transport, store, process, distribute, trade gas and gas products.

Normal production and business cycle

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

1. GENERAL INFORMATION (Continued)

The Corporation’s structure

The units directly under the Corporation are:

- PetroVietnam Gas South East Transmission Company;
- PetroVietnam Gas Vung Tau Processing Company;
- PetroVietnam Gas Trading Company;
- PetroVietnam Gas Services Company;
- PetroVietnam Gas Projects Management Company;
- PetroVietnam South East Gas Project Management Board;
- PetroVietnam Gas Ca Mau Company;
- Nam Con Son Gas Pipelines Company;
- PetroVietnam Gas Ca Mau GPP Project Management Board.

The Corporation has 05 subsidiaries. General information of subsidiaries of the Corporation is as follows:

Name of companies	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting right power held	Principal activity
PetroVietnam Southern Gas JSC PV GAS South) (i)	HCM City	35.26%	35.26%	Distribute LPG
PetroVietnam Northern Gas JSC PV GAS North) (i)	Hanoi	35.88%	35.88%	Distribute LPG
PetroVietnam Low Pressure Gas Distribution JSC (PV GAS D)	HCM City	50.50%	50.50%	Distribute low pressure gas
PetroVietnam Coating JSC (PV Coating)	Vung Tau	52.94%	52.94%	Provide pipe coating service
PetroVietnam Steel Pipe JSC (PV Pipe)	Tien Giang	99.99%	99.99%	Manufacture steel pipes

- (i) Investments in companies to which the Corporation contributes less than 50% of the charter capital but holds the controlling power over. According to the assessment of the Board of Management, the controlling power of the Corporation over such investees is determined definitely and the classification of those companies as subsidiaries of the Corporation is suitable with the nature of transactions incurred, compliant with Vietnamese accounting standards and prevailing relevant regulations.

The Corporation has 01 associate. General information of the associate of the Corporation is as follows:

Name of associate	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activities
Gas City Investment and Development JSC	Ha Noi	35.51%	35.51%	Trading gas

## 1. GENERAL INFORMATION (Continued)

### Disclosure of information comparability in the consolidated financial statements

As stated in Note 3 of the Notes to the consolidated financial statements, since 01 January 2015, the Corporation 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 and Circular No. 202/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 202") guiding the preparation and presentation of consolidated financial statements. 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. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". Accordingly, certain figures of the consolidated balance sheet as at 31 December 2014, of the consolidated income statement and the consolidated cash flow statement for the year ended 31 December 2014 are restated in compliance with Circular 200 and Circular 202 on the preparation and presentation of the consolidated financial statements to enhance their comparability with the figures of the current year.

## 2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

### Accounting convention

The accompanying consolidated 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 consolidated 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 Corporation's financial year begins on 01 January and ends on 31 December.

## 3. ADOPTION OF NEW ACCOUNTING GUIDANCE

On 22 December 2014, the Ministry of Finance issued Circular No. 200/2014/TT-BTC ("Circular 200") guiding the accounting regime for enterprises and Circular No. 202/2014/TT-BTC (Circular 202) guiding the preparation and presentation of consolidated financial statements. These circulars are effective for financial years beginning on or after 01 January 2015. Circular 200 supersedes the regulations on 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. Circular 202 supersedes section XIII in Circular No. 161/2007/TT-BTC dated 31 December 2007 of the Ministry of Finance guiding the preparation and presentation of consolidated financial statements in accordance with Vietnamese Accounting Standard No. 25 "Consolidated Financial Statements and Accounting for Investments in Subsidiaries". The Board of Management has adopted Circular 200 and Circular 202 in the preparation and presentation of the consolidated financial statements for the year ended 31 December 2015.

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### Estimates

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

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) for the year ended 31 December 2015. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

All significant inter-company transactions and balances between the Corporation and its subsidiaries and among subsidiaries are eliminated on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

### Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the financial year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

##### Interests in joint ventures

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e, the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognized in the consolidated financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Corporation's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

##### Goodwill

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is recognised as an intangible asset and is amortised on the straight-line basis over its estimated period of benefit of 10 years.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.

##### 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 Corporation comprise cash, cash equivalents, short-term investments, trade receivables, other receivables and long-term investments.

*Financial liabilities:* At the date of initial recognition, financial liabilities are recognised at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Corporation comprise trade payables, other payables, accrued expenses and borrowings and obligations under finance leases.

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Financial instruments (Continued)

##### 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.

##### Financial investments

##### Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits and other held-to-maturity investments.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for impairment of held-to-maturity investments.

Provision for provision for impairment of held-to-maturity investments is made in accordance with prevailing accounting regulations.

##### Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried on the consolidated balance at cost less provision for impairment (if any). Provision for impairment of such investments is made in accordance with Circular No. 228/2009/TT-BTC dated 07 December 2009 issued by the Ministry of Finance guiding "The appropriation and use of provisions for devaluation of inventories, loss of financial investments, bad receivables debts and warranty for products, goods and construction works at enterprises", Circular No. 89/2013/TT-BTC dated 18 June 2013 issued by the Ministry of Finance amending supplementing Circular No. 228/2009/TT-BTC, Circular 200/2014/TT-BTC issued by Ministry of Finance on 22 December 2014 ("Circular 200") guiding accounting regime to enterprises and other prevailing accounting regulations.

##### 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 condition and location for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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

	2015 Years
Buildings, structures	4 - 25
Machinery, equipment	3 - 20
Motor vehicles and transmission equipment	3 - 12
Office equipment	3 - 10
Other assets	3 - 20

The Corporation's tangible fixed assets were revaluated when the Corporation, as a State-owned enterprise, was equitized. The cost and accumulated depreciation of tangible fixed assets were adjusted based on the revaluation value approved by competent authorities as regulated.

Tangible fixed assets, representing machinery, equipment directly related to the goods production for the coating project in PetroVietnam Coating Joint Stock Company (PVCoating), are depreciated based on the work volume completed in the year.

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between proceed from sales or disposals of assets and their residual values and is recognized in the consolidated income statement.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (Continued)

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Corporation's general policy on borrowing costs (see below).

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant lease, details as follows:

	2015 Years
Machinery, equipment	5
Motor vehicles	3 - 6

Intangible assets and amortization

Intangible assets represent land use rights, computer software, copyrights, patents, trademarks and other intangible assets that are stated at cost less accumulated amortization. Definite-term land use rights are amortized over their granted time; indefinite-term land use rights are not amortized. Computer software and other intangible assets are amortized using the straight-line method over their estimated useful lives from two (02) years to nine (09) years.

Intangible assets were revaluated when the Corporation was equitized. The cost and accumulated amortization of intangible assets were adjusted based on the revaluation value approved by competent authorities as regulated.

Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other costs and related borrowing costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investments and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.



#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting years. The prepayments of the Corporation comprise expense of gas cylinders put to use, land rentals, office rentals, asset insurance, communication and advertising expense and other prepayments.

Value of gas cylinder put to use are presented as long-term prepayments and allocated to the consolidated income statement over their estimated useful lives (collaterals, deposits for gas cylinders obtained from customers are recorded in the other long-term payables and allocated to income over the term of allocation of value of gas cylinder put to use). Value of gas cylinder are allocated using the straight-line method over the period of maximum ten (10) years.

Land and office rentals represent rentals that have been paid in advance. Prepaid land rentals are charged to the consolidated income statement using the straight-line method over the lease term.

Other types of prepayments comprise costs of small tools, supplies and spare parts issued for consumption and other prepaid expenses which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments, and are allocated to the consolidated income statement using the straight-line method in accordance with the prevailing accounting regulations.

##### Provisions payable

Provision payables are recognized when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the Board of Management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

During the year, as per the guidelines on cost recognition in accordance with Circular No. 200/2014/TT-BTC guiding the application of accounting regime for enterprises issued on 22 December 2014 by the Ministry of Finance, the Board of Management decided to record repair and maintenance expenses in respect of gas constructions based on the cost estimation and completed workload at the end of the fiscal year, instead of accrued provision for maintenance and repair expenses at the rate of 1% of the amount of the gas construction value under Official Letter No. 927TC/TCN dated 15 March 2000 of the Ministry of Finance. The Board of Management believed that this change would reflect the financial performance of the Corporation more accurately. If the provision for maintenance and repair expenses had continued to be made at the rate of 1% of the gas construction value, the cost of sales of the Corporation would have increased by VND 235.9 billion.

##### Revenue recognition

###### Sale of products

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

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Revenue recognition (Continued)

During the year, according to the guidance on revenue recognition in accordance with Circular No. 200/2014/TT-BTC guiding the application of accounting regime for enterprises issued on 22 December 2014 by the Ministry of Finance, the Board of Management recorded the revenue, cost of sales of trading and transportation of Nam Con Son gas and condensate based on the actual volume sold and transported, rather than recorded at the time of issuing VAT invoice according to the guidance in Official Letter No. 5110-TC/TCT issued on 16 May 2003 by the Ministry of Finance.

Accordingly, revenue from trading and transportation of Nam Con Son gas and condensate and corresponding costs incurred in November and December 2015 were recorded in the Corporation's income statement for the financial year ended 31 December 2015 with the amounts of VND 3,500 billion and VND 2,599 billion, respectively. Additionally, revenue from trading and transportation of Nam Con Son gas and condensate and corresponding costs incurred in November and December 2014 were recorded in the Corporation's income statement for the financial year ended 31 December 2015 with the amounts of VND 5,029 billion and VND 4,250 billion, respectively.

###### Sale of services

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:

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

Revenue from office building leasing is recorded in the income statement using the straight-line method over the lease term.

Revenue from construction contracts is recognised in accordance with the Corporation's accounting policy on construction contracts (see below).

###### Financial revenue

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

Dividend income from investments is recognized when the Corporation's right to receive payment has been established.

##### 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

The Corporation applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling 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 consolidated income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

In accordance with Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applies the buying exchange rate of Joint Stock Commercial Bank for Foreign Trade of Vietnam for converting monetary items denominated in foreign currencies as at 31 December 2015. The above exchange rate is different from the exchange rate as regulated in Circular No.200/2014/TT-BTC dated 22 December 2014 issued by Ministry of Finance ("Circular 200") guiding the accounting regime for enterprises. However, according to the Board of Management, this difference does not result in any material effect on the consolidated financial statements for the year ended at 31 December 2015.

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 No.16 "Borrowing costs". 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.

All other borrowing costs are recognized in the income statement when incurred.

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 consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the consolidated 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 recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realized. 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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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 tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is 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.

5. CASH AND CASH EQUIVALENTS

	31/12/2015	31/12/2014
	VND	VND
Cash on hand	13,005,010,500	10,438,916,392
Cash in bank	2,134,424,916,035	4,814,914,652,520
Cash in transit	302,093,100	30,000,000,000
Cash equivalents (i)	15,600,600,385,111	19,224,652,039,032
	17,748,332,404,746	24,080,005,607,944

(i) Cash equivalents represent time deposits of 3 months or less at commercial banks.



6. FINANCIAL INVESTMENTS

	31/12/2015		31/12/2014	
	Cost	Carrying amount	Cost	Carrying amount
	VND	VND	VND	VND
Short-term held-to-maturity investments				
- Term deposits	6,099,320,000,000	6,099,320,000,000	1,340,000,000,000	1,340,000,000,000
- Other held-to-maturity investments	-	-	356,600,283,780	343,875,000,000
	6,099,320,000,000	6,099,320,000,000	1,696,600,283,780	1,683,875,000,000

	31/12/2015			31/12/2014		
	Cost	Amount using equity method	Fair value	Cost	Amount using equity method	Fair value
	VND	VND	VND	VND	VND	VND
Investments in associates						
Gas City Investment and Development Joint Stock Company	48,240,000,000	75,741,527,821	33,500,000,000	48,240,000,000	77,201,169,122	42,880,000,000

	31/12/15			31/12/2014		
	Cost	Provision	Fair value	Cost	Provision	Fair value
	VND	VND	VND	VND	VND	VND
Equity investments in other entities						
Vinabenny Energy Joint Stock Company	50,000,000,000	(50,000,000,000)	-	50,000,000,000	(50,000,000,000)	-
Vietnam Assets Investment and Trading Joint Stock Company	25,000,000,000	(25,000,000,000)	-	25,000,000,000	(25,000,000,000)	-
Vung Ang Petroleum Joint Stock Company	10,000,000,000	-	10,000,000,000	10,000,000,000	-	10,000,000,000
	85,000,000,000	(75,000,000,000)	10,000,000,000	85,000,000,000	(75,000,000,000)	10,000,000,000

In accordance with Circular 200, fair value of investments in associates and other entities as at 31 December 2015 should be disclosed. The Corporation has determined fair value of these investments on the basis of listed prices of shares on stock exchange as at the reporting date and the number of shares held by the Corporation. However, the Corporation has some investments in other entities whose shares have not been listed on stock markets. The fair value of such investment in other entities as at 31 December 2015 was measured at cost less the provision for impairment.

7.

SHORT-TERM TRADE RECEIVABLES

	31/12/2015	31/12/2014
	VND	VND
Vietnam Oil and Gas Group	322,091,491,561	308,460,902,893
Others	2,988,840,214,358	3,918,686,731,443
	3,310,931,705,919	4,227,147,634,336
Receivables from related parties (Details presented in Note 42)	1,032,304,987,112	1,226,312,153,906

8.

SHORT-TERM ADVANCES TO SUPPLIERS

	31/12/2015	31/12/2014
	VND	VND
Posco Engineering Limited Company	393,659,491,963	-
PetroVietnam Technical Services Corporation	263,255,781,897	249,136,054,659
Vietnam Russia Vietsovpetro Joint Venture	45,520,606,145	170,323,225,785
Others	225,458,967,681	212,278,117,596
	927,894,847,686	631,737,398,040
Advances to related parties (details presented in Note 42)	413,367,542,648	510,643,377,351

9. OTHER RECEIVABLES

	31/12/2015	31/12/2014 (Restated)
	VND	VND
<b>a) Short term</b>		
Accrued revenue from gas trading of November and December 2015	3,659,715,842,656	-
Accrued interest income from term deposits	125,622,985,289	100,951,112,102
Receivables relating to disposal of shares of SeAbank	83,638,401,486	-
Contribution capital under joint venture agreement on the construction of Block B - O Mon pipelines system	54,356,678,856	54,190,675,035
Receivables from PetroVietnam Urban Development Joint stock company for construction contract of office for lease in Bac Lieu province	50,000,000,000	50,000,000,000
Short-term deposits and collateral	48,899,893,934	85,406,136,755
Advances	16,365,732,481	13,805,329,919
Phu Long Real Estate JSC	13,843,599,844	13,843,599,844
Accrued revenue from Condensate transportation of November and December 2015	5,333,528,742	-
Other receivables	6,443,902,722	37,893,197,402
	<b>4,064,220,566,010</b>	<b>356,090,051,057</b>
<b>b) Long-term</b>		
Deposits and collateral	22,782,850,117	25,490,795,105
	<b>22,782,850,117</b>	<b>25,490,795,105</b>
<b>Other receivables from related parties (Details presented in Note 42)</b>	<b>980,053,021,177</b>	<b>50,000,000,000</b>

10. BAD DEBTS

	31/12/2015			31/12/2014		
	Cost	Recoverable amount	Past due	Cost	Recoverable amount	Past due
Items	VND	VND		VND	VND	
<b>Doubtful debts</b>	<b>128,349,827,823</b>	<b>35,148,985,452</b>		<b>146,833,698,847</b>	<b>49,819,114,292</b>	
Petroleum Offshore Trading and Services Company Limited	1,369,634,083	74,677,473	Over 3 years	57,581,468,467	28,710,013,726	Over 1 year to 3 years
PetroVietnam Urban Development JSC	50,000,000,000	-	Over 3 years	50,000,000,000	-	Over 3 years
Viet Hai Petroleum Trading One Member Limited	19,012,415,104	3,892,415,104	Over 3 years	19,022,446,935	12,322,446,935	Under 2 years
My Xuan Ceramic and Porcelain Co., Ltd.	11,296,297,196	5,648,148,596	From 1 year to 2 years	-	-	
My Duc Ceramics Limited Company	18,109,391,538	10,761,148,590	From 1 year to 2 years	-	-	
Others	28,562,089,902	14,772,595,689	Over 6 months	20,229,783,445	8,786,653,631	over 6 months

Recoverable amount is measured at cost of trade receivables less provision for doubtful debts which were recorded as at the date of the consolidated financial statements.



11. INVENTORIES

	31/12/2015		31/12/2014	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	4,012,120,392	-	22,880,764,149	-
Raw materials	708,237,695,550	(73,443,639,780)	768,639,033,744	(65,139,011,163)
Tools and supplies	90,654,021,318	-	75,015,052,265	-
Work in progress	13,418,209,797	-	41,186,395,773	-
Finished goods	206,601,776,089	-	250,895,423,892	-
Merchandise	281,333,943,185	(18,749,764,157)	777,489,262,131	(10,504,154,574)
Goods on consignment	133,479,918	-	31,738,363	-
<b>Total</b>	<b>1,304,391,246,249</b>	<b>(92,193,403,937)</b>	<b>1,936,137,670,317</b>	<b>(75,643,165,737)</b>

As at 31 Decmber 2015, the Corporation made a provision for devaluation of inventories for some unsold, damaged, or sub-standard inventories with the amount of VND 92,193,403,937 (as at 31 December 2014: VND 75,643,165,737).

12. PREPAYMENTS

	31/12/2015	31/12/2014 (Restated)
	VND	VND
<b>a. Short-term</b>		
Assets insurance fee	35,549,044,715	22,905,620,845
Operating and depreciation cost of Nam Con Son gas pipelines	-	38,618,483,288
Communication and advertising expense	54,905,770,168	59,389,481,880
Life insurance expense	1,825,250,902	-
Other short-term prepayments	45,731,210,483	38,133,384,600
	<b>138,011,276,268</b>	<b>159,046,970,613</b>
<b>b. Long-term</b>		
Gas cylinder expenses	481,949,841,466	497,701,499,057
Land rental prepayments and land use advantages	161,611,085,921	151,848,657,726
Office rental prepayments	134,700,440,349	83,415,075,963
Other long-term prepayments	104,280,322,693	128,670,367,011
	<b>882,541,690,429</b>	<b>861,635,599,757</b>

13. INCREASE/DECREASE IN TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Motor vehicles, transmission equipment	Office equipment	Other fixed assets	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
<b>As at 01/01/2015</b>	<b>5,732,720,846,077</b>	<b>3,965,765,461,567</b>	<b>674,273,983,425</b>	<b>151,898,120,054</b>		<b>35,015,948,305,693</b>
Transfer from construction in progress	212,408,189,336	529,482,621,329	91,917,306,221	875,000,000	1,614,028,073,640	2,448,711,190,526
Purchases	9,691,675,902	61,833,457,186	2,007,367,818	94,780,458,875	9,948,639,993	178,261,599,774
Transfer from finance assets	-	47,933,998,993	-	-	-	47,933,998,993
Disposals	(7,533,304,784)	-	(3,551,262,715)	(5,518,773,159)	-	(16,603,340,658)
Adjustment as per final accounts	(1,288,247,334)	-	-	-	(2,335,910,110)	(3,624,157,444)
Reclassification	3,764,635,114	298,222,503,888	-	-	(301,987,139,002)	-
Other increase/(decreases)	(3,508,880,374)	3,326,186,580	19,715,000	59,175,629	10,492,913,327	10,389,110,162
<b>As at 31/12/2015</b>	<b>5,946,254,913,937</b>	<b>4,906,564,229,543</b>	<b>764,667,109,749</b>	<b>242,093,981,399</b>	<b>25,821,436,472,418</b>	<b>37,681,016,707,046</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>As at 01/01/2015</b>	<b>1,895,988,456,809</b>	<b>1,601,307,558,761</b>	<b>466,530,696,311</b>	<b>104,775,098,449</b>		<b>20,237,840,463,703</b>
Charge for the year	460,707,802,182	410,466,098,463	63,770,096,296	28,084,930,462	2,002,566,226,223	2,965,595,153,626
Transfer from finance assets	-	47,933,998,993	-	-	-	47,933,998,993
Disposals	(6,044,433,716)	-	(3,551,262,715)	(5,518,773,159)	-	(15,114,469,590)
Reclassification	576,281,727	45,651,218,355	-	-	(46,227,500,082)	-
Other increase/(decreases)	(3,053,978,362)	9,455,451	3,125,123,753	(4,190,569)	-	76,410,273
<b>As at 31/12/2015</b>	<b>2,348,174,128,640</b>	<b>2,105,368,330,023</b>	<b>529,874,653,645</b>	<b>127,337,065,183</b>	<b>18,125,577,379,514</b>	<b>23,236,331,557,005</b>
<b>NET BOOK VALUE</b>						
<b>As at 31/12/2015</b>	<b>3,598,080,785,297</b>	<b>2,801,195,899,520</b>	<b>234,792,456,104</b>	<b>114,756,916,216</b>	<b>7,695,859,092,904</b>	<b>14,444,685,150,041</b>
<b>As at 31/12/2014</b>	<b>3,836,732,389,268</b>	<b>2,364,457,902,806</b>	<b>207,743,287,114</b>	<b>47,123,021,605</b>	<b>8,322,051,241,197</b>	<b>14,778,107,841,990</b>

13. INCREASE/DECREASE IN TANGIBLE FIXED ASSETS (Continued)

From 01 January 2015, the Board of Directors of PetroVietnam Low Pressure Gas Distribution Joint Stock Company has decided to choose the accelerated depreciation method for the distribution system of low pressure gas, by which the useful lives of these assets were changed from 10 years to 05 years. The Board of Directors of the Company believes that the application of accelerated depreciation method more accurately reflects the utilization of the company's assets, recovers capital quickly, boosts technological innovation and meets the needs of production and business of the Company. As the previous useful lives had continued to be used, the depreciation expenses of the year would have decreased by 50,897,292,545 VND. Accordingly, the Corporation's profit before tax in the year would have increased by the corresponding amount.

The cost of the Company's tangible fixed assets includes VND 3,550,141,610,909 (31 December 2014: VND 882,480,901,907) of assets which have been fully depreciated but are still in use.

The cost of the tangible fixed assets as at 31 December 2015 includes some items at cost of VND 1,577,344,993,831 (as at 31 December 2014: VND 1,027,720,002,543) which are temporarily recorded based on the actual expenses collected for depreciation when the items are put to use. The temporarily recorded cost will be adjusted for any differences when the final cost is approved.

The Corporation has pledged its buildings, structures, machinery and equipment which have net book value of VND 319,828,967,979 as at 31 December 2015 (as at 31 December 2014: VND 358,329,538,184), to secure banking facilities granted to the Corporation and its member companies.

In addition, PetroVietnam Coating Joint Stock Company (the subsidiary of the Corporation) pledged all assets formed from the Coating factory project at Phu My I Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province to secure banking facilities.

14. INCREASE/DECREASE IN FINANCE LEASE ASSETS

	Machinery, equipment	Motor vehicles	Total
	VND	VND	VND
<b>COST</b>			
As at 01/01/2015	227,179,017,298	1,521,235,000	228,700,252,298
Increases for the year	22,139,223,350	-	22,139,223,350
Transfer to Tangible Fixed assets	(47,933,998,993)	-	(47,933,998,993)
As at 31/12/2015	201,384,241,655	1,521,235,000	202,905,476,655
<b>ACCUMULATED DEPRECIATION</b>			
As at 01/01/2015	133,234,163,373	1,521,235,000	134,755,398,373
Charge for the year	48,619,094,037	-	48,619,094,037
Transfer to Tangible Fixed assets	(47,933,998,993)	-	(47,933,998,993)
As at 31/12/2015	133,919,258,417	1,521,235,000	135,440,493,417
<b>NET BOOK VALUE</b>			
As at 31/12/2015	67,464,983,238	-	67,464,983,238
As at 31/12/2014	93,944,853,925	-	93,944,853,925

15. INCREASE/DECREASE IN INTANGIBLE ASSETS

	Land use rights	Computer software	Copyright, patents	Trademarks	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
As at 01/01/2015	330,814,401,892	63,343,376,972	1,464,370,376	4,288,007,246	68,800,000	399,978,956,486
Purchases for the year	-	12,174,653,154	-	-	-	12,174,653,154
As at 31/12/2015	330,814,401,892	75,518,030,126	1,464,370,376	4,288,007,246	68,800,000	412,153,609,640
<b>ACCUMULATED AMORTIZATION</b>						
As at 01/01/2015	4,306,230,316	36,115,536,241	729,998,257	-	68,800,000	41,220,564,814
Charge for the year	845,564,309	11,956,394,441	162,707,820	-	-	12,964,666,570
Reclassification	63,376,670	(63,376,670)	-	-	-	-
As at 31/12/2015	5,215,171,295	48,008,554,012	892,706,077	-	68,800,000	54,185,231,384
<b>NET BOOK VALUE</b>						
As at 31/12/2015	325,599,230,597	27,509,476,114	571,664,299	4,288,007,246	-	357,968,378,256
As at 31/12/2014	326,508,171,576	27,227,840,731	734,372,119	4,288,007,246	-	358,758,391,672

16. CONSTRUCTION IN PROGRESS

	31/12/2015	31/12/2014
	VND	VND
Nam Con Son 2 Gas Pipelines System	4,534,331,083,879	2,345,324,265,090
Ca Mau Gas Processing Plant	946,418,998,495	119,625,668,419
Block B - O Mon Gas Pipelines System	460,875,458,487	442,610,163,723
Liquefied Nature Gas Import Warehouse and Port	135,596,161,325	135,596,161,325
Project on gas collection and distribution in Ham Rong and Thai Binh fields	-	327,078,082,575
Low pressure gas distribution system in Tien Hai - Thai Binh Industrial Zone	-	14,446,470,052
Others	520,946,700,052	395,601,569,725
	6,598,168,402,238	3,780,282,380,909

17. DEFERRED TAX ASSETS

	Depreciation expense	Accrued expenses and other provisions	Unearned profit	Unearned revenue	Total
	VND	VND	VND	VND	VND
As at 01/01/2014	-	5,499,218,456	-	-	5,499,218,456
Charged for the year	7,645,625,743	11,063,163,852	11,051,998,595	1,975,731,661	31,736,519,851
As at 01/01/2015	7,645,625,743	16,562,382,308	11,051,998,595	1,975,731,661	37,235,738,307
Charged for the year	(1,235,875,260)	(7,147,962,067)	20,144,664,055	(1,975,731,661)	9,785,095,067
As at 31/12/2015	6,409,750,483	9,414,420,241	31,196,662,650	-	47,020,833,374



18. BUSINESS COOPERATION AGREEMENT

PetroVietnam Gas Joint Stock Corporation, PetroVietnam Engineering Consultancy Corporation - JSC and Phu Long Real Estate Joint Stock Company have jointly entered into a business cooperation agreement to construct and invest in the project "PV GAS Tower" at No. 673 Nguyen Huu Tho Street, Phuoc Kien Commune, Nha Be District, Ho Chi Minh City. Under the agreement, the Corporation is in charge of managing and accounting for the results of operations and then distributing profit after tax to parties based on the capital contribution ratio.

The capital contribution ratio under the agreement is as follows:

PetroVietnam Gas Joint Stock Corporation:	70%
PetroVietnam Engineering Consultancy Corporation - JSC:	20%
Phu Long Real Estate Joint Stock Company:	10%

Financial figures of the agreement presented in the Corporation's consolidated financial statements are as follows:

	2015	2014
	VND	VND
Cost of fixed assets	726,241,790,840	726,241,790,840
Accumulated depreciation of fixed assets	88,122,012,229	68,021,540,593
Net book value of fixed assets	638,119,778,611	658,220,250,247

	2015	2014 (Restated)
	VND	VND
Revenue of business cooperation agreement	55,545,083,015	62,611,549,764
Cost of business cooperation agreement	50,431,583,393	46,560,830,257
Other expenses of business cooperation agreement	822,971,022	(22,889,833,834)
Corporate income tax	943,916,292	8,566,921,735
Net profit after Corporate income tax	3,346,612,308	30,373,631,606
Profit distribution as per the capital contribution ratio:		
- PetroVietnam Gas Joint Stock Corporation	2,352,400,779	21,376,294,559
- PetroVietnam Engineering Consultancy Corporation - JSC	600,978,423	5,522,227,731
- Phu Long Real Estate Joint Stock Company	393,233,106	3,475,109,316

19. GOODWILL

	2015	2014
	VND	VND
Opening balance	479,511,590,176	531,262,467,013
Movement due to acquisition/disposal of investments	(5,045,072,663)	29,426,799,948
Allocation to expenses for the year	(81,022,612,583)	(81,177,676,785)
Closing balance	393,443,904,930	479,511,590,176

20. SHORT-TERM TRADE PAYABLES

	31/12/2015		31/12/2014	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND	VND	VND	VND
Binh Son Refining and Petrochemical Co., Ltd.	431,640,534,777	431,640,534,777	506,428,395,404	506,428,395,404
Vietnam Oil and Gas Group	268,570,470,013	268,570,470,013	21,120,828,099	21,120,828,099
Astomos Energy Corporation	252,881,638,200	252,881,638,200	424,462,994,913	424,462,994,913
Shell International Eastern Trading Company	241,648,322,046	241,648,322,046	966,237,885	966,237,885
Others	678,690,020,882	678,690,020,882	829,305,668,950	829,305,668,950
	1,873,430,985,918	1,873,430,985,918	1,782,284,125,251	1,782,284,125,251
Trade payables to related parties (details presented in Note 42)	1,046,819,807,829		631,079,503,766	

21. TAXES AND AMOUNTS RECEIVABLE FROM/ PAYABLE TO THE STATE BUDGET

	Movement in the year			
Items	31/12/2014	Amount payable	Amount paid	31/12/2015
	VND	VND	VND	VND
Value added tax	272,721,638,926	1,661,611,673,955	1,886,532,973,424	47,800,339,457
Special consumption tax	3,148,658,367	33,379,509,410	33,159,774,326	3,368,393,451
Import, export duties	(28,711,297,129)	221,669,257,789	252,476,715,113	(59,518,754,453)
Corporate income tax	1,262,381,301,305	2,371,251,162,846	3,330,895,941,032	302,736,523,119
Land and housing tax, land rental	(196,730,285)	15,096,379,520	14,899,649,235	-
Personal income tax	21,490,592,798	77,660,263,039	87,943,933,582	11,206,922,255
Business license tax	1,000,000	663,148,959	663,148,959	1,000,000
Foreign contractor withholding tax	1,162,176,998	31,098,956,101	32,116,495,721	144,637,378
Other taxes, fees and charges	525,505,306	11,031,327,050	11,361,175,131	195,657,225
Total	1,532,522,846,286	4,423,461,678,669	5,650,049,806,523	305,934,718,432

In which:

Tax and other receivables from the State budget	39,275,957,465	73,794,227,949
Tax and other payables to the State budget	1,571,798,803,751	379,728,946,381

Tax and other receivables from the State budget

	31/12/2015	31/12/2014
	VND	VND
Value added tax	4,468,561,278	8,051,807,778
Import, export duties	59,518,754,453	28,711,297,129
Corporate income tax	9,477,936,375	2,181,306,973
Personal income tax	321,417,472	131,703,100
Others	7,558,371	199,842,485
	73,794,227,949	39,275,957,465

21. TAXES AND AMOUNTS RECEIVABLE FROM/ PAYABLE TO THE STATE BUDGET (CONTINUED)

Tax and other payables to the State budget

	31/12/2015	31/12/2014
	VND	VND
Value added tax	52,268,900,735	280,773,446,704
Corporate income tax	312,214,459,495	1,264,562,608,279
Special consumption tax	3,368,393,451	3,148,658,367
Personal income tax	11,528,339,727	21,622,295,898
Others	348,852,973	1,691,794,503
	<b>379,728,946,381</b>	<b>1,571,798,803,751</b>

22. SHORT-TERM ACCRUED EXPENSES

	31/12/2015	31/12/2014 (Restated)
	VND	VND
Accruals for gas purchase and processing expense	3,585,967,832,358	942,080,835,932
Accrued expenses for Low pressure gas distribution system in Tien Hai - Thai Binh Industrial Zone	161,604,042,303	-
Expenses for Nam Con Son Project's operator	46,556,246,119	13,114,873,205
Accruals for operating Rong Doi Moi and Vom Bac Bach Ho fields	28,346,328,592	15,449,452,898
Interest expense	28,220,505,920	36,010,229,211
Accruals for construction in progress	2,460,568,067	110,180,281,549
Accruals for compression platform services outsourced to VSP	-	11,328,509,402
Others	97,093,439,713	56,344,815,976
	<b>3,950,248,963,072</b>	<b>1,184,508,998,173</b>
<b>Accrued expenses to related parties (details presented in Note 42)</b>	<b>944,745,923,253</b>	<b>876,225,202,963</b>

23. OTHER PAYABLES

	31/12/2015	31/12/2014
	VND	VND
<b>a) Short-term</b>		
PetroVietnam Engineering Consultancy Corporation - JSC (i)	179,762,707,008	179,161,728,584
Revenue adjustments relating to Nam Con Son gas transportation	133,503,130,233	-
Vietnam Oil and Gas Group (ii)	111,678,389,356	69,542,789,265
Phu Long Real Estate Joint Stock Company (i)	93,001,156,250	92,607,923,143
Sales discount	15,606,142,170	-
Dividends payables	621,827,611	2,299,782,843,111
Vietnam Russia Vietsovpetro Joint Venture	-	5,503,921,395
Others	136,301,289,070	92,274,427,026
	<b>670,474,641,698</b>	<b>2,738,873,632,524</b>

23. OTHER PAYABLES (Continued)

	31/12/2015	31/12/2014
	VND	VND
<b>b) Long-term</b>		
Deposits and collateral received for gas cylinders	183,668,036,347	191,972,824,589
Others	10,451,734,417	2,690,608,885
	<b>194,119,770,764</b>	<b>194,663,433,474</b>
<b>Other payables to related parties (details presented in Note 42)</b>	<b>299,033,363,436</b>	<b>2,555,401,404,921</b>

- (i) This amount represents the contributed capital and distributed profits of PetroVietnam Engineering Consultancy Corporation - JSC and Phu Long Real Estate Joint Stock Company to construct and invest in the project "PV GAS Tower" as stated in Note 18.
- (ii) The balance of payables to Vietnam Oil and Gas Group as at 31 December 2015 represents the management fee payable in accordance with Services contract between Vietnam Oil and Gas Group and the Corporation. Accordingly, the Corporation has to pay Vietnam Oil and Gas Group an annual management fee at the rate ranging from 0.05% to 0.5%, depending on each type of sales.

24. PROVISIONS

	31/12/2015	31/12/2014 (Restated)
	VND	VND
<b>Short-term</b>		
Provisions for works warranty	44,545,513,837	46,738,023,905
Accruals for gas construction repair and maintenance	-	51,976,730,257
Others	9,080,916,000	380,268,000
	<b>53,626,429,837</b>	<b>99,095,022,162</b>
<b>Long-term</b>		
Provisions for work warranty	48,658,881,517	60,130,275,754
Accruals for gas construction repair and maintenance	-	273,859,067,452
Others	379,448,228	399,083,255
	<b>49,038,329,745</b>	<b>334,388,426,461</b>

Provision for works warranty as at 31 December 2015 mainly represents provision for warranty expense for projects completed by PV Coating (a subsidiary of the Corporation) of which the value has been settled with the project owners within the warranty period of 36 months. The rate of the provision is from 3% to 5% of the value of each project.



25. LOANS AND OBLIGATIONS UNDER FINANCE LEASES

Items	31/12/2014		Movement in the year		31/12/2015	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Long-term loans	6,952,054,294,972	6,952,054,294,972	1,246,973,701,703	2,827,894,581,462	5,371,133,415,213	5,371,133,415,213
Long-term obligations under finance leases	76,166,231,077	76,166,231,077	1,531,000,000	38,634,958,934	39,062,272,143	39,062,272,143
Short-term loans	546,627,673,385	546,627,673,385	3,021,756,274,817	2,885,113,664,717	683,270,283,485	683,270,283,485
<b>Total</b>	<b>7,574,848,199,434</b>	<b>7,574,848,199,434</b>	<b>4,270,260,976,520</b>	<b>5,751,643,205,113</b>	<b>6,093,465,970,841</b>	<b>6,093,465,970,841</b>
<i>In which:</i>						
Amount due for settlement within 12 months	2,443,227,901,530				1,589,777,540,020	
Amount due for settlement after 12 months	5,131,620,297,904				4,503,688,430,821	

25. LOANS AND OBLIGATIONS UNDER FINANCE LEASES (CONTINUED)

Long-term loans and obligations under finance leases of the Corporation are disbursed in Vietnam Dong and United States Dollar to construct and purchase fixed assets of the Corporation. Details of loans in disbursement currency are as follows:

	31/12/2015	31/12/2014
	VND	VND
Loans in USD	3,293,309,145,781	4,085,693,537,327
Loans in VND	2,116,886,541,575	2,942,526,988,722
	<b>5,410,195,687,356</b>	<b>7,028,220,526,049</b>

Long-term loans of the Corporation are guaranteed under the following methods:

	31/12/2015	31/12/2014
	VND	VND
Unsecured	5,190,748,048,650	6,673,831,486,908
Assets of the Corporation	180,385,366,563	278,222,808,064
Finance lease	39,062,272,143	76,166,231,077
	<b>5,410,195,687,356</b>	<b>7,028,220,526,049</b>

The Corporation's long-term loans and obligations under finance leases bear both fixed and floating interest rates under signed agreements. Interest rates for the year were from 4.5% to 11.5% per annum for VND loans, from 0.75% to 6.8% per annum for USD loans. Below are loans classified by type of interest rate:

	31/12/2015	31/12/2014
	VND	VND
Fixed interest rate	-	42,000,000,000
Floating interest rate	5,410,195,687,356	6,986,220,526,049
	<b>5,410,195,687,356</b>	<b>7,028,220,526,049</b>

Long-term loans and obligations under finance lease are repayable as follows:

	31/12/2015	31/12/2014
	VND	VND
On demand or within one year	906,507,256,535	1,896,600,228,145
In the second year	1,245,231,294,586	981,662,745,876
In the third to the fifth year inclusive	2,967,814,979,715	3,645,888,753,482
After five years	290,642,156,520	504,068,798,546
	<b>5,410,195,687,356</b>	<b>7,028,220,526,049</b>
Less: Amount due for settlement within 12 months (shown under short-term liabilities)	906,507,256,535	1,896,600,228,145
<b>Amount due for settlement after 12 months</b>	<b>4,503,688,430,821</b>	<b>5,131,620,297,904</b>

26. DEFERRED TAX LIABILITIES

	Provision for impairment of investments in subsidiaries
	VND
<b>As at 01/01/2015</b>	-
Adjusted retroactively for 2014	46,669,749,673
Charge for the year	(1,745,445,747)
<b>As at 31/12/2015</b>	<b>44,924,303,926</b>

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

## 27. OWNER'S EQUITY

	Owner's contributed capital VND	Share premium VND	Other owner's capital VND	Treasury shares VND	Investment and development fund VND	Financial reserve fund VND	Other reserves VND	Retained earnings VND	Non-controlling interests	Total VND
As at 01/01/2014	18,950,000,000,000	1,216,727,266	33,010,841,083	-	8,519,430,938,822	2,683,834,433,528	134,944,997,553	3,035,598,071,141	1,675,288,127,440	35,033,324,136,833
Profit for the year	-	-	-	-	-	-	-	14,113,678,170,890	247,147,012,741	14,360,825,183,631
Fund allocation	-	-	-	-	749,416,958,570	1,380,255,747,296	-	(2,129,672,705,866)	-	-
Addition to owners' equity	-	-	27,780,143,498	-	(27,780,143,498)	-	-	-	57,557,035,800	57,557,035,800
Adjustment per Resolution of 2014 Annual General Meeting of Shareholders	-	-	-	-	(1,612,672,193,928)	-	-	1,612,672,193,928	-	-
Bonus and welfare funds	-	-	-	-	-	-	-	(44,867,623,157)	(44,867,623,157)	(522,602,437,324)
Dividends declared	-	-	-	-	-	-	-	(10,422,500,000,000)	(167,613,527,477)	(10,590,113,527,477)
Divestments in subsidiaries	-	-	-	-	-	-	-	-	(53,226,612,203)	(53,226,612,203)
Settlement of the gas volume delivered over the committed volume	-	-	-	-	-	-	-	(582,827,540,832)	-	(582,827,540,832)
Others	-	-	(1,341,156,597)	-	72,480,251	(916,572,251)	-	(5,061,647,694)	(163,407,811,536)	(23,587,677,827)
As at 31/12/2014	18,950,000,000,000	1,216,727,266	59,449,827,984	-	7,628,468,040,217	4,063,173,608,573	134,944,997,553	5,144,151,727,400	1,697,943,631,608	37,679,348,560,601
Reclassification in compliance with Circular 200/2014/TT-BTC	-	-	-	-	4,063,173,608,573	(4,063,173,608,573)	-	-	-	-
As at 01/01/2015	18,950,000,000,000	1,216,727,266	59,449,827,984	-	11,691,641,648,790	-	134,944,997,553	5,144,151,727,400	1,697,943,631,608	37,679,348,560,601
Addition to owner's equity	-	-	193,810,866,250	-	(193,810,866,250)	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	8,533,695,412,604	298,430,505,873	8,832,125,918,477
Fund allocation	-	-	1,066,363,214	-	19,589,116,766	-	-	(20,655,479,980)	-	-
Bonus and welfare funds	-	-	-	-	-	-	-	(203,035,021,943)	(46,522,285,221)	(249,557,307,164)
Dividends declared	-	-	-	-	-	-	-	(3,220,476,719,000)	(213,362,168,844)	(3,433,838,887,844)
Treasury shares (i)	-	-	-	(40,111,223,937)	-	-	-	-	(7,808,122)	(40,119,032,059)
Divestments in PVC Coating	-	-	-	-	(3,978,195,925)	-	-	66,650,637,304	93,564,426,656	156,236,868,035
Adjusted retroactively for 2014	-	-	-	-	-	-	-	(46,669,749,673)	-	(46,669,749,673)
Others	-	(795,000,000)	(2,434,579,319)	-	976,072	-	68,113	(2,607,484,625)	(2,627,468,511)	(8,463,488,270)
As at 31/12/2015	18,950,000,000,000	421,727,266	251,892,478,129	(40,111,223,937)	11,513,442,679,453	-	134,945,065,666	10,251,053,322,087	1,827,418,833,439	42,889,062,882,103

## 27. OWNER'S EQUITY (Continued)

- (i) Pursuant to Resolution No. 01/NQ-KVN dated 08 January 2015, the Corporation repurchased treasury shares in the 1<sup>st</sup> Quarter of 2015 with a quantity of 601,930 shares and at the average price of VND 66,637.69 per share.

Details of owner's contributed capital are as follows:

Shareholders	Based on the 15 <sup>th</sup> amended Business Registration Certificate		Contribution as at 31/12/2015	Contribution as at 31/12/2014
	VND	%	VND	VND
Vietnam Oil and Gas Group	18,328,359,000,000	96.72%	18,328,359,000,000	18,328,359,000,000
Other shareholders	621,641,000,000	3.28%	621,641,000,000	621,641,000,000
	18,950,000,000,000	100%	18,950,000,000,000	18,950,000,000,000

The number of the Corporation's shares registered and issued to the public as at 31 December 2015 was 1,895,000,000. All of the shares are common shares with par value of VND 10,000 per share.

Shares	31/12/15	31/12/2014
- Number of shares issued to the public	1,895,000,000	1,895,000,000
+ Common shares	1,895,000,000	1,895,000,000
- Number of treasury shares	601,930	-
+ Common shares	601,930	-
- Number of outstanding shares in circulation	1,894,398,070	1,895,000,000
+ Common shares	1,894,398,070	1,895,000,000

### Dividends:

Under Resolution No. 59/NQ-DHDCD dated 17 April 2015 at 2015 Annual General Meeting of Shareholders, the Holding Company - the Corporation declared and made the third payment of dividends from the 2014 profit after tax with the amount of VND 1,326,078,649,000 (equivalent to VND 700 per share).

Under Resolution No. 94/NQ-KVN dated 15 September 2015 of the Board of Directors, the Corporation declared and made the first payment of dividends from 2015 profit after tax with the amount of VND 1,894,398,070,000 (equivalent to VND 1,000 per share).

## 28. OFF-BALANCE SHEET ITEMS

	31/12/2015	31/12/2014
1. Goods held under trust (VND)	7,911,540,200	9,688,536,429
2. Foreign currencies		
USD	10,851,869.30	10,454,551.24
EUR	1,448.01	1,456.42



## 29. REPORTING SEGMENTS

### Geographical segments

The Corporation has no operating activities outside the territory of Vietnam, thus the Corporation has no geographical segments outside the territory of Vietnam.

### Business segments

For management purposes, the Corporation's business is currently organised to fields based on relatively distinctive operations of subsidiaries.

The Corporation's business by fields is divided into the following segments:

- Gas and gaseous products business activities (including the Holding Company, PV GAS South, PV GAS North and PV GAS D);

- Gas and gaseous products auxiliary activities: steel pipe and cylinder productions and installation, repair of gas facilities (including PV Pipe and PV Coating).

The information about business segments is as follows:

#### Consolidated balance sheet as at 31 December 2015

	Gas and gaseous products business activities	Gas and gaseous products auxiliary activities	Eliminated	Total
Assets	VND	VND	VND	VND
Cash and cash equivalents	17,653,720,587,559	94,611,817,187	-	17,748,332,404,746
Short-term financial investments	6,099,320,000,000	-	-	6,099,320,000,000
Short-term receivables	9,744,272,925,856	396,466,145,339	(1,930,892,793,951)	8,209,846,277,244
Inventories	1,049,212,187,678	162,985,654,634	-	1,212,197,842,312
Other short-term assets	532,310,433,256	12,781,609,286	-	545,092,042,542
Long-term receivables	24,192,706,552	-	(1,409,856,435)	22,782,850,117
Fixed assets	12,905,800,061,158	1,964,318,450,377	-	14,870,118,511,535
Long-term assets in progress	6,879,911,050,071	6,217,088,616	(287,959,736,449)	6,598,168,402,238
Long-term financial investments	3,022,747,367,641	-	(2,937,005,839,820)	85,741,527,821
Other long-term assets	846,631,516,442	51,734,344,711	31,196,662,650	929,562,523,803
Goodwill	18,496,554,237	-	374,947,350,693	393,443,904,930
<b>Total consolidated assets</b>	<b>58,776,615,390,450</b>	<b>2,689,115,110,150</b>	<b>(4,751,124,213,312)</b>	<b>56,714,606,287,288</b>
Liabilities				
Current liabilities	10,177,258,489,223	484,351,387,570	(1,659,193,351,413)	9,002,416,525,380
Long-term liabilities	4,725,442,421,597	54,285,581,517	43,398,876,691	4,823,126,879,805
<b>Total consolidated liabilities</b>	<b>14,902,700,910,820</b>	<b>538,636,969,087</b>	<b>(1,615,794,474,722)</b>	<b>13,825,543,405,185</b>

## 29. REPORTING SEGMENTS (Continued)

#### Consolidated balance sheet as at 31 December 2014 (Restated)

	Gas and gaseous products business activities	Gas and gaseous products auxiliary activities	Eliminated	Total
Assets	VND	VND	VND	VND
Cash and cash equivalents	23,771,988,277,949	308,017,329,995	-	24,080,005,607,944
Short-term financial investments	1,683,875,000,000	-	-	1,683,875,000,000
Short-term receivables	8,505,694,282,596	456,015,707,880	(3,843,563,145,166)	5,118,146,845,310
Inventories	1,376,649,397,891	634,826,906,201	(150,981,799,512)	1,860,494,504,580
Other short-term assets	541,088,131,521	7,656,510,048	(2,027,612,261)	546,717,029,308
Long-term receivables	26,588,651,540	312,000,000	(1,409,856,435)	25,490,795,105
Fixed assets	13,162,090,408,126	2,121,924,848,674	(53,204,169,213)	15,230,811,087,587
Long-term assets in progress	4,054,242,477,459	19,695,470,773	(293,655,567,323)	3,780,282,380,909
Long-term financial investments	3,071,750,993,947	-	(2,984,549,824,825)	87,201,169,122
Other long-term assets	781,190,819,698	106,628,519,771	11,051,998,595	898,871,338,064
Goodwill	29,555,598,846	-	449,955,991,330	479,511,590,176
<b>Total consolidated assets</b>	<b>57,004,714,039,573</b>	<b>3,655,077,293,342</b>	<b>(6,868,383,984,810)</b>	<b>53,791,407,348,105</b>
Liabilities				
Current liabilities	13,115,310,258,521	1,202,681,959,454	(3,897,961,632,859)	10,420,030,585,116
Long-term liabilities	5,364,997,866,299	375,293,787,229	(48,263,451,140)	5,692,028,202,388
<b>Total consolidated liabilities</b>	<b>18,480,308,124,820</b>	<b>1,577,975,746,683</b>	<b>(3,946,225,083,999)</b>	<b>16,112,058,787,504</b>

#### Consolidated operating results for the year ended 31 December 2015

	Gas and gaseous products business activities	Gas and gaseous products auxiliary activities	Eliminated	Total
	VND	VND	VND	VND
<b>Gross sales</b>				
Net sales	71,102,448,681,187	1,615,306,096,567	(8,417,550,739,469)	64,300,204,038,285
Internal sales	7,023,326,546,450	1,394,224,193,019	(8,417,550,739,469)	-
<b>Total sales</b>	<b>64,079,122,134,737</b>	<b>221,081,903,548</b>	<b>-</b>	<b>64,300,204,038,285</b>
<b>Operating expenses</b>	<b>60,419,358,169,863</b>	<b>1,349,516,654,461</b>	<b>(8,133,456,460,006)</b>	<b>53,635,418,364,318</b>
- Cost of sales	57,746,352,532,847	1,292,080,853,042	(8,134,824,568,060)	50,903,608,817,829
- Selling expenses	1,787,746,459,514	1,992,478,333	(60,721,470,600)	1,729,017,467,247
- General and administration expenses	885,259,177,502	55,443,323,086	62,089,578,654	1,002,792,079,242
<b>Operating profit</b>	<b>10,683,090,511,324</b>	<b>265,789,442,106</b>	<b>(284,094,279,463)</b>	<b>10,664,785,673,967</b>
Share of associates' net profit				1,981,123,472
Financial income				1,096,546,341,436
Financial expenses				644,194,031,699
Profit from other activities				79,515,473,031
<b>Accounting profit before tax</b>				<b>11,198,634,580,207</b>
Current corporate income tax expense				2,378,039,202,544
Deferred corporate tax income				(11,530,540,814)
<b>Net profit after corporate income tax</b>				<b>8,832,125,918,477</b>

29. REPORTING SEGMENTS (Continued)

Consolidated operating results for the financial year ended 31 December 2014 (Restated)

	Gas and gaseous products business activities	Gas and gaseous products auxiliary activities	Eliminated	Total
Gross sales	VND	VND	VND	VND
Net sales	83,569,040,717,551	2,257,375,151,377	(12,451,269,664,509)	73,375,146,204,419
Internal sales	12,417,684,212,001	33,585,452,508	(12,451,269,664,509)	-
<b>Total sales</b>	<b>71,151,356,505,550</b>	<b>2,223,789,698,869</b>	<b>-</b>	<b>73,375,146,204,419</b>
<b>Operating expenses</b>	<b>66,268,234,849,212</b>	<b>1,789,672,065,601</b>	<b>(12,023,740,388,341)</b>	<b>56,034,166,526,472</b>
- Cost of sales	63,570,961,868,053	1,693,765,736,778	(12,033,070,210,269)	53,231,657,394,562
- Selling expenses	1,472,313,915,770	-	(60,010,850,004)	1,412,303,065,766
- General and administration expenses	1,224,959,065,389	95,906,328,823	69,340,671,932	1,390,206,066,144
<b>Operating profit</b>	<b>17,300,805,868,339</b>	<b>467,703,085,776</b>	<b>(427,529,276,168)</b>	<b>17,340,979,677,947</b>
Share of associates' net profit				3,497,901,222
Financial income				1,168,755,042,079
Financial expenses				521,986,522,712
(Loss) from other activities				(11,915,215,365)
<b>Accounting profit before tax</b>				<b>17,979,330,883,171</b>
Current corporate income tax expense				3,650,242,219,392
Deferred corporate tax income				(31,736,519,851)
<b>Net profit after corporate income tax</b>				<b>14,360,825,183,630</b>

30. REVENUE

	2015	2014 (Restated)
	VND	VND
<b>Gross sales</b>	<b>64,509,114,172,646</b>	<b>73,548,625,920,930</b>
Sales of dry gas	38,974,388,343,844	40,714,934,926,267
Sales of LPG	20,071,448,777,011	26,497,355,945,204
Gas transportation revenue	4,317,038,685,365	3,987,363,173,048
Sale of condensate	331,978,230,787	816,110,388,447
Sale from leasing PV GAS Tower	31,246,443,429	36,614,102,289
Others	783,013,692,210	1,496,247,385,675
<b>Deductions</b>	<b>208,910,134,361</b>	<b>173,479,716,511</b>
Sales discount	208,910,134,361	173,479,716,511
<b>Net sales</b>	<b>64,300,204,038,285</b>	<b>73,375,146,204,419</b>
<b>Sales from related parties (Details presented in Note 42)</b>	<b>15,194,472,331,486</b>	<b>16,036,987,406,044</b>

31. COST OF SALES

	2015	2014 (Restated)
	VND	VND
Cost of dry gas sold	30,846,927,650,051	26,791,720,753,055
Cost of LPG sold	17,662,258,665,626	23,259,188,817,629
Cost of gas transportation	1,507,321,685,420	1,479,478,096,442
Cost of condensate sold	242,830,349,998	421,802,653,676
Cost of leasing PV GAS Tower	35,525,623,533	33,339,090,320
Others	608,744,843,201	1,246,127,983,440
	<b>50,903,608,817,829</b>	<b>53,231,657,394,562</b>

32. FINANCIAL INCOME

	2015	2014 (Restated)
	VND	VND
Deposit and loan interest	1,059,477,688,242	1,098,105,324,764
Realized foreign exchange gain	37,062,408,041	51,283,251,124
Profit and dividends received	-	19,038,254,754
Other financial income	6,245,153	328,211,437
	<b>1,096,546,341,436</b>	<b>1,168,755,042,079</b>

33. FINANCIAL EXPENSES

	2015	2014 (Restated)
	VND	VND
Interest expense	192,515,313,041	365,715,353,306
Realized foreign exchange loss	42,807,717,374	71,388,656,303
Unrealized foreign exchange loss	149,040,082,301	45,706,182,097
Loss from disposal of investments	220,731,737,067	-
Provision for impairment of long-term investments	-	12,725,283,780
Foreign exchange loss during construction period	38,286,628,382	19,143,314,194
Other financial expenses	812,553,534	7,307,733,032
	<b>644,194,031,699</b>	<b>521,986,522,712</b>



34. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	2015	2014 (Restated)
	VND	VND
<b>Selling expenses incurred in the year</b>		
Transportation expenses	435,412,242,685	303,150,876,000
Depreciation expenses	308,396,016,201	150,537,340,374
Selling staffs expenses	272,776,614,145	151,822,181,610
Expenses for promotion and advertisement	121,754,835,771	51,735,882,425
Others	590,677,758,445	755,056,785,357
	<b>1,729,017,467,247</b>	<b>1,412,303,065,766</b>
<b>General and administration expenses incurred in the year</b>		
Management fee payable to Vietnam Oil and Gas Group	214,871,026,530	241,805,704,574
Cost of social securities	102,194,778,000	98,138,236,771
Administration staffs expenses	104,522,112,118	60,705,780,619
Goodwill	81,022,612,583	81,177,676,785
Allocation of Business Advantage owing to Equitization	-	341,217,322,506
Others	500,181,550,011	567,161,344,889
	<b>1,002,792,079,242</b>	<b>1,390,206,066,144</b>

35. OTHER INCOME

	2015	2014 (Restated)
	VND	VND
Income from disposal of assets	667,843,109	-
Insurance compensation for PM3 Gas Pipelines	33,604,714,621	-
Income from liquidation of Dai Hung Gas Collection Project	38,832,112,356	-
Reversal of provision for expired-warranty product	40,076,151,262	
Others	27,022,922,108	36,111,303,368
	<b>140,203,743,456</b>	<b>36,111,303,368</b>

36. OTHER EXPENSES

	2015	2014 (Restated)
	VND	VND
Expense for liquidation of Dai Hung Gas Collection project	38,832,085,355	2,317,644,252
Others	21,856,185,070	45,708,874,481
	<b>60,688,270,425</b>	<b>48,026,518,733</b>

37. CORPORATE INCOME TAX

	2015	2014 (Restated)
	VND	VND
Profit before tax	11,198,634,580,207	17,979,330,883,171
<b>Current corporate income tax expenses</b>	<b>2,378,039,202,544</b>	<b>3,650,242,219,392</b>
<i>In which:</i>		
PetroVietnam Gas Joint Stock Corporation	2,200,332,046,441	3,479,585,353,081
PetroVietnam Southern Gas Joint Stock Company	60,303,689,565	67,507,327,467
PetroVietnam Northern Gas Joint Stock Company	4,162,388,421	3,679,383,916
PetroVietnam Low Pressure Gas Distribution Joint Stock Company	70,033,783,000	48,315,161,882
PetroVietnam Coating Joint Stock Company	43,207,295,117	51,154,993,046

The Corporation and its subsidiaries are obligated to pay corporate income tax at the rate of 22% of its assessable income. The Corporation and its subsidiaries are entitled to significant tax incentives as follows:

(i) Corporate income tax incentives for the Holding Company - the Corporation:

The Holding Company - The Corporation is entitled to corporate income tax incentive at the rate of 20% for Phu My Gas Distribution Station Project under Investment Incentive Certificate No. 8898-BKH/DN dated 31 December 2001; Nam Con Son Condensate Transportation Project under Investment Incentive Certificate No. 3399-BKH/DN dated 28 May 2002 and Nam Con Son Pipeline Project under Investment Incentive Certificate No. 6011-BKH/DN dated 18 September 2002 issued by the Ministry of Planning and Investment.

The Holding Company - The Corporation is entitled to corporate income tax exemption for three years from the first year the Corporation has taxable income and a tax rate of 7.5% for the subsequent 7 years and 15% for the 2 years thereafter with respect to Thi Vai LPG Filling Station Project under Investment Incentive Certificate No. 49221000055 dated 10 August 2007. PetroVietnam Gas Corporation - One Member Company Limited (equitized entity) had registered to apply this incentive since 2010 and the Corporation inherited such incentive.

The Holding Company - The Corporation is entitled to a corporate income tax exemption for three years as from the first year having taxable income and to a tax rate of 7.5% for the subsequent 7 years and a rate of 15% for the 2 years thereafter with respect to low pressure gas distribution system - phase 2 under Investment Incentive Certificate No. 49221000047 dated 02 July 2007. PetroVietnam Gas Corporation - One Member Company Limited had registered to apply this incentive since 2010 and the Corporation inherited such incentive.

(ii) Corporate income tax incentives for PV GAS South, a subsidiary:

CNG Vietnam Joint Stock Company, a subsidiary of PV GAS South, is annually entitled to corporate income tax rate of 20% of taxable income within 10 years from the operation commencement and normal tax rate of 25% (from 2014: 20% according to Decree No. 218/2013/ND-CP dated 26 December 2013) for the following years. Besides, CNG Vietnam Joint Stock Company is entitled to a corporate income tax exemption for two years from the first profit-making year (from 2009) and a reduction of 50% in the six years thereafter (from 2011). For the capacity that exceeds the capacity stated in the current business registration, CNG Vietnam Joint Stock Company is obliged to pay corporate income tax under the normal tax rate.

### 37. CORPORATE INCOME TAX (COUNTINUED)

#### (iii) Corporate income tax incentives for PV Pipe, a subsidiary:

As per Investment Certificate No. 53101000116 dated 21 October 2010 of People's Committee of Tien Giang province, PV Pipe is entitled to incentives for investment projects in geographical areas with difficult socio-economic conditions (Go Cong district, Tien Giang province). PV Pipe is entitled to incentives regarding corporate income tax and period of corporate income tax exemption under Decree No. 124/2008/ND-CP dated 11 December 2008 of the Government specifying and guiding the implementation of some articles of Law on Corporate income tax, i.e. preferential tax rate of 20% applied during 10 consecutive years from the first year PV Pipe generates revenue from business activities that are entitled to tax incentives and tax exemption for 2 years, reduction of 50% in the 4 years thereafter. Exemption and reduction periods shall be continuous from the first year that PV Pipe has taxable income from investment project. In case that PV Pipe has no taxable income in the first 3 years from the year in which PV Pipe has revenue from the project, exemption and reduction periods are determined from the fourth year.

### 38. BASIC EARNINGS PER SHARE

	2015	2014 (Restated)
	VND	VND
Net profit after tax of equity holders of the Holding Company	8,533,695,412,604	14,113,678,170,889
Bonus and welfare fund under the Resolution of General Meeting of shareholders	197,030,097,272	294,413,029,036
Finanlized amount of excessive gas transferred to Vietnam Oil and Gas Group	-	582,827,540,832
<b>Profit to calculate basic earnings per share</b>	<b>8,336,665,315,332</b>	<b>13,236,437,601,021</b>
Weighted average number of ordinary shares in circulation for the period	1,894,544,767	1,895,000,000
<b>Basic earnings per share</b>	<b>4,400</b>	<b>6,985</b>

As per guidance in Circular 200, Bonus and welfare funds appropriated from profit after tax should be eliminated from profit after tax when calculating basic earnings per share. Hence, basic earnings per share for the year ended 31 December 2014 was as VND 6,985 VND per share (which was VND 7,140 per share as presented in the consolidated financial statements for the year ended 31 December 2014).

### 39. PRODUCTION COST BY NATURE

	2015	2014 (Restated)
	VND	VND
Raw materials and consumables	5,609,958,313,533	6,357,731,532,675
Expenses on gas purchase from field owners	25,479,196,460,357	21,138,087,027,545
Labour cost	1,070,979,363,468	887,381,515,719
Depreciation and amortization	3,108,201,526,816	3,466,010,979,635
Out-sourced services	2,923,793,021,964	2,909,660,356,101
Other expenses	1,039,090,125,353	1,466,882,908,605
	<b>39,231,218,811,491</b>	<b>36,225,754,320,280</b>

### 40. COMMITMENTS

#### i) Capital commitments

As at 31 December 2015, the Corporation had the following capital commitments relating to some significant construction contracts which are being performed but have not been completed:

	2015	2014 (Restated)
	VND	VND
LNG Warehouse with a capacity of 1 million ton per annum in Thi Vai	5,438,838,938,479	5,175,713,543,600
Ca Mau Gas Processing Plant	9,917,447,008,595	10,430,564,543,207
LNG Son My Import Warehouse and Port	33,182,844,683,587	31,594,192,545,801
Nam Con Son 2 Gas Pipelines System	3,435,414,728,298	5,445,186,581,595
Blocks 102 and 106 - Project on gas collection and distribution in Ham Rong and Thai Binh fields	-	338,060,131,198
Gas collection system expansion project in Mo Rong field - phase 1	-	420,023,419,160
Low pressure gas distribution system project for Tien Hai industrial parks Thai Binh province	-	194,560,994,093
Low pressure gas distribution system project for Northern industrial parks	-	394,560,994,093
Da Nang General Warehose Project	-	81,054,249,336
Others	27,248,042,187	61,061,250,127
	<b>52,001,793,401,146</b>	<b>54,134,978,252,209</b>

#### (ii) Other commitments

The commitments relating to gas sales and transportation include:

##### Purchasing commitments:

Purchasing commitments	Committed volume	Committed period
Purchasing commitment from gas owners of Block 06.1	A minimum gas volume of 2.7 billion m <sup>3</sup> per annum	Until the end of stabilization period of Block 06.1
Purchasing commitment from gas owners of Block 11.2	A minimum gas volume of 1.216 billion m <sup>3</sup> per annum	Until the end of stabilization period of Block 11.2
Purchasing commitment from gas owners of Blocks 05.3 and 05.2	A minimum gas volume of 1.3 billion m <sup>3</sup> per annum	Until the end of stabilization period of Blocks 05.3 and 05.2
Purchasing commitment from gas owners of Blocks 102 and 106	A minimum gas volume of 204 million m <sup>3</sup> per annum	Until the end of stabilization period of Blocks 102 and 106



40. COMMITMENTS (Continued)

*Selling Commitments*

Selling commitments	Committed volume	Committed period
Nam Con Son Gas Sales Agreement (GSA) with Vietnam Electricity	An annual minimum gas volume of 1.85 billion m <sup>3</sup>	Within the stabilization period as per the GSA
Nam Con Son Gas Sales Agreement with Phu My 3 BOT Power Company Limited (PM3 BOT)	An annual minimum gas volume of 0.85 billion m <sup>3</sup>	Until 2023
Nam Con Son Gas Sales Agreement with MeKong Energy Company Limited (PM2.2 BOT)	An annual minimum gas volume of 0.85 billion m <sup>3</sup>	Until 2023
Nam Con Son Gas Sales Agreement with PetroVietnam Power Corporation	An annual minimum gas volume of 0.447 billion m <sup>3</sup>	Within the stabilization period as per the contract
Nam Con Son Gas Sales Agreement with PetroVietnam Nhon Trach 2 Power Joint Stock Company	An annual minimum gas volume of 0.785 billion m <sup>3</sup>	Until 30 June 2036

41. FINANCIAL INSTRUMENTS

*Capital risk management*

The Corporation manages its capital to ensure that the Corporation 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 Corporation consists of net debt (borrowings as disclosed in Note 25, offset by cash and cash equivalents) and equity attributable to shareholders of the Corporation (comprising capital, reserves, non – controlling interests and retained earnings).

*Gearing ratio*

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

	2015	2014
	VND	VND
Borrowings	6,093,465,970,841	7,574,848,199,434
Less: Cash and cash equivalents	17,748,332,404,746	24,080,005,607,944
Net debt	-	-
Equity	42,889,062,882,103	37,679,348,560,601
Net debt to equity ratio	-	-

*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, financial liability and equity instrument are disclosed in Note 4.

41. FINANCIAL INSTRUMENTS (Continued)

*Categories of financial instruments*

	Carrying amounts 31/12/2015	Carrying amounts 31/12/2014 (Restated)
	VND	VND
<b>Financial assets</b>		
Cash and cash equivalents	17,748,332,404,746	24,080,005,607,944
Short-term investments	6,099,320,000,000	1,683,875,000,000
Trade and other receivables	7,158,572,297,015	4,370,677,880,426
Long-term investments	10,000,000,000	10,000,000,000
<b>Total</b>	<b>31,016,224,701,761</b>	<b>30,144,558,488,370</b>
<b>Financial liabilities</b>		
Borrowings and obligation under finance leases	6,093,465,970,841	7,574,848,199,434
Trade and other payables	2,527,110,600,717	2,214,720,843,391
Accruals	3,950,248,963,072	1,184,508,998,173
<b>Total</b>	<b>12,570,825,534,630</b>	<b>10,974,078,040,998</b>

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 06 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 Corporation has set up risk management system to identify and assess the risks exposed to the Corporation 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 Corporation’s operations.

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

*Market risk*

The Corporation’s activities expose it primarily to the financial risks of changes in foreign exchange rates, interest rates and prices. The Corporation does not hedge these risk exposures upon its assessment that the cost of hedging foreign exchange risk or interest rate risk or price risk might be higher than that incurred from market risk of fluctuation in foreign exchange rates, interest rates or price in the future.

41. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Foreign currency risk management

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

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

	Assets		Liabilities	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	VND	VND	VND	VND
US dollar (USD)	369,792,897,262	695,266,703,611	3,850,368,979,871	4,942,458,703,098
Euro (EUR)	34,709,374	38,090,506	78,000	101,021,458

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States (US) Dollar.

The following table details the Corporation's sensitivity to a 5% increase/decrease in US Dollar against Vietnam Dong. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's 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 year end for a 5% change in foreign currency rates. For a 5% increase/decrease in US Dollar against Vietnam Dong, the profit before tax in the year would decrease/increase by the following amount:

	2015	2014
	VND	VND
US Dollar	(174,028,804,130)	(156,161,142,917)

Interest rate risk management

The Corporation has interest rate risks arising from interest bearing loans which are arranged. The risk is managed by the Corporation by maintaining an appropriate level of borrowings and analysing market competition to enjoy favourable interest rates from appropriate lenders.

Interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Corporation's profit before tax would be impacted as follows:

	Increase/(decrease) in basis points	Impact on profit before tax
		VND
For the financial year ended 31 December 2015		
VND	+200	(83,949,182,500)
VND	-200	83,949,182,500
For the financial year ended 31 December 2014 (Restated)		
VND	+200	(65,382,451,297)
VND	-200	65,382,451,297

41. FINANCIAL INSTRUMENTS (Continued)

Market risk (Continued)

Share price risk management

The Corporation is exposed to equity price risks arising from investments associates, and investments in other entities. The Corporation's Board of Management assesses and approves decisions on investments associates and other entities such as operating industry, investees, etc. Investments in subsidiaries and associates and other entities are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

With regard to long-term equity investments, the Corporation evaluated impairment values at the balance sheet date and made provision for impairment of such investments to minimize risks, including investments in shares of Vinabenny Energy Joint Stock Company and Vietnam Assets Investment and Trading Joint Stock Company.

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. As at 31 December 2015, the Corporation had some receivables overdue for more than 6 months with the amount of VND 128,349,827,823. The Corporation made provision for doubtful debts as at 31 December 2015 with the amount of VND 93,200,842,371.

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 year is kept to manageable levels relative to the amount of funds that the Corporation believes can generate within that year. The Corporation's policy is to regularly monitor current and expected liquidity requirements to ensure that the Corporation maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

The following table details the Corporation'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 financial liabilities based on the earliest date on which the Corporation can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Corporation's liquidity risk management as the liquidity is managed on a net asset and liability basis.



41. FINANCIAL INSTRUMENTS (Continued)

*Liquidity risk management (Continued)*

31/12/2015	Less than 1 year	Over 1 year	Total
	VND	VND	VND

**Financial assets**

Cash and cash equivalents	17,748,332,404,746	-	17,748,332,404,746
Short-term investments	6,099,320,000,000	-	6,099,320,000,000
Trade and other receivables	7,135,789,446,898	22,782,850,117	7,158,572,297,015
Long-term investments	-	10,000,000,000	10,000,000,000
	<b>30,983,441,851,644</b>	<b>32,782,850,117</b>	<b>31,016,224,701,761</b>

**Financial liabilities**

Borrowings and obligation under finance leases	1,589,777,540,020	4,503,688,430,821	6,093,465,970,841
Trade and other payables	2,516,658,866,300	10,451,734,417	2,527,110,600,717
Accruals	3,950,248,963,072	-	3,950,248,963,072
	<b>8,056,685,369,392</b>	<b>4,514,140,165,238</b>	<b>12,570,825,534,630</b>
<b>Net liquidity gap</b>	<b>22,926,756,482,252</b>	<b>(4,481,357,315,121)</b>	<b>18,445,399,167,131</b>

31/12/2014 (Restated)	Less than 1 year	Over 1 year	Total
	VND	VND	VND

**Financial assets**

Cash and cash equivalents	24,080,005,607,944	-	24,080,005,607,944
Short-term investments	1,683,875,000,000	-	1,683,875,000,000
Trade and other receivables	4,345,187,085,321	25,490,795,105	4,370,677,880,426
Long-term investments	-	10,000,000,000	10,000,000,000
	<b>30,109,067,693,265</b>	<b>35,490,795,105</b>	<b>30,144,558,488,370</b>

**Financial liabilities**

Borrowings and obligations under finance leases	2,443,227,901,530	5,131,620,297,904	7,574,848,199,434
Trade and other payables	2,212,030,234,506	2,690,608,885	2,214,720,843,391
Accruals	1,184,508,998,173	-	1,184,508,998,173
	<b>5,839,767,134,209</b>	<b>5,134,310,906,789</b>	<b>10,974,078,040,998</b>
<b>Net liquidity gap</b>	<b>24,269,300,559,056</b>	<b>(5,098,820,111,684)</b>	<b>19,170,480,447,372</b>

The Board of Management assessed the liquidity risk at low level. The Board of Management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

42. RELATED PARTY TRANSACTIONS AND BALANCES

Related party	Relationship
Vietnam Oil and Gas Group	Holding company of the Corporation
Subsidiaries, joint ventures and associates of Vietnam Oil and Gas Group	Companies having the same owner
Associates of the Group	Companies controlled or significantly influenced by the Corporation

During the year, the Corporation entered into the following significant transactions with its related parties:

	2015	2014
	VND	VND
<b>Sales</b>	<b>15,194,472,331,486</b>	<b>16,036,987,406,044</b>
PetroVietnam Exploration Production Corporation	400,473,729,711	303,469,755,097
PetroVietnam Fertilizer and Chemicals Corporation	1,850,201,125,342	3,002,357,008,163
PetroVietnam Oil Corporation	368,544,901,174	825,302,023,075
PetroVietnam Technical Services Joint Stock Corporation	301,662,323,463	519,533,699,691
PetroVietnam Power Corporation	7,569,266,117,067	6,229,863,044,328
PetroVietnam Transportation Corporation	930,949,495,113	1,209,270,177,304
Vietnam Oil and Gas Group	3,085,919,532,378	2,903,916,734,072
Gas City Investment and Development Joint Stock Company	594,340,055,729	762,333,854,048
Vietnam Russia Vietsovpetro Joint Venture	93,115,051,509	280,941,110,266
<b>Purchases</b>	<b>21,962,496,072,288</b>	<b>20,583,881,062,830</b>
Vietnam Oil and Gas Group	13,120,720,090,468	13,007,514,865,988
PetroVietnam Exploration Production Corporation	1,602,209,773,375	1,093,485,490,442
PetroVietnam Construction Joint Stock Corporation	353,109,235,815	37,312,996,325
Binh Son Refining and Petrochemical Limited Company	2,834,249,581,887	4,422,229,586,043
Vietnam Russia Vietsovpetro Joint Venture	1,331,972,053,632	658,152,243,696
PetroVietnam Transportation Corporation	1,224,848,631,790	735,388,274,739
PetroVietnam Engineering Consultancy Corporation - JSC	74,407,820,245	74,480,082,955
PetroVietnam Technical Services Joint Stock Corporation	1,420,978,885,076	555,317,522,642
<b>Remuneration of the Boards of Directors and Management</b>	<b>13,325,635,459</b>	<b>14,940,855,352</b>

42. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

Significant related party balances at the 31 December 2015 were as follows:

	31/12/2015	31/12/2014
	VND	VND
<b>Receivables</b>	<b>1,032,304,987,112</b>	<b>1,226,312,153,906</b>
Vietnam Oil and Gas Group	322,091,491,561	308,460,902,893
PetroVietnam Fertilizer and Chemicals Corporation	132,509,629,764	200,690,469,994
PetroVietnam Transportation Corporation	121,510,807,698	233,458,019,351
PetroVietnam Engineering Consultancy Corporation - JSC	81,988,510,881	80,028,971,769
PetroVietnam Petrochemical and Textile Fiber JSC	47,089,648,144	48,796,489,971
PetroVietnam Technical Services Joint Stock Corporation	106,251,863,521	99,135,901,788
Gas City Investment and Development Joint Stock Company	112,582,377,609	111,773,115,576
PetroVietnam General Services Joint Stock Corporation	1,515,529,968	60,718,384,026
Vietnam Russia Vietsovpetro Joint Venture	1,429,590,830	44,574,591,765
PetroVietnam Oil Corporation	105,335,537,136	38,675,306,773
<b>Other receivables</b>	<b>980,053,021,177</b>	<b>50,000,000,000</b>
PetroVietnam Power Corporation	930,053,021,177	-
PetroVietnam Urban Development Joint Stock Company	50,000,000,000	50,000,000,000
<b>Trade payables</b>	<b>1,046,819,807,829</b>	<b>631,079,503,766</b>
Vietnam Oil and Gas Group	268,570,470,013	21,120,828,099
PetroVietnam Construction Joint Stock Corporation	83,115,849,740	32,263,862,201
Binh Son Refining and Petrochemical Limited Company	431,640,534,777	506,428,395,404
PetroVietnam Transportation Corporation	40,826,832,598	2,266,969,135
PetroVietnam Technical Services Joint Stock Corporation	170,541,465,913	356,400,000
Vietnam Russia Vietsovpetro Joint Venture	52,124,654,788	68,643,048,927
<b>Accruals</b>	<b>944,745,923,253</b>	<b>876,225,202,963</b>
Vietnam Oil and Gas Group	944,745,923,253	876,225,202,963
<b>Other payables</b>	<b>299,033,363,436</b>	<b>2,555,401,404,921</b>
PetroVietnam Engineering Consultancy Corporation - JSC	179,762,707,008	179,161,728,584
Vietnam Oil and Gas Group	119,270,656,428	2,376,239,676,337
<b>Advances to suppliers</b>	<b>413,367,542,648</b>	<b>510,643,377,351</b>
Nam Con Son Pipelines Company	63,635,199,667	57,170,961,097
PetroVietnam Construction Joint Stock Corporation	33,123,122,735	18,865,392,604
PetroVietnam Engineering Consultancy Corporation - JSC	7,832,832,204	15,147,743,206
PetroVietnam Technical Services Joint Stock Corporation	263,255,781,897	249,136,054,659
Vietnam Russia Vietsovpetro Joint Venture	45,520,606,145	170,323,225,785
<b>Term deposits</b>	<b>1,565,000,000,000</b>	<b>1,825,385,019,932</b>
Vietnam Public Joint Stock Commercial Bank	1,565,000,000,000	1,825,385,019,932
<b>Loans</b>	<b>416,646,742,406</b>	<b>612,150,336,291</b>
Vietnam Public Joint Stock Commercial Bank	416,646,742,406	612,150,336,291

43. SUBSEQUENT EVENTS

- On 16 April 2015, the Board of Directors of the Corporation issued Resolution No.55/NQ-KVN on approval of capital contribution to establish PVGAZPROM Natural Gas for Vehicles Company Limited. This is a joint venture between the Corporation, Gazprom International Project B.V and Gazprom Gas - Engine Fuel LLC, in which the Corporation contributes 29% of the joint venture's Charter. On 18 January 2016, the Corporation's President and CEO issued Decision No. 80/QD-KVN, indicating that the amount of capital contributed to PVGAZPROM Natural Gas for Vehicles Company Limited was VND 58 billion.
- On 28 February 2016, the Board of Directors issued Resolution No. 22/NQ-KVN, approving of the plan for public share purchasing offer with respect to CNG Vietnam Joint Stock Company funded by the Corporation's development and investment fund to own 15,120,000 shares, corresponding to 56% of the charter capital of CNG Vietnam JSC.
- On 29 January 2016, the Board of Directors issued Resolution No. 23/NQ-KVN approving the share issuance result under employee stock ownership plan (ESOP). Accordingly, the total number of shares issued was 18,950,000 ordinary shares with par value of VND 10,000 per share. The charter capital of the Corporation after the above issuance is VND 19,139,500,000,000.

44. OTHER INFORMATION

On 08 December 2015, the Ministry of Industry and Trade has sent Official Document No. 12577/BCT-IST to the Prime Minister for consultation on freight charge via Phu My - Ho Chi Minh City gas pipeline operated by the Corporation to provide gas for the power plants Nhon Trach 1 and 2. In the trial run period from 2008 to 2014, freight charge via Phu My - Ho Chi Minh City gas pipeline was temporarily calculated as at USD 0.15/million BTU (excluding VAT) by Vietnam Oil and Gas Group Nam (PVN) as a basis for determining the selling price of gas to customers. On 01 December 2015, PVN sent Official document No. 8465/DKVN-DTPT to the Ministry of Industry and Trade about freight charge via Phu My - Ho Chi Minh City gas pipeline from 01 May 2012 to be recalculated at USD 0.52/million BTU (excluding VAT) with an inflation rate of 2%/year. Accordingly, the Corporation may receive deferred freight charges from the consumers of gas via Phu My - Ho Chi Minh City gas pipeline from 01 January 2012 to 31 December 2014 of about USD 60.64 million. Up to the issuance date of these consolidated financial statements, the Prime Minister has not approved freight charge rates as well as the payment methods of the customers mentioned above.

45. COMPARATIVE FIGURES

The comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2014 and are restated as guided in Circular No. 200/2014/TT-BTC guiding the preparation and presentation of consolidated financial statements to enhance their comparability with the current year's figures. Details are presented as below:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

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

## 45. COMPARATIVE FIGURES (Continued)

According to Decision No. 15/2006/QĐ-BTC			According to Circular No. 200/2014/TT-BTC		
Items	Codes	31/12/2014 (VND)	Items	Codes	31/12/2014 (VND)
<b>A. BALANCE SHEET</b>					
<b>I. Assets</b>					
1. Short-term investments	121	1,696,600,283,780	No corresponding item		
2. Provision for impairment of short-term investments	129	(12,725,283,780)	No corresponding item		
<i>No corresponding item</i>					
3. Trade receivables	131	4,200,201,201,244	1. Held-to-maturity investments	123	1,683,875,000,000
4. Advances to suppliers	132	631,737,398,040	2. Short-term trade receivables	131	4,227,147,634,336
5. Other receivables	135	283,825,017,475	3. Short-term advances to suppliers	132	631,737,398,040
<i>No corresponding item</i>			4. Short-term other receivables	136	356,090,051,057
6. Other short-term assets	158	99,397,813,106	5. Deficits in assets awaiting resolution	136	186,346,432
7. Other long-term receivables	218	-	6. Other short-term assets	155	-
8. Provision for impairment of long-term investments	259	(75,000,000,000)	7. Other long-term receivables	216	25,490,795,105
9. Other long-term assets	268	25,490,795,105	8. Provision for impairment of long-term financial investments	254	(75,000,000,000)
<b>II. Resources</b>			9. Other long-term assets	268	-
1. Trade payables	312	1,782,284,125,251	<b>II. Resources</b>		
2. Advances from customers	313	123,166,550,322	1. Short-term trade payables	311	1,782,284,125,251
3. Accrued expenses	316	1,510,725,063,882	2. Short-term advances from customers	312	123,166,550,322
4. Inter-company payables	317	77,135,056,337	3. Short-term accrued expenses	315	1,184,508,998,173
5. Other current payables	319	2,661,738,576,187	4. Short-term inter-company payables	316	-
<i>No corresponding item</i>			5. Other current payables	319	2,738,873,632,524
6. Provision for short-term payables	320	-	6. Short-term unearned revenue	318	35,424,063,091
7. Provision for long-term payables	337	107,267,382,914	7. Short-term provisions	321	99,095,022,162
8. Unearned revenue	338	35,424,063,091	8. Long-term provisions	342	334,388,426,461
9. Owner's contributed capital	411	18,950,000,000,000	9. Long-term unearned revenue	336	-
<i>No corresponding item</i>			10. Owners' contributed capital	411	18,950,000,000,000
10. Investment and development fund	417	7,628,468,040,217	11. Ordinary shares carrying voting rights	411a	18,950,000,000,000
11. Financial reserve fund	418	4,063,173,608,573	12. Investment and development fund	418	11,691,641,648,790
<i>No corresponding item</i>			No corresponding item		
<i>No corresponding item</i>			13. Retained earnings accumulated to the prior year end	421a	231,062,564,792
<i>No corresponding item</i>			14. Retained earnings of the current year	421b	4,913,089,162,608
<i>No corresponding item</i>					Restated and renamed

## 45. COMPARATIVE FIGURES (Continued)

According to Decision No. 15/2006/QĐ-BTC			According to Circular No. 200/2014/TT-BTC		
Items	Codes	31/12/2014 (VND)	Items	Codes	31/12/2014 (VND)
<b>B. INCOME STATEMENT</b>					
1. Gross revenue from goods sold and services rendered	01	73,648,493,789,444	1. Gross revenue from goods sold and services rendered	01	73,548,625,920,930
2. Deductions	02	255,090,755,356	2. Deductions	02	173,479,716,511
3. Cost of sales	11	53,244,879,134,499	3. Cost of sales	11	53,231,657,394,562
4. Financial income	21	1,170,291,811,786	4. Financial income	21	1,168,755,042,079
5. Financial expenses	22	523,523,292,419	5. Financial expenses	22	521,986,522,712
6. General and administration expenses	25	1,383,706,108,379	6. General and administration expenses	26	1,390,206,066,144
7. Other income	31	39,917,554,994	7. Other income	31	36,111,303,368
8. Other expense	32	51,832,770,359	8. Other expense	32	48,026,518,733
9. Corporate income tax expense	51	3,652,779,929,841	9. Corporate income tax expense	51	3,650,242,219,392
10. Net profit after corporate income tax	60	14,369,822,520,678	10. Net profit after corporate income tax	60	14,360,825,183,630
11. Net profit after corporate income tax attributed to Shareholders of Holding Company	61	14,122,675,507,937	11. Net profit after corporate income tax attributable to Shareholders of Holding Company	61	14,113,678,170,889
12. Basic earnings per share	70	7,140	12. Basic earnings per share	70	6,985
<b>C. CASH FLOW STATEMENT</b>					
1. Profit before tax	01	17,990,865,930,668	1. Profit before tax	01	17,979,330,883,171
2. Provisions	03	20,114,625,837	2. Provisions	03	370,737,700,282
3. Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(2,468,638,077,001)	3. Changes in payables (excluding accrued loan interest and corporate income tax payable)	11	(2,807,726,103,949)
<i>Restated and renamed</i>					

**Dang Thi Hong Yen**  
Preparer

15 March 2016

**Vu Trong Hai**  
Chief Accountant



**Duong Manh Son**  
President and CEO

EXPLAIN PROFIT AFTER TAX DIFFERENCES BETWEEN THE YEAR 2015 AND 2014

1. For the Financial Statements of Parent Company

	2015	2014	2015/2014
Net profit after corporate income tax	8,720	14,294	61%
Exclude revenue of gas sale over Take-or-Pay (*)	1,696,600,283,780	-3,118	
Profit after deductions	8,720	11,176	78%

2. For the Consolidated Financial Statements

	2015	2014	2015/2014
Net profit after corporate income tax	8,832	14,360	62%
Exclude revenue of gas sale over Take-or-Pay (*)		-3,118	
Profit after deductions	8,832	11,242	79%

(\*) In 2014, according to the sale gas revenue paid by EVN due to the gas offtake over Take-or-Pay arising in the period from 1/7/2009 to 31/3/2014, profit before tax of PV Gas gains the same amount at 3,898 bil VND and profit after tax gains 3,118 bil VND. Except for this amount of money, Profit of PV Gas in 2015 has decreased 21% comparing to the profit of PV Gas in 2014. It's implied the sharply falling of oil price in 2015 at 48% decreasing rate as observed from 99 usd/bbl in 2014 to 52 usd/bbl in 2015.

ENERGY UNITS CONVERSION TABLES

1. Volume

Unit	Multiplied By	Approximate Conversion Factor	Equals	Unit
Barrels of oil (bbl)	X	42	=	US gallons (gal)
Barrels of oil (bbl)	X	34.97	=	Imperial gallons (UK gal)
Barrels of oil (bbl)	X	0.136	=	Tonnes of oil equivalent (toe)
Barrels of oil (bbl)	X	0.1589873	=	Cubic meters (m3)
Barrels of oil equivalent (boe)	X	5,658.53	=	Cubic feet (f3) of natural gas
Tonnes of oil equivalent (toe)	X	7.33 [1]	=	Barrels of oil equivalent (boe)
Cubic yards (y3)	X	0.764555	=	Cubic meters (m3)
Cubic feet (f3)	X	0.02831685	=	Cubic meters (m3)
Cubic feet (f3) of natural gas	X	0.0001767	=	Barrels of oil equivalent (boe)
US gallons (gal)	X	0.0238095	=	Barrels (bbl)
US gallons (gal)	X	3.785412	=	Liters ()
US gallons (gal)	X	0.8326394	=	Imperial gallons (UK gal)
Imperial gallons (UK gal)	X	1.201	=	US gallons (gal)
Imperial gallons (UK gal)	X	4.545	=	Liters (l)

[1] This conversion can range from 6.5 to 7.9 depending on the type of crude oil. This factor is intended to provide an approximation that can be used when the exact factor is unknown.

2. Mass/Weight

Unit	Multiplied By	Approximate Conversion Factor	Equals	Unit
Short tons	X	2,000	=	Pounds (lb)
Short tons	X	0.9071847	=	Metric tonnes (t)
Long tons	X	1.016047	=	Metric tonnes (t)
Long tons	X	2,240	=	Pounds (lb)
Metric tonnes (t)	X	1,000	=	Kilograms (kg)
Metric tonnes (t)	X	0.9842	=	Long tons
Metric tonnes (t)	X	1.102	=	Short tons
Pounds (lb)	X	0.45359237	=	Kilograms (kg)
Kilograms (kg)	X	2.2046	=	Pounds (lb)

3. Length

Unit	Multiplied By	Approximate Conversion Factor	Equals	Unit
Miles (mi)	X	1.609344	=	Kilometer (km)
Yards (yd)	X	0.9144	=	Meters (m)
Feet (ft)	X	0.3048	=	Meters (m)
Inches (in)	X	2.54	=	centimeters (cm)
Kilometer (km)	X	0.62137	=	miles (mi)



4. Area

Unit	Multiplied By	Approximate Conversion Factor	Equals	Unit
Acres	X	0.40469	=	Hectares (ha)
Square miles (mi2)	X	2.589988	=	Square kilometers (km2)
Square yards (yd2)	X	0.8361274	=	Square meters (m2)
Square feet (ft2)	X	0.09290304	=	Square meters (m2)
Square inches (in2)	X	6.4516	=	Square centimeters (cm2)

5. Energy

Unit	Multiplied By	Approximate Conversion Factor	Equals	Unit
British Thermal Units (Btus)	X	1,055.05585262	=	Joules (J)
Calories (cal)	X	4.1868	=	Joules (J)
Kilowatt hours (kWh)	X	3.6	=	Megajoules (MJ)
Therms	X	100,000	=	British thermal units (Btus)
Tonnes of oil equivalent	X	10,000,000	=	Kilocalories (kcal)
Tonnes of oil equivalent	X	396.83	=	Therms
Tonnes of oil equivalent	X	41.868	=	Gigajoules (GJ)
Tonnes of oil equivalent	X	11,630	=	Kilowatt hours (kWh)
Cubic feet (f3) of natural gas	X	1,025	=	British Thermal Units (Btus)

6. Approximate Heat Content of Petroleum Products Million Btu (MMBtu) per Barrel

Energy Source	MMBtu/bbl	Energy Source	MMBtu/bbl
Crude Oil	5.800	Natural Gasoline	4.620
Natural Gas Plant Liquids	3.735	Pentanes Plus	4.620
Asphalt	6.636	Petrochemical Feedstocks:	=
Aviation Gasoline	5.048	Naphtha < 401° F	5.248
Butane	4.326	Other oils >= 401° F	5.825
Butane-Propane (60/40) Mixture	4.130	Still Gas	6.000
Distillate Fuel Oil	5.825	Petroleum Coke	6.024
Ethane	3.082	Plant Condensate	5.418
Ethane-Propane (70/30) Mixture	3.308	Propane	3.836
Isobutane	3.974	Residual Fuel Oil	6.287
Jet Fuel, Kerosene-type	5.670	Road Oil	6.636
Jet Fuel, Naphtha-type	5.355	Special Naphthas	5.248
Kerosene	5.670	Still Gas	6.000
Lubricants	6.065	Unfinished Oils	5.825
Motor Gasoline - Conventional 5	5.253	Unfractionated Stream	5.418
Motor Gasoline - Oxygenated or Reformulated	5.150	Waxes	5.537
Motor Gasoline - Fuel Ethanol	3.539	Miscellaneous	5.796

Source: U.S. Department of Energy, Energy Information Administration (2001)

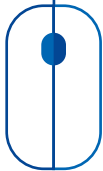


FOR THE PURPOSE OF ENVIRONMENTAL PROTECTION,  
THIS ANNUAL REPORT IS PRINTED IN LIMITED AMOUNTS.



Please visit our website:  
[www.pvgas.com.vn](http://www.pvgas.com.vn)

to download the 2015 Annual Report.







**PETROVIETNAM GAS JOINT STOCK CORPORATION (PV GAS)**

PV GAS Tower - No. 673 Nguyen Huu Tho Street,  
Phuoc Kien Commune, Nha Be District, HCMC, Vietnam.

Tel : (84.8) 3 7816 777

Fax : (84.8) 3 7815 666

[www.pvgas.com.vn](http://www.pvgas.com.vn)