



ANNUAL REPORT
2013



POWERING
your life

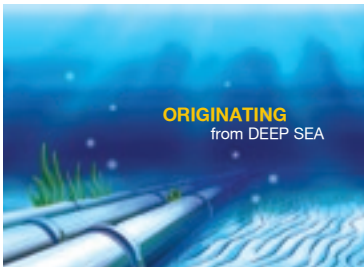
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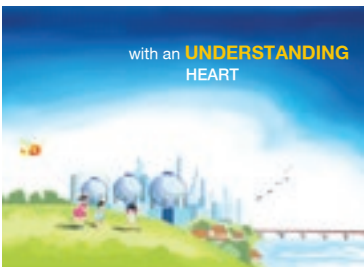
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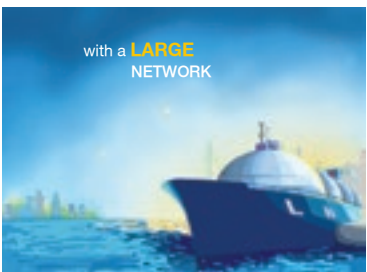
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“AFTER 23 YEARS OF ESTABLISHMENT AND DEVELOPMENT, PV GAS IS NOW BECOMING THE MAIN GAS SUPPLIER AND THE LEADING LPG PRODUCER AND TRADER IN VIETNAM, CONTINUOUSLY BEING ON THE TOP LIST ON THE STOCK EXCHANGE IN TERMS OF PROFIT, CONTRIBUTING OVER 2% OF NATIONAL GDP.



Vision

Maintaining the decisive role in Vietnam gas industry, integrating into international market, becoming one of the powerful gas trade names in ASEAN and Asia.

Mission

Investing, constructing and operating safely and efficiently the whole system gathering, importing, transporting, processing, storing, distributing of gas and gas products; connecting with regional gas pipeline system; ensuring gas, gas products and services supply to customers nationwide and integrating into international market; contributing to national energy security.

“ NOW, WE - LEADERSHIP, PERSONNEL AND ALL SHAREHOLDERS OF PV GAS ARE VERY HAPPY TO REFLECT UPON SIGNIFICANT FIGURES AND EVENTS. IN 2013, PV GAS HAS FULFILLED AND EXCEEDED THE 2013 PLAN APPROVED BY THE SHAREHOLDERS' COMMITTEE AND ACHIEVED GROWTH AS COMPARED TO 2012; REACHED THE PROFIT TARGET 5 MONTHS AHEAD OF SCHEDULE ...



AFTER 23 YEARS OF ESTABLISHMENT AND DEVELOPMENT, PV GAS IS NOW BECOMING THE MAIN GAS SUPPLIER AND THE LEADING LPG PRODUCER AND TRADER IN VIETNAM, CONTINUOUSLY BEING ON THE TOP LIST ON THE STOCK EXCHANGE IN TERMS OF PROFIT, CONTRIBUTING OVER 2% OF NATIONAL GDP.

65,597
BILLION VND
TOTAL REVENUE

15,583
BILLION VND
PRE-TAX PROFIT

12,596
BILLION VND
NET PROFIT

Dear valued Shareholders!

The year 2013 has passed, everything is one year older and PV Gas has also added one more successful year to its history of sustainable development. However, this does not mean all activities of PV Gas went on with ease and smoothly.

The political situation in the region was unstable, the national economic growth was slow, with credit conditions tightened, consumption market declined, ... and more directly, the gas consumption demand of PV Gas' customers was not in strong growth; LPG supply from Dung Quat Oil Refinery was unstable, gas price negotiations for the upstream Block B - O Mon gave no results; gas components of some fields changed as compared to the previous forecast; ... These factors have affected all aspects of production, business, investment, finance ... activities of PV Gas.

Actively being aware of and assessing these obstacles, the Leadership and all personnel of PV Gas have taken appropriate measures to promptly handle difficulties in management and administration, dedicated and creative in production and trading; promoting the internal strength and making full use of opportunities, support from PetroVietnam, support from customers, partners and especially from valued shareholders to overcome difficulties, challenges, making firm steps forward.

And now, we - Leadership, personnel and all shareholders of PV Gas are very happy to reflect upon significant figures and events of PV Gas in 2013:

- » Fulfilling and exceeding the 2013 plan approved by the Shareholders' Committee and achieving growth as compared to 2012; reaching the profit target 5 months ahead of schedule, budget contribution target 4 months, LPG output target 2 months, dry gas output target 15 days; recording the highest profit since establishment to date;
- » Achieving 65,597 billion VND in revenue, 15,583 billion VND in pre-tax profit, 12,596 billion VND in net profit - the highest since foundation and also the highest on Vietnam's stock exchange; maintaining the position as the third largest member company of PetroVietnam; ranked the 2nd in Forbes Vietnam's list of 50 Best listed enterprises on Vietnam stock exchange, ranked the 12th in Top 500 Vietnamese Largest Enterprises (VNR500) of Vietnam Report; making significant contributions to the national budget, together with PVN contributing to the stabilization of the country's macro economy;
- » Recording over 6.2 million hours of safety work in all gas works;
- » Supplying the 80 billionth m³ of gas to power plants, fertilizer plants and low pressure gas customers in October; ensuring the sources of fuels and feedstock to produce nearly 40% of electricity and 70% of urea fertilizer output throughout the country;

- » Producing and trading the 7.9 millionth ton of LPG in the domestic and foreign markets; representing over 70% of national LPG market share, firmly maintaining the position as the leading LPG producer and trader in Vietnam;
- » Completing maintenance in the phase of complete halt of PM3 - Ca Mau gas system 3 days ahead of schedule, Nam Con Son gas system 2.5 hours and Cuu Long gas system 34 hours. (These figures are really impressive given the fact that business activities of PV Gas are in progress 24 hours a day, 7 days a week and 365 days a year);
- » Upgrading the operating capacity of Nam Con Son gas pipeline to 22 million m³ of gas per day in May;
- » Completing investment and putting into operation important gas works: Thi Vai refrigerated LPG storage in March, Hai Thach - Moc Tinh gas pipeline in September, Rong - Dong Moi extended gas pipeline and Ca Mau gas compressor in December, reinforcing facilities of PV Gas in support of present and future business activities;
- » Producing and pipe coating for Su Tu Nau, Thang Long - Dong Do, Rong - Doi Moi, Diamond... projects;
- » Inspiring the spirit of dedicated working, overcoming difficulties, promoting initiatives, technical innovation and rationalization of production in each PV Gas' employee.

But above success will also be pressure on PV Gas in 2014 when a number of difficulties from 2013 still linger and also new challenges emerge that can't be predicted. However, we should not be too much preoccupied and worried about that, because:

- » Gradual increase of gas prices to approach world prices will be carried out in accordance with the roadmap approved by the Prime Minister;
- » Gas demand remains stable;

- » PV Gas' activities for investment in new gas resources and gas import from abroad to supplement gas supply to the domestic market are implemented actively and simultaneously with Nam Con Son gas pipeline project, Stage 1, Ham Rong - Thai Binh gas pipeline, LNG import, research and development of chain projects ranging from operation, processing, transportation, distribution and consumption of Ca Voi Xanh gas...;
- » PV Gas' advantages in terms of human resources, facilities, finance, experiences, trademark... will be one of favorable factors;
- » Gas industry is one of the five core business lines in PVN's development strategy;
- » Last but not least, each leader of PV Gas does not stop striving with the highest sense of responsibility for improving modern professional management skills, sensitive to actual occurrences, possessing long-term strategic vision, promptly making reasonable decisions; and each employee of PV Gas always works with creativity and the highest sense of discipline so that PV Gas will achieve the development goals not only in 2014 but also in the long term, always maintaining the position as the leader in Vietnam gas industry, soon reaching out to the region and the world, satisfying shareholders' expectation.

On behalf of more than 3,000 PV Gas' employees, we would like to express our sincere gratitude to PetroVietnam, customers and especially shareholders trusting and co-operating with PV Gas over the years. PV Gas looks forward to your precious support and co-operation in our sustainable journey in the coming years.

Chairman



LE NHU LINH

President



DO KHANG NINH



“ ... PV GAS ALWAYS WORKS WITH CREATIVITY AND THE HIGHEST SENSE OF DISCIPLINE SO THAT PV GAS WILL ACHIEVE THE DEVELOPMENT GOALS NOT ONLY IN 2014 BUT ALSO IN THE LONG TERM, ALWAYS MAINTAINING THE POSITION AS THE LEADER IN VIETNAM GAS INDUSTRY, SOON REACHING OUT TO THE REGION AND THE WORLD, SATISFYING SHAREHOLDERS' EXPECTATION.

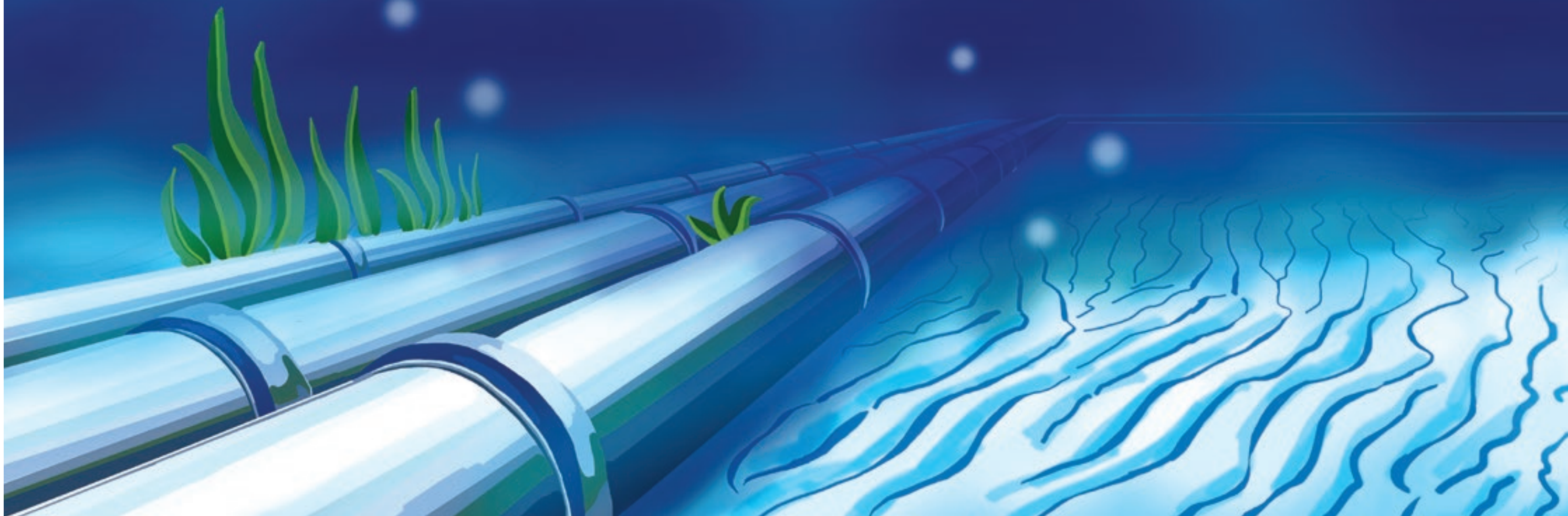
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PV GAS OVERVIEW

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ORIGINATING from DEEP SEA

From gas resource originating from the ocean, PV Gas is a pioneer in bringing this precious resource, transforming into electricity and giving birth to Vietnam gas industry, which opened a new period: an epoch of CLEAN ENERGY.





“ ESTABLISHED IN 1990, AFTER 23 YEARS OF ESTABLISHMENT AND DEVELOPMENT, PV GAS IS NOW PROUD OF BEING THE LEADER IN THE GAS INDUSTRY OF VIETNAM, 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 3 gas pipeline systems: Cuu Long, Nam Con Son in the Southeast region, PM3 in the Southwest region, two gas processing plants: Dinh Co, Nam Con Son in the

Southeast region and a LPG storage system nationwide, PV Gas supplies yearly over 9 billion m³ of dry gas, sells and transports over 250,000 tons of condensate, produces and sells about 1 million tons of LPG to power, fertilizer plants, condensate processing plant and LPG trading companies.

BUSINESS SCOPE

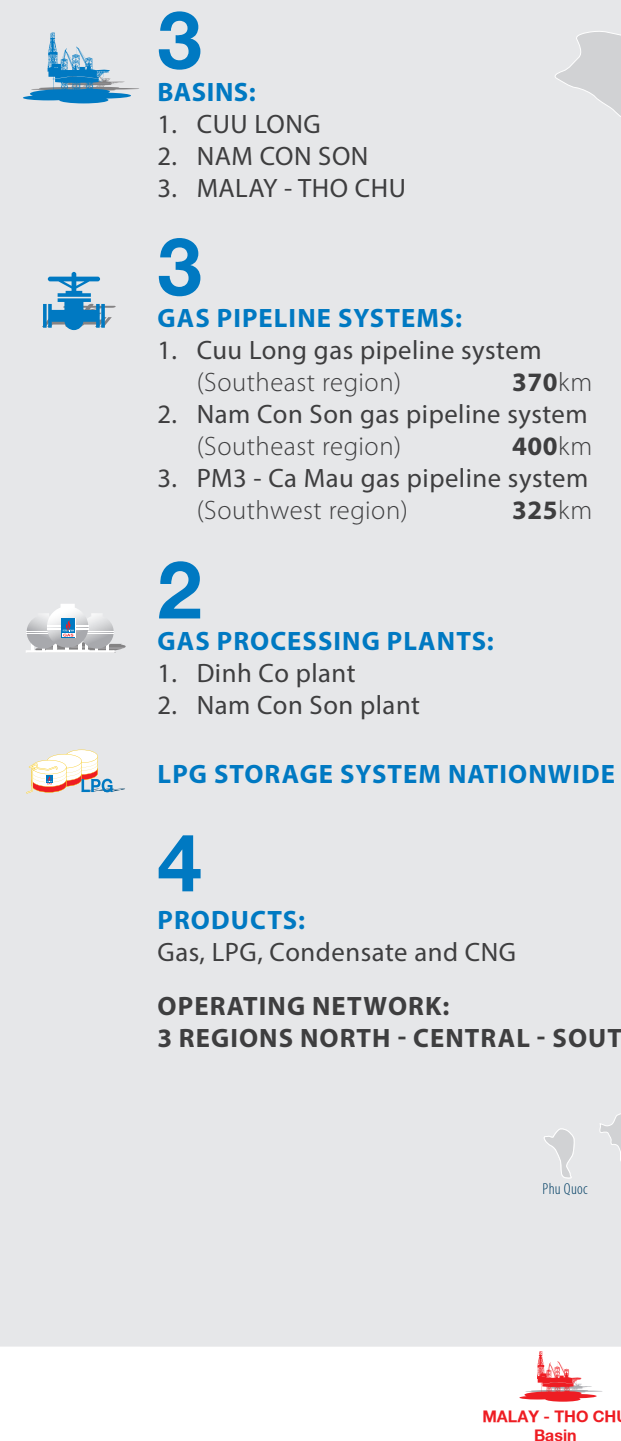
- » Gathering, transporting, processing, storing, trading, importing and exporting gas and gas products: LNG, CNG, LPG, Condensate; trading in materials, equipment for gas and gas products processing and usage; providing port, warehouse services;
- » Investing in fully constituted infrastructure of dry gas and liquid gas distribution throughout PV Gas, 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;
- » Making financial investments in other enterprises; buying, selling, transferring, negotiating, contracting gas projects, works and assets.

PRODUCTS

- » Dry gas, LPG, Condensate, CNG;
- » LNG, Ethane: under development.

SERVICES

- » Transporting gas and gas products;
- » Producing steel pipe and pipe coating.



09/1990

Established Gas Company to gather, transport, process, store and trade gas and gas products.

1990

04/1995

Transported first gas from Cuu Long basin ashore and supplied to Southeast customers.

1995

10/1998

Firstly produced LPG & Condensate in Vietnam.

1998

12/2002

Transported first gas from Nam Con Son basin ashore and supplied to Southeast customers.

2002

11/2003

Completed first low pressure gas pipeline network.

2003

05/2007

Transported first gas from PM3 - 46 Cai Nuoc ashore and supplied to Southwest customers.

2007

07/2007

Becomed PetroVietnam Gas Corporation, organizational structure of parent company - subsidiary company.

2007

05/2011

Becomed PetroVietnam Gas Joint Stock Corporation, charter capital: 18,950 billion VND.

2011

05/2012

Listed and first trading day on the Ho Chi Minh City Stock Exchange.

2012

On **21/05/2012**
"GAS" ticker was officially listed and traded on Ho Chi Minh City Stock Exchange. This is a milestone of PV Gas, facilitating PV Gas in improving capital mobilization from domestic and foreign investors.



Receiving new Hai Thach - Moc Tinh gas resources from Nam Con Son basin, increasing the gas supply to the Southeast region by 2 billion m³ of gas per year.

Completing and putting into operation the Ca Mau Gas compressor, increasing the right to receive PM3 gas and gas output to customers in the Southwest region to 6.2 million m³ of gas per day.

Completing maintenance, repair work in the phase of complete halt of Nam Con Son, Cuu Long and PM3 - Ca Mau gas systems, ensuring safety and resuming operation ahead of schedule.

Value of PV Gas' shares increases and remains stable on the stock exchange, building good confidence to domestic and foreign investors.

NAM CON SON GAS SYSTEM RECEIVED THE 50 BILLIONTH M³ OF GAS



Upgrading the operating capacity of Nam Con Son gas system to 22 million m³/ day, celebrating the anniversary for 10 years of safe operation and transportation of the 50 billionth m³ of gas.



RECEIVING NEW HAI THACH - MOC TINH GAS RESOURCES FROM NAM CON SON BASIN

PUTTING INTO OPERATION THE EXTENDED RONG - DOI MOI GAS PIPELINE



Completing investment and putting into operation the extended Rong - Doi Moi gas pipeline, adding to Cuu Long gas system over 0.2 million of gas per day.



COMPLETING AND PUTTING INTO OPERATION THE CA MAU GAS COMPRESSOR

COMPLETING AND PUTTING INTO OPERATION THE THI VAI REFRIGERATED LPG STORAGE



Completing and putting into operation the Thi Vai refrigerated LPG storage, boosting the preemptive role in trading and contributing to the stabilization of the domestic LPG market.



COMPLETING MAINTENANCE, REPAIR WORK

FULFILLING TARGETS OF PROFIT AND BUDGET CONTRIBUTION



Fulfilling targets of profit and budget contribution 4 to 5 months ahead of schedule.



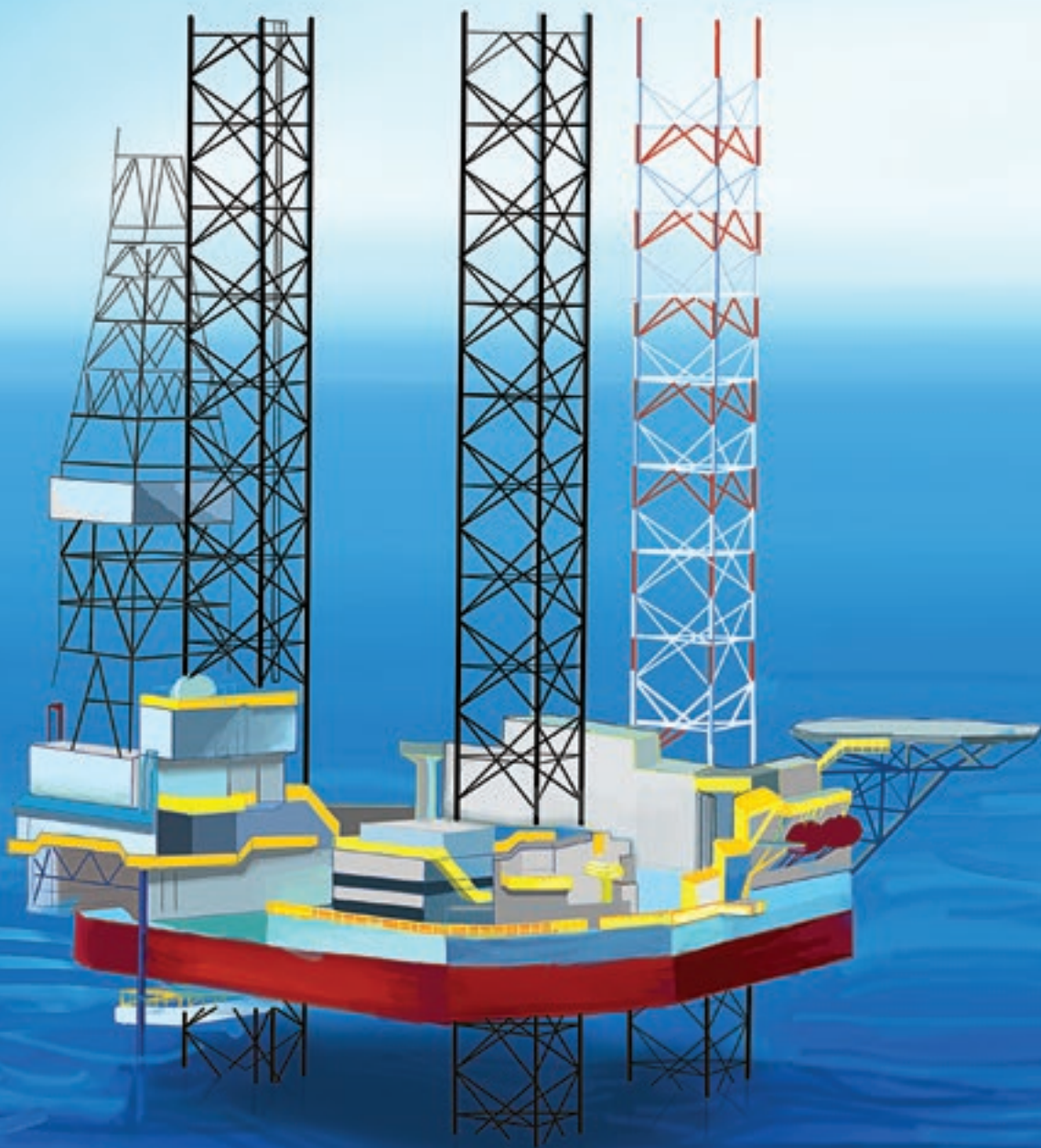
VALUE OF PV GAS' SHARES INCREASES AND REMAINS STABLE



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LEADERSHIP REPORT

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possessing **HIDDEN** **VALUE**

From the undiscovered treasure of the ocean, by intellect and labor, PV Gas has made gas energy become a great value, which not only contributes to the national economy, but also to a friendly environment.

“BOARD OF
MANAGEMENT
CONSISTS OF
5 MEMBERS
(FROM MAY TO
NOVEMBER OF
2013, BOM HAD
4 MEMBERS AS 1
MEMBER RETIRED
ACCORDING
TO POLICIES),
INCLUDING 4
DEDICATED
MEMBERS AND
1 MEMBER
CONCURRENTLY
BEING PV GAS’
PRESIDENT.

Mr. **LE NHU LINH**
Chairman of Board of
Management



Working experience

Mr. Le Nhu Linh has joined the Petroleum industry since 1994. Prior to his current position as Chairman of Board of Management of PV Gas, he undertook key managerial positions in different units such as: Head of Investment and Development Division of Vietnam Oil and Gas Group (PetroVietnam), Chairman of Board of Management of PetroVietnam Drilling and Well Services Corporation (PV Drilling), Chairman of Board of Member Council of PetroVietnam Oil Corporation (PV Oil).

Qualification

- » Ph.D in Oil and Gas Geological Economics.

Mr. **VU DINH CHIEN**
Vice Chairman of Board of
Management



Working experience

Joining the Petroleum industry since 1977, Mr. Vu Dinh Chien undertook key managerial positions in Vietnam Oil and Gas Group (PetroVietnam), Vietnamese-Russian Joint Venture Vietsovpetro, and PV Gas. Prior to his current position as Vice Chairman of Board of Management of PV Gas, he worked as Managing Director, Vice Chairman of Member Council.

Qualification

- » Mechanical Engineer degree, Russian State University of Oil and Gas, Russia.

Mr. **DO KHANG NINH**
Member of Board of Management,
President



Working experience

Mr. Do Khang Ninh has worked in the Petroleum industry since 1984, undertook key managerial positions in Vietnamese-Russian Joint Venture Vietsovpetro and PV Gas. Prior to his current position as Member of Board of Management and President of PV Gas, he served as Vice President, President, Member of Member Council, Chairman of Member Council and Chairman of Board of Management.

Qualification

- » Master degree of Petroleum pipeline and tank engineering (graduated in Russia).

Mr. **NGUYEN TRUNG DAN**
Member of Board of Management



Working experience

Mr. Nguyen Trung Dan has joined the Petroleum industry since 1980, undertook key managerial positions in PV Gas' predecessor companies: Vung Tau Petroleum Project Management Board, Gas Company, Gas Products Processing and Trading Company. Prior to his current position as Member of Board of Management of PV Gas, he served as Vice President, Member of Member Council.

Qualification

- » Bachelor of Mathematics - with major in Theoretical Mechanics in Belarus University.

Mr. **PHAN QUOC NGHIA**
Member of Board of Management



Working experience

Mr. Phan Quoc Nghia has worked for PV Gas since 1999. Prior to his current position as Member of Board of Management of PV Gas, he undertook different key managerial positions in PV Gas such as: General Manager of Market Economics Division, Member of Member Council.

Qualification

- » Mechanical Engineer degree.
- » Bachelor degree in English.
- » Master degree of Business Administration.
- » Master degree of Industrial Engineering in Thailand.

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



Working experience

Mr. Nguyen Anh Tuan has joined the Petroleum industry since 1999. Prior to his current position as Head of Board of Supervisors of PV Gas, he served as Chief Accountant of Gas Project Management and Consultancy Company - a 100% owned company of PV Gas, Chief Supervisor.

Qualification

- » Bachelor of Finance and Accounting.

Mr. **PHAM DINH DAT**
Member of Board of Supervisors



Working experience

Mr. Pham Dinh Dat has joined the Petroleum industry since 1985. Prior to his current position as Member of Board of Supervisors of PV Gas, he served as Officer of Planning Department, Supervisor.

Qualification

- » Bachelor of Economics in Planning.

Ms. **HO THI AI THANH**
Member of Board of Supervisors



Working experience

Ms. Ho Thi Ai Thanh has worked for PV Gas since 1999. Prior to her current position as member of Board of Supervisors of PV Gas, she served as Officer of Finance - Accounting Department, Supervisor.

Qualification

- » Bachelor degree of Corporate Finance.
- » Master degree of Business Administration.

Mr. **DO KHANG NINH**
Member of Board of Management,
President



Working experience

Mr. Do Khang Ninh has worked in the Petroleum industry since 1984, undertook key managerial positions in Vietnamese - Russian Joint Venture Vietsovpetro and PV Gas. Prior to his current position as Member of Board of Management and President of PV Gas, he served as Vice President, President, Member of Member Council, Chairman of Member Council, and Chairman of Board of Management.

Qualification

- » Master degree of Petroleum pipeline and tank engineering (graduated in Russia).

Mr. **DUONG MANH SON**
Permanent Vice President



Working experience

Mr. Duong Manh Son has joined the Petroleum industry since 1994. In his career, he undertook managerial positions in PetroVietnam Construction Joint Stock Corporation (PVC), Lloyd's Register of Shipping. Prior to his current position as Permanent Vice President of PV Gas, he served as Head of Technical and Production Department, General Manager of Construction Division, Vice President.

Qualification

- » Engineer degree of Manufacturing Engineering - Welding Technology.
- » Master degree of Business Administration.

Mr. **NGUYEN QUOC HUY**
Vice President



Working experience

Mr. Nguyen Quoc Huy has worked for PV Gas since 1994. Prior to his current position as Vice President of PV Gas, he undertook different key managerial positions in PV Gas such as Deputy Managing Director and Managing Director of Vung Tau Gas Processing Company - a 100% owned company of PV Gas.

Qualification

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

Mr. **TRAN HUNG HIEN**
Vice President



Working experience

Mr. Tran Hung Hien has joined the Petroleum industry since 1982. Prior to his current position as Vice President of PV Gas, he undertook key managerial positions in PetroVietnam Construction Joint Stock Corporation (PVC), PetroVietnam Oil Corporation (PV Oil), General Manager of Phu My - HCMC Gas Pipeline Project Management Board of Vietnam Oil and Gas Group (PetroVietnam).

Qualification

- » Master degree of Petroleum Pipeline and Tank Engineering in Russia.
- » Bachelor of Industrial Management.

Mr. **NGUYEN THANH NGHI**
Vice President



Working experience

Mr. Nguyen Thanh Nghi has joined the Petroleum industry since 1996. Prior to his current position as Vice President of PV Gas, he undertook key managerial positions such as Vice President of PetroVietnam Insurance Joint Stock Corporation (PVI).

Qualification

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

Mr. **PHAM HONG LINH**
Vice President



Working experience

Mr. Pham Hong Linh has joined the Petroleum industry since 1983. Prior to his current position as Vice President of PV Gas, he undertook key managerial positions in different subsidiaries of Vietnam Oil and Gas Group such as: PetroVietnam Construction Joint Stock Corporation (PVC), Deputy Managing Director of PetroVietnam General Services Joint Stock Corporation (Petrosetco), Deputy Managing Director of PetroVietnam Investment Consultancy and Engineering Joint Stock Company, General Manager of 1 - 5 Le Duan Tower Project Management Board - Vietnam Oil and Gas Group (PetroVietnam), Director of Block B - O Mon Pipeline Operating Company.

Qualification

- » Construction Engineer.
- » Master degree of Business Administration.

Mr. **BUI NGOC QUANG**
Vice President



Working experience

Mr. Bui Ngoc Quang has joined the Petroleum industry since 1983. Prior to his current position as Vice President of PV Gas and General Manager of Southeast Gas Project Management Board, he undertook key managerial positions in different units such as: First Deputy Managing Director of ADF - Vietnam, Chairman of M-I Vietnam, President and Chairman of Board of Management of DMC, General Manager of Southeast Gas Project Management Board - Vietnam Oil and Gas Group (PetroVietnam).

Qualification

- » Engineer degree of Oil and Gas Drilling and Exploitation.

Mr. **HO TUNG VU**
Vice President



Working experience

Mr. Ho Tung Vu has joined the Petroleum industry since 1983. Prior to his current position as Vice President of PV Gas, he undertook key managerial positions in Petroleum Trading Joint Stock Company (Petechim) and Vice President of PetroVietnam Oil Corporation (PV Oil).

Qualification

- » Bachelor degree of Economics in Petroleum (graduated in Russia).
- » Master degree of Business Administration (graduated in Oklahoma State University, USA).

Mr. **NGUYEN MAU DUNG**
Vice President



Working experience

Mr. Nguyen Mau Dung has joined the Petroleum industry since 1991. In his career, he undertook key managerial positions in PetroVietnam Construction Joint Stock Corporation (PVC), PetroVietnam Engineering and Construction Company, PetroVietnam Engineering Consultancy Joint Stock Company. Prior to his current position as Vice President of PV Gas, he served as Managing Director, Chairman of Board of Management of PetroVietnam Coating Joint Stock Company (PV Coating), Managing Director of PetroVietnam Steel Pipe Joint Stock Company (PV Pipe).

Qualification

- » Mechanical Engineer.
- » Master degree of Business Administration.

Mr. **MAI HUU NGAN**
Chief Accountant



Working experience

Mr. Mai Huu Ngan has joined the Petroleum industry since 1988. In his career, he undertook key managerial positions in PetroVietnam Construction Joint Stock Corporation (PVC) and PetroVietnam General Services Joint Stock Corporation (Petrosetco). Prior to his current position as Chief Accountant of PV Gas, he served as Chief Accountant for Southeast Gas Transmission Company - a 100% owned company of PV Gas.

Qualification

- » Bachelor in Accounting.

BRIEF INFORMATION ON BUSINESS RESULTS OF PV GAS IN 2013

“ IN 2013, PV GAS KEPT CARRYING OUT ITS BUSINESS PLAN WITH CERTAIN ADVANTAGES, BUT ALSO FACED MANY DIFFICULTIES SUCH AS LOW ECONOMIC GROWTH, UNSTABLE LPG SUPPLY FROM DUNG QUAT OIL REFINERY, CHANGES IN INVESTMENT PLANS/INVESTMENT SCALE OF SOME MAJOR PROJECTS (NAM CON SON 2 GAS PIPELINE, HAM RONG - THAI BINH), IMPLEMENTATION UNDER THE NEW PLAN, PROGRESS ALWAYS UNDER TIME CONSTRAINT...

Properly assessing and identifying challenges of the year, right from the beginning of 2013, PV Gas focused all resources and efforts to proceed with business activities. As a result, PV Gas has completed and exceeded most of the 2013 targets adopted at the AGM of Shareholders. In particular, PV Gas has reached the targets early, completing the

profit target 5 months ahead of schedule, the budget contribution target 4 months, revenue target 2 months, LPG output 2 months and dry gas output 15 days. PV Gas has remained one of enterprises with largest profitability scale on the stock market and 2013 was the most profitable year ever, continued to be one of the top

ranked companies in PetroVietnam in terms of revenue and profit (Revenue of PV Gas represented nearly 10 % of PVN's revenue and nearly 2 % of the national GDP). PV Gas was evaluated and ranked No. 2 in Forbes Vietnam's list of top 50 best listed companies in Vietnam. In specific, business results of 2013 are as follows:

No.	Target	Unit	Done 13	Done13/Plan13	Done13/Done12
1	Dry gas (*)	Billion m ³	9.5	105%	103%
2	LPG (**)	1,000 tons	1,060.8	115%	103%
3	Condensate	1,000 tons	62.2	123%	101%
4	Revenue	Trillion VND	65.6	118%	96%
	Of which parent company		57.2	114%	95%
5	Contribution to budget	Trillion VND	5.8	162%	85%
	Of which parent company		5.3	151%	99%
6	Profit before tax	Trillion VND	15.6	165%	126%
	Of which parent company		15.1	161%	126%
7	Net profit	Trillion VND	12.6	164%	125%
	Of which parent company		12.2	161%	124%
8	Net profit/Charter capital	%	66.5	164%	125%

(*) Supplying input fuels and feedstock to produce nearly 40% of electricity and 70% of urea fertilizer output throughout the country.

(**) If including the LPG output of subsidiaries (excluding internal transactions), in 2013 PV Gas supplied to domestic and foreign markets approximately 1.3 million tons, accounting for over 70% of domestic market share.

Apart from safely operating gas works, completing major maintenance and putting gas systems into operation ahead of schedule, fulfilling business goals, in 2013, PV Gas has completed/actively carried out many key investment projects, contributing to PV Gas' reputation. PV Gas has completed Thi Vai refrigerated LPG storage with capacity of over 60,000 tons/year; completed and put into operation Ca Mau gas compressor, increased the gas supply capacity

to Southwest region to 6.2 m²/day; completed extended Rong - Doi Moi gas pipeline, increased Cuu Long gas supply output; completed preparatory work for investment projects such as: Nam Con Son 2 gas pipeline - Stage 1, Dai Hung, 1 MMTPA LNG storage at Thi Vai, Ham Rong - Thai Binh, ...

Along with the success of main business activities, employees' wages, salaries and social security benefits have also witnessed

good results. PV Gas guaranteed employee's income in 2013 is no lower than in 2012 and has carried out the best insurance policy for employees to the extent permitted by the State. In 2013, PV Gas has spent 100 billion VND and 4 days' wages of all PV Gas' employees working overtime on 4 Saturdays for social security works, supporting many local programs nationwide, remarkably contributing to social security work of PVN and the country.

ACTION PLAN OF BOARD OF MANAGEMENT IN 2014

According to the forecast, the world economy is still gloomy with low growth. The general difficulties of the world economy will keep affecting the Vietnam economy and business activities of Vietnamese enterprises.

For PV Gas, the assigned tasks are extremely heavy and difficult. That is, in addition to ensuring safe operation, gas supply with target output highest ever, PV Gas will simultaneously implement some important projects requiring large capital and involving multiple parties in 2014.

Given the particulars of situation home and abroad as well as of PV Gas, in order to ensure fulfillment of the 2014 plan, the BOM needs to carry out some main contents as follows:

- » To keep organizing the BOM' mechanism to work professionally with a high sense of responsibility, satisfactorily directing and supervising activities of the Executive Board;
- » To keep holding regular meetings according to regulation and extraordinary meetings when

necessary to resolve any matters arising under the BOM's authority and attending all meetings of the BOD as regulated/invited, together with the BOD to promptly handle any issues;

- » To urge, closely monitor the implementation of BOM's Resolutions;
- » To direct preparation and implementation of PV Gas' restructure in the direction of lean structure and focus on effective and core business lines;
- » To direct review of investment projects, with priority to focus resources on key effective investment projects;
- » To direct introduction and application of PV Gas' Corporate Culture, ensuring PV Gas' activities to be carried out professionally and with reputation;
- » To direct promotion of research, seeking strategic partners, especially foreign investors of ample qualifications and experience in gas sector, ensuring sustainable development of PV Gas.

THE TARGETS OF 2014 INCLUDE: SAFELY AND EFFECTIVELY OPERATING EXISTING GAS WORKS, ENSURING PROGRESS OF INVESTMENT PROJECTS; SUPPLYING OVER 9 BILLION M³ OF DRY GAS FOR CUSTOMERS; ENSURING LPG OUTPUT TO REPRESENT OVER 70% OF MARKET SHARE NATIONWIDE, PV GAS' REVENUE TO REACH OVER 62 TRILLION VND AND PRE-TAX PROFIT OVER 10 TRILLION VND, MAINTAINING TO BE A KEY SUBSIDIARY OF PETROVIETNAM AND ACHIEVING EXPECTATIONS OF PV GAS' SHAREHOLDERS.

BOARD OF SUPERVISORS' OPERATIONAL RESULTS IN 2013

Implementing functions and duties of BOS prescribed in the Charter of PV Gas and Regulations on BOS' operation, in 2013, the BOS has carried out the supervision of PV Gas' activities, in specific:

INSPECTION AND AUDITING

- » Building the plan of inspection and supervision for 2013 approved by the BOM, inspecting, supervising at 12 member companies (100% owned companies and subsidiaries) and supervising, evaluating investment for 4 projects; reflecting achievements as well as remaining shortcomings in business activities of member companies; raising petitions, providing solutions;
- » reporting to the BOM after each inspection in order to issue the BOM's instructions to each member company;
- » Supervising through periodic and irregular reports from member companies and through inspection and audit results from the State management and superior agencies including: State Auditing, Government Inspectorate, Inspectorate of the Ministry of Finance, PVN inspection team;
- » Reporting quarterly/annually on inspection and supervision of PV Gas' business activities and financial management and submitting to the superior agencies (PVN).

VERIFICATION OF PV GAS' FINANCIAL REPORT IN 2013

- The BOS has carried out quarterly and annually verification of financial statements, ensuring rightness and transparency of reports, in specific:
- » Recording, opening accounting books, classifying economy contents of PV Gas complied with Accounting Standards issued by the Ministry of Finance; preparing and submitting reports in accordance with State regulations, reflecting rightness and overall of PV Gas' financial operation;
 - » PV Gas' 2013 Financial Report has reflected faithfully and reasonably financial situation of PV Gas as of December 31, 2013 as well as its business results in 2013;
 - » PV Gas has managed, archived accounting records and documents in accordance with the regulations;
 - » PV Gas has reported and proclaimed information to the State Securities Commission and the Ho Chi Minh City Stock Exchange under the regulations of the Ministry of Finance on information disclosure on the stock market;
 - » Realizing the governance in accordance with the regulations of PVN;
 - » 2013 Financial indicators have shown sound financial standing, ensuring solvency, capital preservation and growth of PV Gas.
 - » PV Gas' 2013 Financial Report was audited by Deloitte Vietnam Company Limited as prescribed in the Charter of PV Gas and Shareholder's Committee Resolution in 2013;

SUPERVISION RESULTS ON MANAGEMENT AND ADMINISTRATION ACTIVITIES OF THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS

ACTIVITIES OF THE BOARD OF MANAGEMENT

- » On the basis of business development strategy, the BOM has submitted to the Shareholders' Committee for approval of PV Gas' 2013 business plan;
- » The BOM has issued resolutions/decisions/action plans relating to business, construction investment activities and personnel organization in accordance with the applicable regulations and PV Gas' Charter. The BOM has well fulfilled its role to direct, supervise and support the BOM and other functional divisions,

member companies of PV Gas, well operated business activities and exceeded business targets approved by the Shareholders' Committee;

- » The BOM has strictly arranged,

stabilized PV Gas' activities as a joint stock corporation; ensuring continuity of business activities and restructuring PV Gas;

- » The BOM has speeded up cooperation activities, seeking

investment opportunities at domestic market and abroad for additional gas sources, development of gas pipeline system, storage construction and LNG market consumption.

ACTIVITIES OF THE BOARD OF DIRECTORS

- » Implementing, directing member companies and departments in collaboration with functional divisions to strictly implement the BOM's resolutions/decisions/directives, striving to overcome difficulties, having close operating measures and excellently surpassing the 2013 business plan;
- » Reviewing and re-evaluating efficiency of investment projects, especially key projects, making decisions on accelerating/ceasing or extending schedule and only carrying out effective investment projects; concurrently handling difficulties in implementation of other projects to ensure the schedule;
- » Regularly working with member companies to promptly adjust business activities under general orientations, promptly handle difficulties in business and investment of each member company;
- » Ensuring recruitment activities in compliance with the procedures and regulations on recruitment, satisfying needs for jobs. With positive changes, the activities of training and human resources development have been grasped thoroughly to each 100% owned company, subsidiary, ensuring efficiency and saving;
- » Regarding to wages and policies: The BOD has promptly raised/adjusted salary for PV Gas' employees as scheduled, ensuring the payment in strict compliance with the applicable regulations and stable income for the employees.

EVALUATION ON OPERATION COORDINATION AMONG THE BOARD OF SUPERVISORS, BOARD OF MANAGEMENT AND BOARD OF DIRECTORS

- There is always a close coordination among the BOS, BOD and BOM. The BOS has received the coordination and favorable facility from the BOM and the BOD in the BOS' implementation such as providing information and documents, nominating task forces to work with the BOS when required. All of the BOS' summary reports on the inspection and control tasks have been regularly submitted to the BOM and the BOD.

INSPECTION AND SUPERVISION PLAN OF THE BOARD OF SUPERVISORS IN 2014

To well implement control activities in compliance with Enterprise Law and PV Gas' Charter, the BOS has built the 2014 working plan as follows:

- » To monitor the observance of the law provisions and PV Gas' Charter, implementation of resolutions, decisions of the Shareholders' Committee, BOM;
- » To keep carrying out inspection and supervision on operating activities

and business management by functions and duties prescribed in the Enterprise Law and PV Gas' Charter;

- » To supervise the observance of Charters, regulations and internal management process;
- » To monitor plans and progress on business and investment activities;
- » To review and verify quarterly and

- annually financial reports;
- » To enhance the close coordination between BOS' members at member companies and internal control units in implementation of inspection and supervision;
- » To nominate the BOS' members to participate in advanced training courses and all specialized conferences relating to control activities.

“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 PV GAS’ GROWTH BUT ALSO FOR SUSTAINABLE DEVELOPMENT.

BRIEF INFORMATION ON BUSINESS ACTIVITIES IN 2013

Overview on situation of PV Gas’ business environment:

- » The regional political situation was unstable, the domestic economic growth was slow, with credit conditions tightened, consumption declining,... forcing many Vietnamese enterprises in stagnant operation, lackluster growth... resulting in direct and indirect impacts upon the gas demand of PV Gas’ customers;
- » LPG supply from Dung Quat Oil Refinery was unstable, adversely affecting PV Gas’ business activities for LPG from Dung Quat source;
- » Price negotiations for the upstream gas have yielded no results; gas component of some fields has been changed as compared to the previous forecast, forcing PV Gas to halt, delay progress of Block B - O Mon gas pipeline project, change the investment case/ plan scale for Nam Con Son 2 gas

PV GAS HAS FULFILLED AND EXCEEDED THE 2013 PLAN APPROVED BY THE SHAREHOLDERS’ COMMITTEE, ACHIEVED GROWTH COMPARED TO 2012; REACHED THE PROFIT TARGET 5 MONTHS AHEAD OF SCHEDULE, THE BUDGET CONTRIBUTION TARGET 4 MONTHS, LPG OUTPUT TARGET 2 MONTHS; DRY GAS OUTPUT TARGET 15 DAYS; ACHIEVING THE RECORD PROFIT, THE HIGHEST SINCE FOUNDATION

pipeline project, Ham Rong - Thai Binh gas pipeline project and when the projects were resumed, the progress schedule was always tight.

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 PV Gas’ growth but also for sustainable development. As a result, PV Gas has fulfilled and exceeded the 2013 plan approved by the Shareholders’ Committee, achieved growth compared to 2012; reached the profit target 5 months ahead of schedule, the budget contribution target 4 months, LPG output target 2 months; dry gas output target 15 days; achieving the record profit, the highest since foundation; The gas system operated safely, stably, helping PV Gas to supply fuels and feedstock to produce nearly 40% of electricity and 70% of urea fertilizer output nationwide, maintaining the position as the third largest subsidiary of Vietnam National Oil and Gas Group, ranked 2nd in Forbes Vietnam’s list of 50 top test listed enterprises on Vietnam stock market, ranked 12th in Vietnam Report’s list of Top 500 largest enterprises of Vietnam VNR500...

TOP
12

OF TOP 500
LARGEST
ENTERPRISES OF
VIETNAM VNR500

50,379
BILLION VND
TOTAL ASSETS IN 2013

33,358
BILLION VND
EQUITY IN 2013

18,950
BILLION VND
CHARTER CAPITAL IN 2013

OUTSTANDING
ACHIEVEMENTS IN 2013

SAFETY, QUALITY, HEALTH,
ENVIRONMENT AND SECURITY

Ensuring safety, quality, health, environment and security is always the top concern of PV Gas. In 2013, PV Gas has recorded over 6.2 million of safe work hours at its production and business units; three gas systems have remained reliable and 100% ready; without any incidents seriously affecting security and safety of gas systems. PV Gas has maintained regular, professional programs and activities of Safety - Quality - Health - Environment - Security such as:

- » Continuously applying and maintaining the integrated management system with Safety - Quality - Health - Environment under OHSAS18001:2007, ISO 9001:2008, ISO 14001:2004; BSI has rated no system error;
- » Communicating, contacting, coordinating with all stakeholders such as: people living around onshore, offshore gas works; State administration agencies, upstream, midstream and downstream partners, contractors, customers and all employees of PV Gas;
- » Modernizing, acquiring equipment, facilities and improving awareness, qualifications, skills of employees;
- » Holding drills, practicing, participating in festivals with typical, particular situations;
- » Updating regulations, procedures adapted to changes;
- » Maintaining validity of awarded licenses, certificates; improving, adding facilities, processes, manpower... to obtain more licenses, certificates in compliance with new regulations of State administration agencies.

OPERATION, PRODUCTION,
REPAIR AND MAINTENANCE

In 2013, PV Gas has maintained safe, reliable, constant operation and production for Cuu Long, Nam Con Son and PM3 gas systems including pipelines, plants, gas distribution centers, storages and terminals, increased the operational capacity of Nam Con Son gas pipeline to 22 million m³/day in May, took over and put into operation the 4 new production works: Thi Vai refrigerated LPG storage in March, Hai Thach - Moc Tinh gas pipeline in September, Rong - Doi Moi extended gas pipeline and Ca Mau gas compressor in December.

As a result, the total gas ashore output reached 9,669 million m³, producing 9,469 million m³ of dry gas, 299,169 tons of LPG and 61,164 tons of condensate, exceeding the 2013 plan and increased in comparison with 2012; including:

- » **CUU LONG GAS:** Bach Ho and Rong gas ashore output have gone down. But in return, Su Tu Den, Su Tu Vang, Rang Dong, Phuong Dong, Hai Su Trang, Te Giac Trang gas output... was higher than planned thanks to

better coordination with gas field owners in cutting down time for maintenance and efforts to operate the 5 units of CPP rig at some point. In addition, thanks to additional gas from extended Rong - Doi Moi project, in 2013 Cuu Long gas output was not reduced over production time, but rather increased as compared to 2012, reaching 1,422 million m³ of wet gas, helping produce 1,198 million m³ of dry gas and remarkably increase output of LPG, Condensate;

- » **NAM CON SON GAS:** Output was still predominant over other gas sources, reaching 6,263 million m³, accounting for 65% of total gas output on the conditions that gas from Blocks 06.1, 11.2 to shore was stable, Hai Thach - Moc Tinh gas supply started in September and Chim Sao field operation was unstable, coming to complete unplanned halt from late August to mid-November for the gas field owner to repair gas leaks in the gas system of the field owner;
- » **PM3 GAS:** Reaching 1,984 million m³. Although the Talisman rig had some problems affecting its gas supply in Feb, Mar, Jul, Oct but PV Gas has striven for the maximum gas volume exploited and transported ashore, taking the best right of Vietnam in exploiting gas field in the overlapping area with Malaysia.

GAS ASHORE AND PRODUCTION OUTPUT

	Unit	2011	2012	Plan 2013	Done 2013
Gas ashore output	MMCM	8,704	9,347	9,200	9,669
Cuu Long wet gas	MMCM	1,285	1,255	1,269	1,422
Nam Con Son gas	MMCM	5,869	6,189	6,231	6,263
PM3 gas	MMCM	1,550	1,902	1,700	1,984
Production output					
Dry gas	MMCM	8,533	9,175	9,010	9,469
Cuu Long gas	MMCM	1,114	1,056	1,079	1,198
Nam Con Son gas	MMCM	5,869	6,216	6,231	6,287
PM3 gas	MMCM	1,550	1,902	1,700	1,984
Condensate	1000T	58	60	51	61
LPG (Dinh Co)	1000T	245	267	216	299

STRUCTURE OF GAS ASHORE OUTPUT BY GAS SYSTEM IN 2013

Unit: MMCM

Cuu Long gas	1,422	Nam Con Son gas	6,263	PM3 Gas	1,984
Bach Ho, Vom Bac, Rong, Doi Moi	326	06.1	4,345		
Rang Dong, Phuong Dong	209	11.2	1,505		
Su Tu Den, Su Tu Vang	422	Chim Sao	118		
Ca Ngu Vang	140	Hai Thach - Moc Tinh	296		
Hai Su Trang, Te Giac Trang	325				



In 2014, Hai Thach - Moc Tinh gas will be supplied throughout the year (rather than just nearly 4 months and also with problems of the gas field owner resulting in halt of Chim Sao gas supply as in 2013) and along with the gas output from other fields in Cuu Long, Nam Con Son and PM3 basins, PV Gas will ensure to keep satisfying gas demand.

PV Gas has well carried out regular, unscheduled and preventive maintenance, repair and testing,

calibration to ensure stable operation of gas systems. Some major and typical works were implemented, including:

- » Maintenance and repair in the phase of complete halt of PM3 - Ca Mau and Nam Con Son, Cuu Long gas systems in July and September, respectively; completing works ahead of schedule by 3 days for PM3- Ca Mau gas system, 2.5 hours for Nam Con Son gas system and 34 hours for Cuu Long gas system;

- » Pigging for PM3-Ca Mau pipeline, Nam Con Son offshore pipeline, 3 liquid product pipelines at Dinh Co - Thi Vai, Su Tu Vang - Bach Ho, Bach Ho - Dinh Co, Dinh Co - Ba Ria - Phu My gas pipelines respectively in January, February and October;

- » And many other regular, unscheduled, preventive maintenance, repair, testing and calibration activities.

OUTSTANDING ACHIEVEMENTS IN 2013 (continued)

BUSINESS

9,469
MILLION M³
DRY GAS IN 2013

DRY GAS: In 2013, there was much heavy rain during the rainy season, which was more favorable for EVN's hydroelectric generation, besides that, production activities of low pressure gas customers have not been fully recovered due to overall economic difficulties, resulting in unstable gas demand for gas fired power plants and

industrial customers. However, PV Gas has attempted to flexibly and reasonably nominate and dispatch gas and supplied 9,469 million m³ gas, higher than the planned target in 2013 and the output achieved in 2012; of which the power plants, fertilizer plants and industrial customers accounted for 83%, 11% and 6%, respectively.

STRUCTURE OF GAS CONSUMPTION BY CUSTOMERS

Unit: MMCM

	2011	2012	Plan 2013	Done 2013	Percentage 2013
Gas output	8,533	9,175	9,010	9,469	100%
Power plant	7,472	7,580	7,417	7,845	83%
Urea plant	527	982	983	1,011	11%
Low-pressure gas	534	613	610	613	6%

LPG: Contrary to the price rise tendency of last year, the world's LPG market in 2013 saw an opposite inclination. The 2013 average CP price was 871 USD/ton, dropped by 45 USD/ton compared to that of 2012 (the lowest CP price was 755 USD/ton in May, the highest CP price was 1,162.5 USD/ton in December). The abundant supply fully met demand all over the world. Therefore the Asian LPG market was not in short supply as well, resulting in a decline in the price.

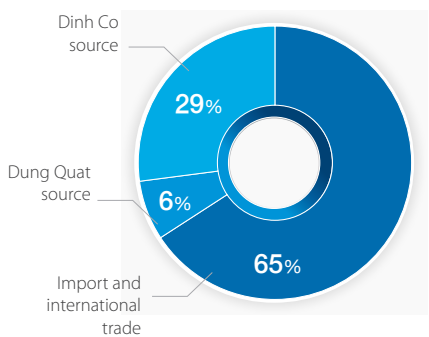
Vietnam's LPG consumption market increased by about 1.3 million tons compared to 2012, of which the supply from Dinh Co Gas Processing Plant and Dung Quat Oil Refinery satisfied over 50% of the total consumption, the remaining nearly 50% was met by import (from Middle East and neighbouring countries such as China, Malaysia,

Taiwan, Singapore, Indonesia...).

Thanks to the considerable increase in LPG supply from Dinh Co Gas Processing Plant and stable activities of LPG import and international trading, PV Gas was able to offset the LPG output shortage of Dung Quat Oil Refinery to keep its LPG business activities effective and at high level. PV Gas supplied the domestic and foreign markets with 1,060,811 tons of LPG and reached over 1.3 million tons including LPG output of PV Gas South, PV Gas North, PV Gas City (excluding internal transactions), covering 70% of the national market share. The advantages on facilities, human resources, LPG sources, business partners have helped PV Gas maintain its position as Vietnam's No. 1 producer and trader of LPG and being the only enterprise in Vietnam that could import refrigerated LPG from the Middle East.

STRUCTURE OF LPG CONSUMPTION OUTPUT BY SOURCE

Unit: Thousand tons



Year	2011	2012	Plan 2013	Done 2013	Percentage 2013
Output - Parent company	1,166	1,027	920	1,061	100%
Dinh Co source	244	258	216	302	29%
Dung Quat source	66	105	102	66	6%
Import and international trade	856	664	602	693	65%
Output - Consolidation	1,350	1,275		1,326	

CONDENSATE: Condensate sold to PV Oil was carried out normally according to the long-term contract with the output of 62,200 tons in 2013.

CONDENSATE CONSUMPTION OUTPUT

Unit: Thousand tons

Year	2011	2012	Plan 2013	Done 2013
Output	58	61	51	62

62,200
TONS
CONDENSATE IN 2013

Transportation: PV Gas has transported 6,287 million m³ of gas and 178,550 tons of Nam Con Son Condensate, satisfying 100% of customers' demand.

New gas contracts: PV Gas has signed several new gas contracts: Hai Thach - Moc Tinh gas sale and transportation contracts coming into effect in September, gas sale contract for improvement of oil recovery efficiency with Japan Vietnam Petroleum Company Ltd and the ethane gas sale contract with Long Son Petrochemicals Co., Ltd in preparation for gas sale activities in the upcoming years.

1,060,811
TONS
LPG IN 2013

OUTSTANDING ACHIEVEMENTS IN 2013 (continued)

“ PV GAS HAS PREPARED FOR INVESTMENT AND IMPLEMENTED 7 INVESTMENT PROJECTS OF GROUP A, 15 PROJECTS OF GROUP B AND GROUP C; DISBURSING 2,334 BILLION VND, REPRESENTING 79% OF THE ANNUAL PLAN DUE TO SOME REASONS SUCH AS DELAYED/RESCHEDULED PROGRESS OF SOME MAJOR PROJECTS, PENDING THE NEGOTIATION RESULTS FOR UPSTREAM GAS PRICE OR CHANGES IN THE INVESTMENT PLAN, REASSESSMENT OF INVESTMENT PROJECTS TAKING INTO ACCOUNT CHANGES IN GAS COMPONENT DATA. PV GAS HAS ACTIVELY CARRIED OUT INVESTMENT, FOCUSING ON SEVERAL KEY PROJECTS.



INVESTMENT AND CONSTRUCTION

GAS GATHERING: building new pipelines to gather gas from new gas fields to supplement gas supply to the market;

» **Extended Rong - Doi Moi gas pipeline:** completing investment, starting supplying gas from December;

» **Nam Con Son 2 gas pipeline:** preparing and submitting for approval the investment report of phase 1 (Thien Ung field), updating FEED design, overall bidding plan, bidding documents for steel pipe supplying and pipe coating packages, EPC package of offshore pipelines - phase 1. The phase 1 is scheduled for completion in 2015.

» **Dai Hung gas pipeline:** preparing and submitting the F/S for approval; conducting survey to support the design work; preparing the Environmental Impact Assessment Report, the overall bidding plan; signing the investment entrustment contract for Dai Hung, Thien Ung rigs; issuing bidding documents for the compressor supply package. The project is scheduled for completion in 2015;

» **Block B - O Mon gas pipeline:** Currently on hold, pending the negotiation results for upstream gas price, but still proceeding with some necessary works in preparation for resumption of project implementation. Specifically: 100% of detailed design and 30% of the foundation treatment of O Mon Station were completed, the procedures for continuous foundation treatment and compensation works has been performed;

» **Ham Rong - Thai Binh gas pipeline:** preparing and submitting the investment project and the revised bidding plan for approval. The investment is scheduled for completion in 2015;



GAS IMPORT: Aimed at supplementing the gas supply to the market in the future when the demand exceeds domestic supply, the project has been divided into 2 phases:

» **1 MMTA LNG storage at Thi Vai:** preparing and submitting the F/S and the revised bidding plan for approval, preparing the EPC bidding package and other related bidding packages. The investment is scheduled for completion in 2017;

» **3 - 6 MMTA LNG storage and terminal at Son My - an important component project of the national power - gas complex at Son My, Binh Thuan:** The Master Plan for development of LNG-based gas and power chain at Son My has been approved by the Prime Minister and the Ministry of Industry and Trade. PV Gas has been preparing the basic design according to recommendations from MOIT. In addition, PV Gas has completed the report on LNG supply mode, supply source plan and gas price mechanism for Son My power and gas chain for submission to EVN and MOIT.

STRENGTHENING GAS AND GAS PRODUCTS PROCESSING AND STORING CAPACITIES

» **Thi Vai refrigerated LPG storage:** completing investment, starting operation in March.

» **Dinh Vu - Hai Phong LPG storage upgrading:** Approving the F/S, the report on quantitative risk assessment, bidding and signing related contracts.

» **Ca Mau Gas Processing Plant:** completing investment in the gas compressor (to increase capacity of PM3-Ca Mau gas pipeline), starting operation from December; suspending implementation of plant items while waiting for results of gas price negotiation of Block B - O Mon, at the same time reviewing the solution of technology optimization and the investment plan by phase.

» **Separating Ethane from Nam Con Son and Cuu Long gas sources:** Completing 60% of the workload for preparation of F/S.

FINAL ACCOUNTING AND SETTLEMENT FOR: the gas supply chain for Nhon Trach 2 power plant, gas pipelines of Te Giac Trang - Bach Ho, Su Tu Den/Su Tu Vang - Rang Dong, Rong - Doi Moi, Phu My - Ho Chi Minh City, Dung Quat LPG storage, PV Gas Tower,...



3,388

EMPLOYEES

TOTAL NUMBER OF
EMPLOYEES AT HEAD
QUARTER, 100% OWNED
COMPANIES AND
SUBSIDIARIES, INCLUDING
1,110 EMPLOYEES AT THE
PARENT COMPANY.



OUTSTANDING ACHIEVEMENTS IN 2013 (continued)

PERSONNEL ORGANIZATION

As at 31st December 2013, the organizational structure of PV Gas consists of Shareholders' Committee, BOM, BOS, BOD, 14 functional divisions; 10 100% owned companies involved in direct production, business and investment; 6 subsidiaries and 2 affiliates engaged in the related sectors, specialized business lines with specific market zoning, not overlapping.

PV Gas made some major changes in personnel organization to respond to actual requirements of its business and production activities as follows:

REPLACEMENT OF KEY PERSONNEL

» At the 2013 AGM of shareholders, PV Gas' Shareholders' Committee has adopted the release of Mrs Nguyen Thi Lan from her post as Chairwoman of BOM and the appointment of Mr. Do Khang Ninh - Member of BOM, President as Chairman of BOM, President.

» In addition, according to the Charter of PV Gas, Meeting No.211, 212/BB-KVN on 6th December 2013, the BOM announced the Decisions, Resolutions dated 6th December 2013 on appointment of Mr. Le Nhu Linh as member of BOM and Mr. Do Khang Ninh's release from the post of Chairman of BOM to serve as member of BOM, President.

» PV Gas made no other change to personnel in BOS, BOD and Chief Accountant.

ORGANIZATIONAL RESTRUCTURE

» Dissolving the PV Gas Tower Project Management Division after fulfilling investment in PV Gas Tower building. PV Gas Tower building is now PV Gas' headquarter.

» Merging the gas sources and market development division to gas import division in order to unify the tasks of management and operation of gas resources and gas products development.

» Making organization restructure and cutting down labor at Block B - O Mon gas pipeline management company (BPOC) in line with current workloads of Block B - O Mon gas pipeline project performed by BPOC. (Block B - O Mon gas pipeline project is currently on hold, pending negotiation results for upstream gas price; deploying some necessary works ready for restarting the project).

LABOR AND REMUNERATION

As of 31/12/2013, the total number of employees at head quarter, 100% owned companies and subsidiaries were 3,388, including 1,110 employees at the parent company. PV Gas has maintained its high labor productivity, as indicated by profit growth figures. Thus, PV Gas' employees deserved stable salary and income and other fringe benefits (See Human Resources and Corporation for more details).

Remuneration, wages and bonuses of the BOM and BOS as actually paid in 2013 were in compliance with the resolution of the 2013 AGM of shareholders on subjects and values.

PV Gas organized training courses for 6,495 employees at cost of 24.1 billion VND; with more focus on advanced training and professional orientation, internal training and on-site training, inviting prestigious foreign trainers to enhance training quality, arranging number of participants and using training cost reasonably.

OUTSTANDING ACHIEVEMENTS IN 2013 (continued)

CORPORATE INNOVATION AND RESTRUCTURE

PV Gas has kept carrying out the corporate innovation and restructure according to PV Gas' restructure plan for 2012-2015 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.

PSCC dissolution

At the 2013 AGM of Shareholders held on 1/4/2013, the PV Gas' representatives



at PSCC and PSCC's Shareholders' Committee have voted to adopt the Resolution on PSCC's dissolution plan and

assigned PSCC's BOM to direct the implementation of coming tasks, in strict compliance with current regulations. In December, PSCC has completed necessary procedures and submitted PSCC's dissolution dossier to Hanoi Department of Planning and Investment.

Selling the entire capital share of PV Gas in PV Gas Cylinder to PV Gas South

In October, PV Gas signed the contract to sell the entire shares of PV Gas in PV Gas Cylinder to PV Gas South.

Buying shares in PV Pipe

In June and November, PV Gas has contributed additional capital to increase the charter capital and buy more shares in PV Pipe to raise its shareholding in PV Pipe to 99%.



THANKS TO
PRACTICAL
AND TIMELY
SUPPORTS FROM
PV GAS - PARENT
COMPANY, MAJOR
SHAREHOLDERS,
AND EFFORTS
OF SUBSIDIARIES
THEMSELVES, THE
BUSINESS ACTIVITIES
OF SUBSIDIARIES
HAS ACHIEVED QUITE
GOOD RESULTS,
CONTRIBUTING
TO BUILDING THE
VIETNAM GAS
INDUSTRY.

OPERATION OF MEMBER COMPANIES

Thanks to practical and timely supports from PV Gas - parent company, major shareholders and efforts of subsidiaries themselves, the business activities of subsidiaries has achieved quite good results, contributing to build the Vietnam gas industry.

PV Gas D, PV Gas South, PV North and PV Coating achieved efficiency with high profit. PV Gas D is investing in Tien Hai - Thai Binh low pressure gas pipeline to supply gas to industrial customers in Thai Binh province as well as cooperating with PV Gas North for CNG trading in surrounding areas, opening a new business market for PV Gas D in the North market. PV Gas South and PV Gas North have jointly achieved the biggest retail market share in Vietnam - at about 30%. PV Gas South and its subsidiary company, CNG Vietnam have still maintained their domination position on CNG business market in the Southeast region, supplying to industrial customers and means of transportation. For PV Gas North, on the basis of cooperation with PV Gas D, PV Gas North will start its CNG business in Thai Binh province and surrounding areas from 2015, 2016 to help diversify its products and get more profit.

The activities of pipe coating, handover of coated pipes of PV Coating to project investors were implemented on committed schedule and at guaranteed quality. Especially, in November, PV Coating signed the contract of pipe coating for Su Tu Nau project worth nearly 18 million USD, implemented during 2013 and 2014, helping PV Gas increasingly improve its reputation in the area of pipe coating, facilitating PV Coating in listing its shares on HNX in December.

Although being unable to quickly carry out investment and trade of the central gas system for urban areas,



condominiums due to the stagnant real estate market, causing domino effects upon PV Gas City's projects implementation progress, PV Gas City has made profit in 2013, strongly increased as compared to 2012 thanks to its efforts in managing business activities and controlling costs. Currently, PV Gas City is focusing its resources to speed up the project of supplying CNG to Phu My Hung urban area, bringing a bright start to PV Gas City's business activities.

After completing investment in the steel pipe plant, PV Pipe was granted with the 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. In 2013, PV Pipe has produced and completed its handover of first batches to customers, affirming its capacity and availability in producing pipes for Nam Con Son 2 gas pipeline project - phase 1, Dai Hung and other external customers in 2014.

18
MILLION USD

PV COATING SIGNED
THE CONTRACT OF
PIPE COATING FOR
SU TU NAU PROJECT,
IMPLEMENTED
DURING 2013
AND 2014

OUTSTANDING
ACHIEVEMENTS IN 2013 (continued)

SCIENTIFIC RESEARCH AND
TECHNICAL INITIATIVES

Activities of scientific research and technical innovations are more and more practical, yielding practical and instant economic benefits, as well as preparing for PV Gas' new business production activities in the coming years such as LNG import, development of gas fields with high CO₂ content, in specific:

» Completing 3 topics: Research on LNG import for development of the North and Central gas market; Research on technology applications to produce liquid fuel from Ca Voi Xanh gas; Research on gas treatment

technology with high CO₂ content - applicable to Ca Voi Xanh field);

» Fulfilling the report on gas gathering at marginal fields with FLNG, FCNG, FGTL;

» Planning the LNG receiving and distribution system in Vietnam;

» Compiling and editing Vietnamese standards for satellite LNG storage - equipment system and installation;

» Co-operating with UOP to hold the seminar on processing technology for gas with high CO₂ content and efficient growth solutions for gas projects; with DNV to organize the

seminar on safe technical standard for the development of LNG projects in Vietnam;

» Currently, preparing Vietnamese standards on measurement system applicable to civil gas supply systems (LPG, natural gas, LNG);

» Updating and issuing Basic Standards for LPG, ...

As in previous years, the movements on promoting initiatives, technical innovation and production rationalization were launched in each unit, department and were actively and practically supported by the entire staff of PV Gas, bringing PV Gas hundreds of billion dongs in profit.



PARENT COMPANY

PROFIT IN 2013
EXCEEDED 2012
PROFIT, BECOMING
THE LARGEST ON
VIETNAM STOCK
EXCHANGE AND
ALSO THE RECORD
PROFIT SINCE
ESTABLISHMENT:
15,088 BILLION VND IN
PRETAX PROFIT, 12,242
BILLION VND IN
NET PROFIT.

Target	Unit	Done 2013
Revenue	Billion VND	57,168
including		
Cuu Long gas sale	Billion VND	8,334
Nam Con Son gas sale	Billion VND	22,453
LPG sale	Billion VND	21,573
Condensate sale	Billion VND	461
PM3 gas transportation	Billion VND	1,572
Nam Con Son gas transportation	Billion VND	2,438
Nam Con Son Condensate transportation	Billion VND	31
Others	Billion VND	307

FINANCE

The revenue has been slightly lower than 2012, although in 2013, for PM3 gas output, PV Gas only achieved revenue from transportation as the gas transporter. Because revenue from sale of Cuu Long gas, Nam Con Son gas, Condensate, gas and Condensate transportation have increased as compared to 2012; furthermore, the selling price has also increased, in line with the roadmap for increasing domestic gas price, gradually reaching the world price. However, LPG revenue was lower than 2012 due to its output and price declining equivalent to average CP reduction.

Profit in 2013 exceeded 2012 profit, becoming the largest on Vietnam stock exchange and also the record profit since establishment: 15,088 billion VND in pretax profit, 12,242 billion VND in net profit. These

figures have proved that PV Gas' production and business activities are in a very stable stage; gas output of the subsequent year is higher than that of previous years; the benefits of PV Gas and shareholders are more guaranteed with the roadmap for increasing domestic gas prices, gradually approaching the world price; operational costs are always closely managed, saving billions of dongs from promoting initiatives, technical innovations, rationalization of production. In addition, PV Gas has reverted to the science and technology development fund with 1,146 billion VND. But above all, PV Gas' management staff and labor force are important factors contributing to these outstanding results.

Capital arrangement: In spite of tightening credit conditions, capital arrangements were actively implemented, sticking to

the progress of each project and yielding good results thanks to PV Gas' reputation and economic efficiency of investment projects involving loans. Specifically, PV Gas has signed credit contracts to arrange capital for Thi Vai refrigerated LPG storage project, Rong - Doi Moi gas pipeline expansion, 1MMTPA LNG storage at Thi Vai; executing the credentials with Cathay United Bank and working to complete capital arrangements for some major projects in the stage of 2013-2015.

Financial investment: most of subsidiaries invested by PV Gas achieved higher profit than 2012, contributing to profit of PV Gas - parent company. There are 5 listed subsidiaries on the stock exchange, in which PV Gas D, PV Gas South, PV Gas North, PV Coating shares attract much interest of investors.

PV GAS CONSOLIDATION

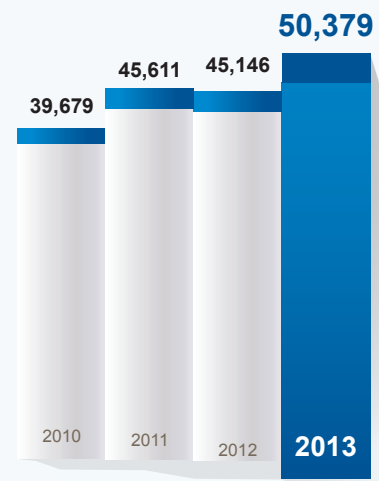
Good business activities and sound financial standing of PV Gas

- parent company, subsidiaries and affiliates helped to achieve outstanding financial result with consolidated revenue of 65,597

billion VND, 15,583 billion VND in consolidated pretax profit and 12,596 billion VND in consolidated net profit.

TOTAL ASSETS

(BILLION VND)



7% CAGR

Growth rate
on average from 2010 to 2013

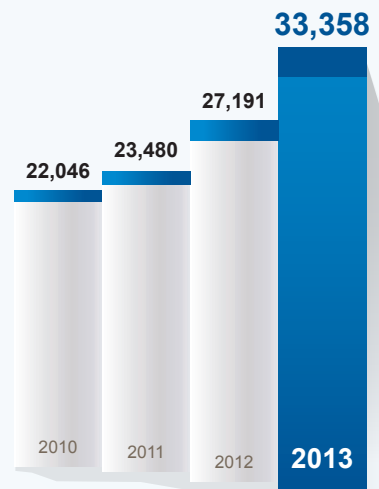
Total consolidated assets in 2013 achieved 50,379 billion VND. Growth rate of total assets reached 7%/year on average from 2010 to 2013, which was a remarkable increase of assets for enterprises with total assets at high level as PV Gas.

The ratio of long-term assets on total assets of PV Gas decreased in 2013 as compared to 2012 because the increase of fixed assets in 2013 was less than depreciation in the same period. In the period, PV Gas allocated 910 billion VND in long-term prepaid expenses, thus reducing long-term prepaid expenses. In addition, long-term financial investments in the period also decreased as compared to the beginning balance. For a manufacturing enterprise, the ratio of long-term assets at 43% of total assets is the safe and appropriate ratio for this type of production and business.

Asset structure	2010	2011	2012	2013
Short-term assets/Total assets	0.41	0.42	0.45	0.56
Long-term assets/Total assets	0.59	0.56	0.54	0.43

EQUITY CAPITAL

(BILLION VND)



15% CAGR

Growth rate
on average from 2010 to 2013

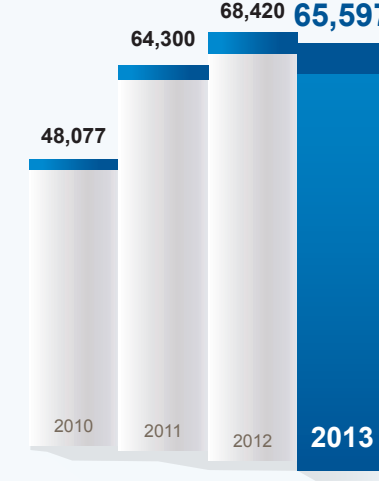
Consolidated equity capital in 2013 was 33,358 billion VND, up by 22.6% as compared to 2012, including charter capital of 18,950 billion VND. Growth rate of equity capital from 2010 to 2013 was 15%/year on average. This rate represented the huge growth of PV Gas' capital, high retained profit for reinvestment while annual dividend pay-out ratio for shareholders is guaranteed.

Although PV Gas is a manufacturing company with high cost of infrastructure investment, PV Gas' ratio of equity capital always represented more than 50% of total resources and tended to augment, reaching 66% in 2013. This ratio increased due to PV Gas' full and prompt repayment of loans in 2013, with repayment value greater than disbursement value leading to decrease of long-term debit balance. This ratio represented PV Gas' high profit available for reinvestment and good capacity for investment with own capital.

Capital structure	2010	2011	2012	2013
Debt/Total resources	0.43	0.45	0.36	0.30
Equity /Total resources	0.56	0.51	0.60	0.66

REVENUE

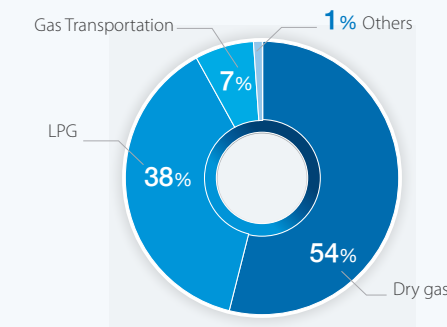
(BILLION VND)



7%

11% CAGR

Growth rate
on average from 2010 to 2013

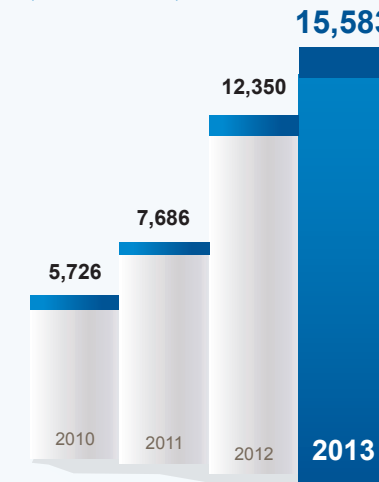


2013 REVENUE STRUCTURE

Consolidated revenue in 2013 was 65,597 billion VND, down by 4.1% as compared to 2012. The reason is that from 7/2012, PV Gas has acted as PM3-Ca Mau gas transporter, so PM3 gas was only recognized as gas transportation revenue in 2013 instead of gas sale revenue as in the first 6 months of 2012 and gas transportation revenue in the last 6 months of 2012.

PRE-TAX PROFIT

(BILLION VND)



40% CAGR

Growth rate
on average from 2010 to 2013

Consolidated pre-tax profit in 2013 was 15,583 billion VND, up by 26.1% over 2012. Pre-tax profit in 2013 strongly increased due to dry gas output growing by 5%, Dinh Co LPG output by 12% as compared to 2012 and the increase of the average gas selling price as compared to 2012. Moreover, in 2013, PV Gas has reverted to scientific and technological development fund with more than 1,146 billion VND, leading to strong increase of PV Gas' 2013 pre-tax profit as compared to 2012.

The growth rate of pre-tax profit from 2010 to 2013 was 40%/year on average. This is a high growth rate, demonstrating sustainable development of PV Gas' business activities, especially after PV Gas was transformed into a joint stock company.

PROFITABILITY CAPACITY

Indicators of profitability capacity maintained at high levels and grew as compared to 2011 and 2012,

reflecting good annual performance and strong growth of PV Gas despite Vietnam economic difficulties in the

past years. In other words, Equity capital and Assets of PV Gas were effectively used.

	2010	2011	2012	2013
Profit before tax/Total revenue	12%	12%	18%	24%
Profit after tax/Total revenue	10%	10%	15%	19%
Return on total assets (ROA)	16%	15%	22%	26%
Return on equity (ROE)	33%	28%	40%	42%

SOLVENCY CAPACITY

Current and quick solvency ratios of PV Gas in 2013 were at high levels and higher than previous years. In 2013, long-term loan balance was reduced

because the value of repaid loans was greater than disbursements. Meanwhile, PV Gas' profit grew leading to increase of short-term assets. The above solvency

ratios prove that PV Gas has good financial capacity, good repayment capacity and has no financial difficulties when debts fall due.

	2010	2011	2012	2013
Current ratio = Short-term assets/Short-term debt	1.66	1.86	2.53	2.87
Quick ratio = (Short-term asset - stock)/Short-term debt	1.57	1.76	2.33	2.62

TURNOVER OF RECEIVABLE AND INVENTORY

Receivable turnover in 2013 reached 11.58 cycles (equivalent to 31.53 days/ cycle). This rate was consistent with PV Gas' sales policies, reflecting a better picture of debt recovery with number of days of a cycle decreasing over the years. To achieve efficiency in debt recovery, PV Gas always strengthens debt recovery, debt age analysis, classification and selection of customers to minimize bad debts.

Inventory turnover in 2013 was 23.64 cycles (equivalent to 15.44 days/cycle), down as compared to 2012. In the 2010-2012 period, inventory turnover didn't fluctuate following a given trend due to characteristics of LPG business. PV Gas' LPG business activities are commercial. If importing LPG at the end of the financial year, the inventory balance would be high (because PV Gas hasn't managed to

make more LPG sales in time). On the other hand, if importing LPG before about 20-30 days at the end of the year, the balance inventory would be lower. For LPG business activities, PV Gas has established a working group to regularly monitor LPG prices as well as to define monthly market supply and demand to ensure efficient import and consumption of LPG, avoiding stockpiled inventory.

	2010	2011	2012	2013
Receivable turnover	8.55	8.94	11.08	11.58
Days sales outstanding	42.69	40.81	32.93	31.53
Inventory turnover	40.27	55.70	39.96	23.64
Inventory turnover in days	9.06	6.55	9.13	15.44

OTHER FINANCIAL INDICATORS

Basic earnings per share (EPS) in 2013 was 6,478 VND/share, P/E ratio (on 31/12/2013) reached 10.27 times.

These indicators grew as compared to 2012, reflecting increasingly efficient business of PV Gas.

	2012	2013
EPS (VND)	5,167	6,478
P/E (times)	7.47	10.27



THE MARKET
CAPITALIZATION VALUE
ON 31/12/2013

THE DATE OF 21/05/2012 MARKED THE PRESENCE OF PV GAS' SHARE - GAS ON HO CHI MINH CITY STOCK EXCHANGE. WITH THE MARKET CAPITALIZATION VALUE OF NEARLY 6 BILLION USD ON 31/12/2013, GAS IS NOW ONE OF SHARES WITH GREATEST CAPITALIZATION VALUE ON THE MARKET AND THE STRONGEST SHARE IN PETROVIETNAM FAMILY, CREATING CONFIDENCE FOR DOMESTIC AND FOREIGN INVESTORS, FACILITATING PV GAS IN IMPROVING CAPITAL MOBILIZATION, FINANCIAL CAPACITY AND TECHNOLOGICAL INNOVATION IN THE GAS INDUSTRY.

SHARE INFORMATION

Charter capital	:	18,950,000,000,000 VND
Number of listed shares	:	1,895,000,000 shares
Class of share	:	Ordinary
Number of issued shares	:	1,895,000,000 shares
Stock exchange	:	HOSE
Treasury shares	:	0 share
Par value	:	10,000 VND/share

STATISTICS OF GAS TRADING VOLUMES IN 2013

Total trading sessions	:	250 sessions
Total matched volume	:	142,654,500 shares
Total matched value	:	8,315,382,150,000 VND
Highest price	:	70,400 VND
Lowest price	:	37,200 VND
Average trading volume/day	:	557,195 shares
Highest trading volume in 52 weeks	:	2,422,223 shares (28/02/2013)
Lowest trading volume in 52 weeks	:	33,453 shares (08/03/2013)

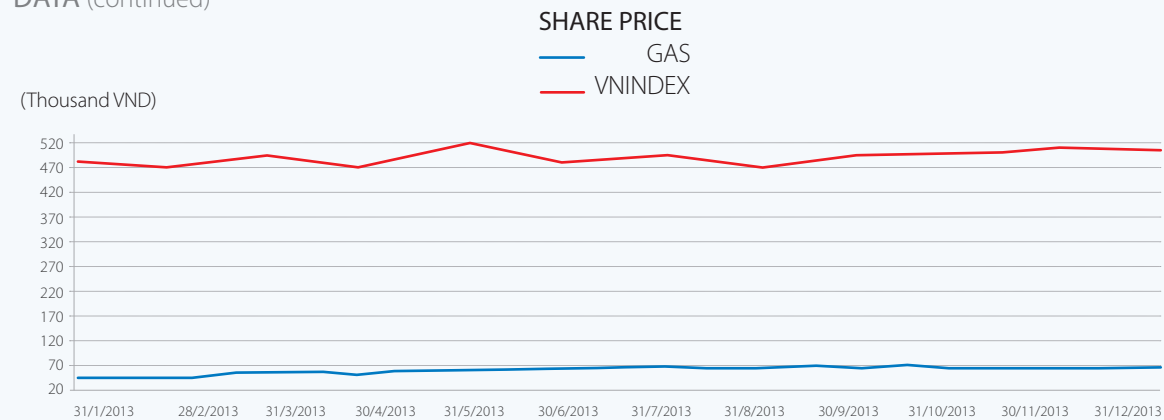
GAS PRICE

In 2013, GAS always attracted interest of domestic and foreign investors and maintained liquidity at high level, with average trading volume/day reaching over 500,000 shares and highest trading volume

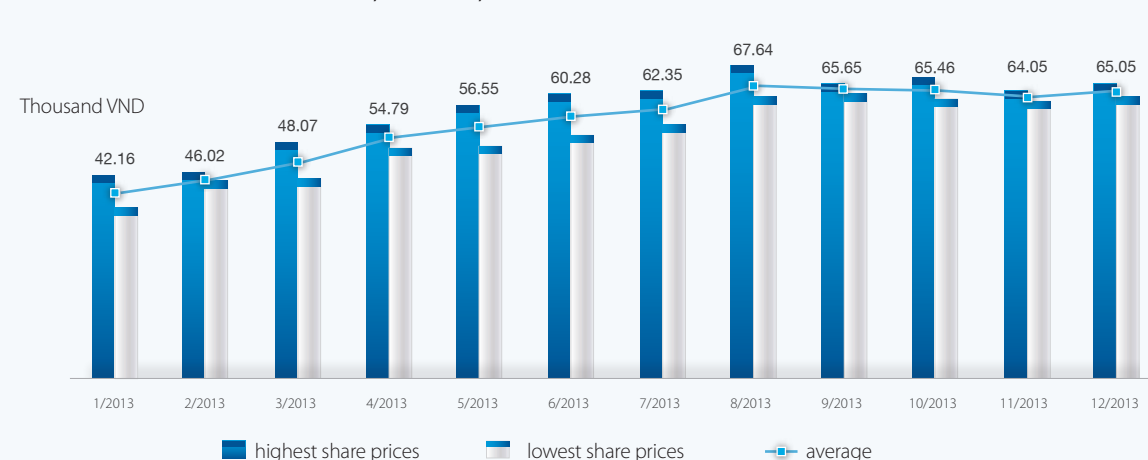
in 52 weeks at 2,422,223 shares (on 02/28/2013).

In 2013, GAS' margin strongly fluctuated as compared to general market evolution. From

02/01/2013 to 31/12/2013, GAS's value increased by 78.7% and always maintained at high level as compared to those of other PVN's subsidiaries.

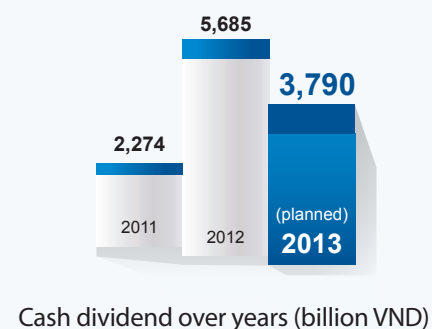


AVERAGE, HIGHEST, LOWEST MONTHLY CLOSING SHARE PRICES

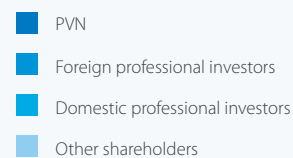


DIVIDEND

Year	Cash dividend ratio (%/Charter capital)
2013 (planned)	20
2012	30
2011 (16/05/2011 - 31/12/2011)	12

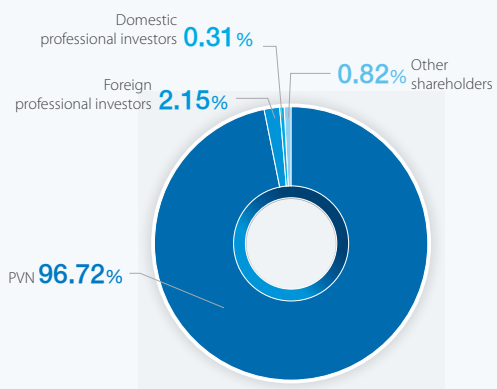


SHAREHOLDERS' STRUCTURE



On 16/05/2011, PV Gas was officially equitized and operated as a joint stock company. As at 23/10/2013, the biggest shareholder of PV Gas is

PVN - holding 96.72% of total shares, 3.28% of remaining shares was held by foreign and domestic professional investors and other shareholders.



(Source: Shareholder list
at the record date on 23/10/2013)

LIST OF PV GAS' SHAREHOLDERS AS PROFESSIONAL INVESTORS
(holding over 0.05% of total shares)

No.	Shareholders	% holding
1	The Caravel Fund Ltd	0.21%
2	Jp Morgan Vietnam Opportunities Fund	0.17%
3	KITMC Worldwide Vietnam RSP Balance Fund	0.16%
4	Norges Bank	0.10%
5	Epsom Limited	0.10%
6	Government Of Singapore	0.09%
7	Pheim Aizawa Trust	0.08%
8	Vietnam Securities Investment Fund	0.06%
9	Schroder International Selection Fund	0.06%
10	Royal Bank Of Scotland Plc	0.06%
11	Goldman Sachs Funds	0.05%
12	Danske Invest Sicav-Sif-Emerging And Frontier Markets Smid	0.05%
13	Kitmc Worldwide Vietnam Fund	0.05%
14	Amundi Vietnam Opportunities Fund	0.05%
15	Vietnam Infrastructure Investment Ltd	0.05%
16	Dai A Commercial Joint Stock Bank	0.05%
17	Citigroup Global Markets Ltd	0.05%

INVESTOR RELATIONS AND INFORMATION DISCLOSURE

AFTER 3 YEARS OF OPERATING AS A JOINT STOCK COMPANY, PV GAS HAS GRADUALLY CARRIED OUT INVESTOR RELATIONS AND INFORMATION DISCLOSURE IN A MORE PROFESSIONAL AND DIVERSIFIED MANNER. IMPROVING QUALITY OF INVESTOR RELATIONS IS AN IMPORTANT PART OF PV GAS' STRATEGIC ORIENTATION. PV GAS' INVESTOR RELATIONS ACTIVITIES ALWAYS AIM AT PROTECTION AND FULL EXERCISE OF SHAREHOLDERS' RIGHTS, COMPLIANCE WITH LAW REGULATIONS, ENSURING TIMELY AND TRANSPARENT INFORMATION DISCLOSURE ACCORDING TO REGULATIONS. IN SPECIFIC, PV GAS HAS:

- » Organized administrative department in charge of PV Gas' website www.pvgas.com.vn, infrastructure, information technology application and information content, ensuring the website to operate continuously, constantly, quickly and regularly updated with accurate information about PV Gas' business activities;

- » Created the Investor Relations section on website www.pvgas.com.vn, a connection between shareholders and PV Gas;

- » Organized/attended seminars, meetings between PV Gas and

Information about PV Gas' business activities was publicized on website:
www.pvgas.com.vn

domestic, foreign investors for more direct relationship;

- » Facilitated the shareholders in attending and voting at 2013 AGM of shareholders;

- » Conducted information disclosure according to law regulations through website of State Securities



Commission of Vietnam, Ho Chi Minh Stock Exchange and PV Gas;

- » Attended periodic press conferences held by PVN;

- » Promptly corrected misinformation about PV Gas, avoiding damage to PV Gas and shareholders.

3

CORPORATE GOVERNANCE

54 Management situation

61 Risk management

by **MANAGERIAL** **CAPACITY**

For the past few years, PV Gas has always been at the leading position as a clean and stable gas source supplier, which engages bringing the best rights for investors, ensuring employees' policy, step by step enhancing local economy and assuring national energy.

TK-0801
REFRIGERATED LPG TANK

TK-0701
REFRIGERATED LPG TANK

ACTIVITIES OF BOARD OF MANAGEMENT IN 2013



“ BOARD OF MANAGEMENT CONSISTS OF 5 MEMBERS (FROM MAY TO NOVEMBER OF 2013, BOM HAD 4 MEMBERS AS 1 MEMBER RETIRED ACCORDING TO POLICIES), INCLUDING 4 DEDICATED MEMBERS AND 1 MEMBER CONCURRENTLY BEING PV GAS’ PRESIDENT.

In 2013, BOM has well fulfilled its functions and duties in instructing and supervising activities of BOD through Regulations, Resolutions/Decisions (200 Resolutions/Decisions), meetings with BOD. BOM always gave good support to President and BOD in implementing PV Gas’ duties. In term of directions, the BOM also issued many documents in support of sub. The supervision, encouragement, support and inspection of BOM have helped BOD in implementing the BOM’s Resolutions and Decisions promptly and efficiently, enabling PV Gas to achieve excellent business results in 2013, maintaining the position as one of the leading subsidiary of PetroVietnam. In specific:

» BOM’ meetings: BOM members fully participated in BOM meetings and other meetings, except when on business trips to other provinces, cities. When being unable to attend meetings due to business trips to other provinces, cities, the absent BOM members would give opinions, vote, etc. over the phone:

- Organizing the 2013 AGM of shareholders;
- Chairing/co-chairing/attending many regular/ extraordinary meetings on evaluating business results of PV Gas, 100% owned companies and subsidiaries to discuss, review and resolve issues;
- Organizing a meeting to appoint a member of PV Gas’ BOM;
- Organizing a meeting to elect Chairman of PV Gas’ BOM;
- Attending all regular meetings of the BOD (15 meetings).

» Plan: BOM has directed preparation, review, adoption to promptly submit PVN for approval of the revised 5-year plan (2011 - 2015) in August and 2014 plan in December; at the same time promptly adopting/approving the 2014 action plan as well as adjustment/supplement plans in

the implementation process of all units in PV Gas;

» BOM has issued and closely supervised the Action Plan No. 01/CTr-KVN dated 27/02/2013 on implementation of PVN’s Action

followed the directives of PVN. PV Gas has completed dissolution of PSCC, disposing of PV Gas’ entire capital share in PV Gas Cylinder, buying capital shares of PVC IC and PVC MS in PV Pipe, increasing the charter capital of PV Pipe, approving the increase of charter capital of PV Gas D;

» BOM has issued/amended many regulations/processes to suit actual situations and ensure consistency, such as PV Gas’ Charter, Regulation on Debt Management, Investment Monitoring and Evaluation Process, Regulation on Business Activities Management of Low Pressure Gas/CNG, Dinh Co LPG



Plan No. 1096/CTr-DKVN dated 08/02/2013 on implementing the Government’s Resolution 01/NQ-CP dated 07/01/2013 on major solutions for directing and implementing socio-economic development plan and budget estimation in 2013;

» Corporate restructure: BOM has directed to prepare and submit PVN in February PV Gas’ restructure plan to 2015 mainly focusing on gas field and strictly

Auction Process, etc;

» Construction investment and business activities: The BOM has strongly implemented decentralization to the President and companies, while enhancing the inspection and supervision. In 2013, on the basis of the plan agreed between the BOM and BOS, the BOS has inspected business activities in 10 companies (six 100% owned companies and four joint-stock companies with

ACTIVITIES OF
BOARD OF MANAGEMENT IN 2013 (continued)

“ PV GAS’
BUSINESS AND
INVESTMENT
ACTIVITIES HAVE BEEN
IMPLEMENTED IN
STRICT COMPLIANCE
WITH ORIENTATION,
CURRENT
REGULATIONS.

controlling capital held by PV Gas). From such inspection results, PV Gas Leadership has issued prompt instructions for each company. Concerning construction investment, from the beginning of year, the BOM has approved the 2013 Investment Supervision and Evaluation Program as the basis for implementation. The BOM has adopted/approved many major projects, including: adopting the contents submitted to PVN for approval of the revised F/S/ bidding plan for Ham Rong - Thai Binh gas pipeline project, Dai Hung gas pipeline F/S, Nam Con Son gas pipeline 2 - phase 1 F/S, revised bidding plan on 1 MMTPA LNG storage project at Thi Vai, accounting reports on gas pipeline projects of Phu My - Ho Chi Minh City, Su Tu Vang - Rang Dong, Rong - Doi Moi... As a result, business activities and construction investment of PV Gas have been implemented in strict compliance with orientation, current regulations;

» Investment cooperation and long-term agreements: in support of long-term, stable development strategy, locating and cooperation with potential partners in gas and gas-related fields are very important and essential. Accordingly, in 2013, some relevant cooperations with foreign partners have been considered and approved by the BOM as the basis for the BOD to proceed further (with BG LNG Trading on cooperation in seeking opportunities to supply LNG for LNG import projects in Vietnam from LNG sources owned by BG, including the Queensland Curtis LNG project (Australia); with GDF SUEZ Corporation (France) on cooperation in implementing LNG import project at Son My (Binh Thuan), including evaluation and selection of business models, gas price plans for Son My Power complex and LNG buying plans; jointly with PVN signing the agreement on establishment of a joint venture between PetroVietnam and Gazprom Gazomotornoe Toplivo and Gazprom EP International B.V to implement oil and gas projects in production and consumption of natural gas as fuel (PV Gas has represented PVN to participate in this joint venture);

» Training, improving corporate governance skills for BOM members: All BOM members with management capacity and experience have participated in the training course and were awarded certificates of "Corporate Governance" in August.

BENEFITS OF
LEADERSHIP

PV Gas has prepared and applied the policy on salary and bonus of leadership in compliance with the law and regulations of PetroVietnam on salary, bonus and policies for PVN's representatives at PV Gas based on position and performance results of each member and also in compliance with the personnel policies of PV Gas. Leadership's salary and bonus policy must be approved by the Shareholders' Committee.

RESOLUTIONS/DECISIONS OF BOM
(INFORMATION MUST BE DISCLOSED
ACCORDING TO CIRCULAR NO. 52/2012/TT-BTC)

No.	Res./Decis.	Date	Content
1	71/NQ-KVN	09/04/13	Resolution on adopting the contents for information disclosure of PSCC dissolution
2	74/NQ-ĐHĐCĐ	15/04/13	Resolution on the 2013 AGM of shareholders of PV Gas
3	85/NQ-KVN	23/04/13	Resolution on approving the third cash dividend payment in 2012
4	109/NQ-KVN	25/07/13	Resolution on approving the first cash dividend payment in advance in 2013
5	134/NQ-KVN	03/10/13	Resolution on approving the second cash dividend payment in advance in 2013
6	137/NQ-KVN	23/10/13	Resolution on adopting the transfer plan of PV Gas' entire capital share in PV Gas Cylinder
7	169/NQ-KVN 170/NQ-KVN 1426/QĐ-KVN	06/12/13	Resolution on adopting the transfer plan of PV Gas' entire capital share in PV Gas Cylinder

OWNERSHIP OF
INTERNAL SHAREHOLDERS

BOARD OF MANAGEMENT				
No.	Full Name	Position	Number of shares held (on 31/12/2013)	% total shares (on 31/12/2013)
1	Mr. Le Nhu Linh Representing PVN's capital share	Chairman of BOM	0 506,335,900	0 26.7196
2	Mr. Vu Dinh Chien Representing PVN's capital share	Vice Chairman of BOM	0 379,000,000	0 20
3	Mr. Do Khang Ninh Representing PVN's capital share	Member of BOM and President	107,000 379,000,000	0.00565 20
4	Mr. Nguyen Trung Dan Representing PVN's capital share	Member of BOM	0 284,250,000	0 15
5	Mr. Phan Quoc Nghia Representing PVN's capital share	Member of BOM	15,900 284,250,000	0.00084 15



OWNERSHIP OF INTERNAL SHAREHOLDERS (continued)

BOARD OF SUPERVISORS

No.	Full Name	Position	Number of shares held (on 31/12/2013)	% total shares (on 31/12/2013)
1	Mr. Nguyen Anh Tuan	Head of BOS	0	0
2	Mr. Pham Dinh Dat	Member of BOS	11,500	0.00061
3	Ms. Ho Thi Ai Thanh	Member of BOS	6,100	0.00032

BOARD OF DIRECTORS

No.	Full Name	Position	Number of shares held (on 31/12/2013)	% total shares (on 31/12/2013)
1	Mr. Do Khang Ninh Representing PVN's capital share	Member of BOM and President	As above	As above
2	Mr. Duong Manh Son	Vice President	0	0
3	Mr. Nguyen Quoc Huy	Vice President	0	0
4	Mr. Tran Hung Hien	Vice President	16,400	0.00087
5	Mr. Nguyen Thanh Nghi	Vice President	0	0
6	Mr. Pham Hong Linh	Vice President	5,000	0.00026
7	Mr. Bui Ngoc Quang	Vice President	0	0
8	Mr. Ho Tung Vu	Vice President	0	0
9	Mr. Nguyen Mau Dung	Vice President	0	0

CHIEF ACCOUNTANT

No.	Full Name	Position	Number of shares held (on 31/12/2013)	% total shares (on 31/12/2013)
1	Mr. Mai Huu Ngan	Chief Accountant	0	0

PERSON AUTHORIZED TO DISCLOSE INFORMATION

No.	Full Name	Position	Number of shares held (on 31/12/2013)	% total shares (on 31/12/2013)
1	Mr. Do Tan	Head of Planning Division	1,500	0.00008

SHARE TRANSACTIONS OF INTERNAL SHAREHOLDERS AND RELATED PERSONS IN 2013

INTERNAL SHAREHOLDERS

No.	Trader	Position	Opening balance of shares	Ending balance of shares
1	Mr. Vu Dinh Chien	Vice Chairman of BOM	103,200	0
2	Mr. Do Khang Ninh	Member of BOM and President	182,600	107,000
3	Mr. Nguyen Trung Dan	Member of BOM	52,900	0
4	Mr. Phan Quoc Nghia	Member of BOM	30,900	15,900
5	Mr. Nguyen Anh Tuan	Head of BOS	31,200	0
6	Ms. Ho Thi Ai Thanh	Member of BOS	11,100	6,100
7	Mr. Duong Manh Son	Vice President	61,500	0
8	Mr. Tran Hung Hien	Vice President	52,800	16,400
9	Mr. Nguyen Thanh Nghi	Vice President	50,000	0
10	Mr. Pham Hong Linh	Vice President	52,700	5,000
11	Mr. Nguyen Mau Dung	Vice President	100,000	0
12	Mr. Mai Huu Ngan	Chief Accountant	32,200	0

RELATED PERSONS OF INTERNAL SHAREHOLDERS

No.	Trader	Relation with internal shareholders	Opening balance of shares	Ending balance of shares
1	Mrs. Ho Thi Mai Lan	Wife of BOM's Vice Chairman, Mr. Vu Dinh Chien	9,100	0
2	Mrs. Le Thi Thuong Hoai	Wife of Vice President, Mr. Duong Manh Son	5,200	0
3	Ms. Phung Duy Quynh Tram	Wife of Vice President, Mr. Ho Tung Vu	0	0

CONTRACTS OR TRANSACTIONS WITH INTERNAL SHAREHOLDERS

In 2013, no transactions arose between PV Gas and members of BOM, BOS, BOD, management staff.

“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. PV GAS IS WELL AWARE OF THE IMPORTANCE OF RISK MANAGEMENT IN ACHIEVEMENT OF SUSTAINABLE DEVELOPMENT, REGARDING AS THE PRINCIPLE CONTRIBUTING TO EFFECTIVENESS OF CORPORATE GOVERNANCE.

OPERATION RISK MANAGEMENT

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. PV Gas' gas works and systems are operated safely, constantly contributing to national energy and food security.

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



OPERATION

RISK MANAGEMENT

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.

» Solutions:

- To put objectives of safe, qualified and eco-friendly operation as top priority;
- 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;
- To fully develop plans of firefighting, emergency response and annual drill;
- 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.

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.



» Solutions:

- To always facilitate employees in promoting their personal capacities;
- To develop and apply appropriate labor policies.

PROCESSES, REGULATIONS

Shortages or mistakes of Processes, Regulations of internal governance will cause inconsistency in enterprise.

» Solutions:

- 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 in 2013, ...

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’ operation.

» Solutions:

- 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;
- To gradually improve PV Gas’ website, strengthening relations with shareholders;
- To enhance secure information system.

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;

FINANCIAL

RISK MANAGEMENT

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.

» Solutions:

- 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.

» Solutions:

- For trading activities of natural gas and liquid 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.

LPG PRICE FLUCTUATION

Price of LPG imported by PV Gas fluctuates according to CP price in Middle-East market.

» Solutions:

- To build LPG storage system to increase storage capacity;
- To establish a specialized team to monitor the market and forecast LPG price to effectively prepare LPG business plan.

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.

» Solutions:

- 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.

» Solutions:

- To maintain suitable credit policy;
- To regularly monitor situation to assess whether PV Gas has any credit risks or not.



LEGISLATION RISK MANAGEMENT

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.

» Solutions:

- To frequently update Law and Sub-law documents;
- To widely publicize Regulations, Law documents relating to PV Gas personnel.

CLIMATE RISK MANAGEMENT

Climate and season changes affect consumption of gas and gas products, balance between gas supply and demand of PV Gas.

» Solutions:

- To strengthen forecast activities of gas demand in order to efficiently, thoroughly exploit gas resources and products.

4

SUSTAINABLE DEVELOPMENT REPORT

- 68 Human and enterprise
- 72 Community Activities
- 74 Safety - Quality - Health - Environment
- 76 Titles and Awards

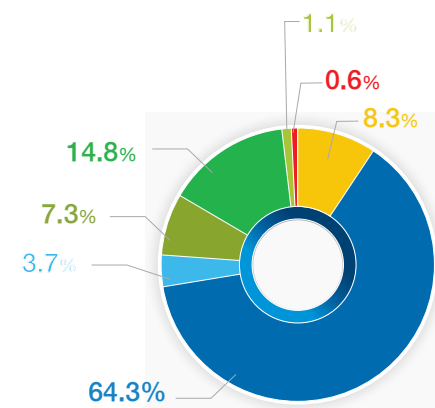
with an **UNDERSTANDING** **HEART**

PV Gas engages sharing the society with the company's highest responsibility. Activities of PV Gas always aims at efficiently exploiting, safely operating, reducing environmental affect, directing to a **Green - Clean - Beautiful** community.

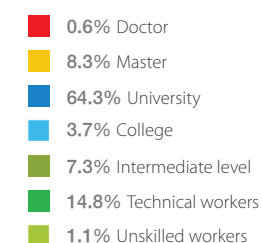




HUMAN RESOURCES



LABOR STRUCTURE



As at 31/12/2013, PV Gas' total employees were 3,388, including 1,110 employees at head quarter and 100% owned companies.

LABOR STRUCTURE BY GENDER

Over 80% of PV Gas' employees are male, with focus on operation, maintenance and repair, gas construction.

LABOR STRUCTURE BY QUALIFICATION

PV Gas' leaders and employees possess high professional qualifications and skills, high disciplinary awareness, have grown through production and business practices, satisfying requirements of development and integration of society and economy, mastering science and technology. Employees with university qualifications and above account for 73.2%, mainly in senior and middle management teams, technical experts. High qualified human resources meeting increasing requirements of gas industry are valuable property of PV Gas, the key factor helping PV Gas achieve high business results.

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.

WAGES, BONUS, AND BENEFIT POLICY

» 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 units for achievements on regular and extraordinary basis, rewarding for initiatives; rewarding for safe operation of gas works; rewarding on national holidays and on 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;

» Providing benefits to employees' families (with policy for training support, academic achievement rewarding, family's day...); official-duty housing regime, or subsidizing house rents and granting house loans;

» Frequently organizing cultural, singing and sport activities for employees.

EMPLOYEE POLICY (continued)

RECRUITMENT, EMPLOYMENT AND TALENT DEVELOPMENT POLICY

Therefore, building, reinforcing and developing human resource is always given top priority in PV Gas' development strategy. Particularly:

- » Preparing and thoroughly applying the standard procedure system ranging from recruitment - selection - training, integration - promotion, appointment / task assignment - performance evaluation - rotation, transfer - training, development - preferential treatment;
- » Ensuring the fairness, transparency and standardization; applying no restrictions on candidate sources, actively diversifying recruitment targets including foreign and overseas Vietnamese employees; publicizing the employment procedure and jobs with professional titles requiring specific qualifications;
- » Preparing the annual planning of officials, applying the rotation policy to officials in order to improve their skills and help them handle various jobs when necessary.

TRAINING POLICY

- » Employees are entitled to regular training programs for improvement of professional knowledge and skills;
- » Key training courses of PV Gas are also very specific and intensive, such as training about gas measuring system, anti-corrosion in pipelines, gas

processing, safety evaluation of gas equipment, operation - maintenance - troubleshooting skills, management and safety management skills;

- » Defining the nucleus of human resource training and development activities is On-the-Job Training

(OJT) form, to which PV Gas gives special attention and priority. Trainers involved in this training mode are managers, foremen, shift leaders, engineers with high qualifications, long-term service in the industry and thoroughly understanding about the gas industry.



CORPORATE CULTURE

In order to keep pace with the general development trend, PV Gas has promoted its obtained achievements and accumulated experience. Together with the youth power and the solidarity tradition of the leadership and personnel, PV Gas will certainly make strong development steps, given Vietnam's thorough and extensive global integration, to successfully achieve its strategic development goals.

Realizing the importance of corporate culture as the factor reinforcing the solidarity and devotion of personnel in improving business performance, PV Gas leadership always wishes to build its own distinct corporate culture, featuring PV Gas' core values on one hand, while compliant with and consistent to PetroVietnam's corporate culture on the other, 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 service to customers. PV Gas' employees at all levels, especially those at senior management levels, must be the "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, i.e. making the gas industry one of the leading industries in the economy, step by step reaching the international market.



Core values include:

- » Safety is our vital concern;
- » Respect, maximize people's potential and nurture talents;
- » Sustainable development with socio-community and friendly environment;
- » Responsibility to employees, customers, investors and partners;
- » Professionalism: Be proficient, proactive, creative and efficient in working;
- » Connectability: Solidarity, team working and coordinating among PV Gas' departments;
- » Integrability: always actively adapting to changes in global integration, ensuring efficiency and national benefits;
- » Loyalty: Loyal to benefits of the country, PetroVietnam and PV Gas;

- » Determinability: self-confident, dare to think, dare to act and dare to assume responsibility for the sake of PV Gas' development;
- » Traditionalism: Promote the tradition of "Fire Seekers".

The gas industry requires huge investments of capital, technique and technology and most facilities and equipment are of hi-technology and automation. Therefore, the gas industry poses high potential risks, strongly dangerous and toxic working environment and gas works are mainly offshore and far from residential areas. For PV Gas, the most important core value is "Safety is our vital concern". PV Gas has evaluated, determined, selected and oriented this factor for development, absorption and penetration into every thought, action and feeling of each PV Gas' employee.



100

BILLION VND
AND 4-SATURDAY OVERTIME
WAGES OF ALL PERSONNEL
TO FINANCE SOCIAL SECURITY
ACTIVITIES IN 2013.



AS THE LEADER IN VIETNAM GAS INDUSTRY, PV GAS HAS CLEARLY REALIZED ITS ROLE NOT ONLY AS THE PIONEER ACTIVELY CONTRIBUTING TO VIETNAM ECONOMY, BUT ALSO AN ORGANIZATION CONTRIBUTING AN IMPORTANT PART TO THE SOCIETY, COMMUNITY DEVELOPMENT AND SOCIAL SECURITY.

In the past years, PV Gas had shared and supported programs of youth education, raising community awareness, dedicated to and yielding many practical benefits to the development of future generations, community health programs for providing health care and improving living standard of the people, these are priority and meaningful activities in which PV Gas has always actively taken its part. In 2013, PV Gas set aside the budget of 100 billion VND and 4-Saturday overtime wages of all personnel to finance social security activities as follows:

» **Health care:** building medical stations in Thanh Hoa, Ha Giang, Quang Tri, Ha Noi;

donating medical equipment to Thong Nhat Hospital, Daklak Hospital; sponsoring medical examination programs for the poor in Ba Ria-Vung Tau Province...;

» **Education:** building schools in Hung Yen, Thanh Hoa, Thai Binh, Lang Son, Hanoi, Yen Bai...; financing scholarship funds of Vietnam General Confederation of Labour, the National Fund for Vietnamese Children, the Ho Chi Minh City Learning Promotion Association, Nha Be district Learning Promotion Fund, Ho Chi Minh City Student Assistance Center, Universities and other social bodies and organizations...;

» **Other activities:** regularly sponsoring social and local bodies and organizations in social security activities such as assisting Spratly Islands soldiers, the underprivileged, beneficiaries of social policies; constructing Great Solidarity Houses; charity, sport, cultural activities, supporting for natural disaster reliefs...

THROUGH SOCIAL SECURITY PROGRAMS, COMMUNITY ACTIVITIES WITH SHARING, SYMPATHY, UNDERSTANDING AND SOLIDARITY OF THE WHOLE NATION, PV GAS LEADERSHIP, AS WELL AS ITS BODIES, ORGANIZATIONS AND EMPLOYEES WISH TO CONTRIBUTE ITS PART TO BUILDING A WEALTHIER AND STRONGER NATION.

“THE SAFETY -
QUALITY - HEALTH
- ENVIRONMENT
MANAGEMENT
SYSTEM APPLIED
THROUGHOUT PV GAS,
BASICALLY INCLUDES
REGULATIONS OF
THE LAW AND
THE INTEGRATED
MANAGEMENT SYSTEM
ACCORDING TO
OHSAS 18001:2007,
ISO 9001:2008,
ISO 14001:2004.

**ORGANIZATION,
PERSONNEL IN CHARGE OF
SAFETY - QUALITY - HEALTH
- ENVIRONMENT**

The Safety - Quality - Health - Environment management system of PV Gas is under the joint management from the leadership to divisions and companies. The Safety - Quality - Health - Environment division is responsible for forming, promulgating and directly checking, supervising the implementation of policies, regulations and process of the System as well as providing consultancy to PV Gas' Leadership about the development orientation of the integrated Safety - Quality - Health - Environment management system. In 100% owned companies and subsidiaries, the Safety - Environment Department is responsible for deploying PV Gas' policies, regulations and process, as well as advising, supporting production department/unit in its implementation, checking and supervising the compliance and promptly reflecting any issues needed to be supplemented and

adjusted in order to assure the validity and effectiveness of the System in practice. In addition, labor protection council, emergency response steering committee and a network of safe sanitarians are also involved in this Safety - Quality - Health - Environment management organism.

**SAFETY - QUALITY -
HEALTH - ENVIRONMENT
MANAGEMENT SYSTEM**

The Safety - Quality - Health - Environment management system applied throughout PV Gas, basically includes regulations of the law and the integrated management system according to OHSAS 18001:2007, ISO 9001:2008, ISO 14001:2004. This helps PV Gas not only strictly comply with law and regulations in Vietnam but also study advances in the world for application in Safety - Quality - Health - Environment management.

PV GAS BELIEVES
THAT THE SAFETY -
QUALITY - HEALTH
- ENVIRONMENT
MANAGEMENT SYSTEM
MEETS VIETNAM
AND THE WORLD
STANDARDS AND
PV GAS'
IMPLEMENTATION
OF THE SAFETY -
QUALITY - HEALTH
- ENVIRONMENT
MANAGEMENT SYSTEM
HAS BEEN AND WILL BE
CREATING PRODUCTS
AND SERVICES
SATISFACTORY TO
CLIENTS' DEMAND;
ENSURING THE SAFETY
OF PV GAS' PROPERTY
AND EMPLOYEES
AND NEIGHBORING
RESIDENTS, KEEPING
THE GREEN FOR
SURROUNDING LIVING
ENVIRONMENT.



**SAFETY POLICY
IMPLEMENTATION**

- » Setting up, issuing and frequently updating the safety policy to improve safety regulations and processes;
- » Carrying out and controlling safety on 24/24h in production;
- » Regularly and extraordinarily checking, supervising and assessing the implementation of safety in details;
- » Fully and methodically investigating, collecting and recording accidents, problems and violations of safety and security; promptly rectifying, preventing, learning by experience and publicly propagandizing such cases;
- » Maintaining and improving the effectiveness of safety training, carrying out labor protection, STOP and other safety programs;
- » Being prepared and promptly, reasonably responding to emergencies;
- » Closely cooperating with public security, border patrol, local authorities and people in safety and security field.

HEALTH CARE FOR EMPLOYEES

- » Health check: once a year for all employees;

- » Keep fit, stay healthy: organizing various training activities, sports and cultural competitions;
- » Health care at work: arranging health unit to work permanently in every production and business unit; providing on-site health examination and treatment to employees;
- » Health care in hospital: acquiring medical insurance, human insurance with high liability for 100% employees, helping them with payment support and high quality health care service;
- » Health recovery: regularly organizing recuperation vacations;
- » Health control: setting up and operating the employee health care and control software system.

**ENVIRONMENT PRESERVATION
AND PROTECTION**

- » Using state-of-the-art machinery, equipment, technique and technology;
- » Ensuring production, business and construction activities to conform to legal regulations;
- » Strictly controlling and treating wastes;
- » Keeping the working environment green - clean - clear.



TOP **10**INCOME TAX PAYING ENTERPRISES
IN VIETNAM.

VIETNAM FAMOUS BRANDS.

TOP **50**BEST LISTED COMPANIES ON
VIETNAM STOCK MARKET.BEST PERFORMANCE COMPANIES
IN VIETNAM.TOP **100**

GOLD STAR AWARD.

TOP **500**VIETNAM LARGEST
ENTERPRISES VNR500.**TRUSTPRO**
Brand 2013FOR THE QUALITY OF PRODUCTS, SERVICES AND MANAGEMENT
SYSTEM CONFORMING TO INTERNATIONAL STANDARDS AND HAVING
RESPONSIBILITY TO ENVIRONMENT AND COMMUNITY.

LIGHTHOUSE GOLDEN AWARD.

ASEAN FAMOUS TRADEMARK.

EMULATION FLAG OF MINISTRY OF INDUSTRY AND TRADE.

with a **LARGE** NETWORK

To satisfy the increasing demand for gas day by day, PV Gas has prepared to expand the distributing system, invested on gas gathering and processing projects, aimed at technology applications in exploitation, operation, capacity management improvement. And especially, to maintain the position of PV Gas as the number 1 in the domestic market.

5

OPERATING NETWORK

- 80 Operating network
- 85 Partners
- 86 100% owned companies
- 90 Subsidiaries



9.67
BILLION M³
TOTAL GAS OUTPUT
GATHERED OFFSHORE
VIETNAM

**BOOSTED BY
CONTINUOUS
INVESTMENTS
IN GAS
GATHERING AND
PRODUCTION AT
CUU LONG,
NAM CON SON
AND PM3 BASINS,
GAS ASHORE
OUTPUT AND
SUPPLY TO
CONSUMERS HAS
NOW REACHED
OVER 9.5 BILLION
M³ OF GAS/YEAR.**

GAS

DRY GAS

Dry gas is natural gas or associated gas which has been treated to have water, mechanical impurities removed and liquefied petroleum gas and condensate separated in the gas processing plant, its main composition is methane (CH₄); widely used all over the world and in Vietnam as fuel for power plants and feedstock for petrochemical plants to produce fertilizer, methanol, DME...

Dry gas is the first product produced and traded by PV Gas since 1995 with gas resource from Bach Ho field, Cuu Long basin at the initial output of 1 million m³ of gas/day-night. Boosted by continuous investments in gas gathering and production at Cuu Long, Nam Con Son and PM3 basins, gas ashore output and supply to consumers has now reached over 9.5 billion m³ of gas/year.

Currently, gas gathering, trading and transporting activities of PV Gas are carried out in three forms:

- » Buying gas from PVN (which PVN buys from gas field owners) and selling to consumers. This form is applied to gas source from Cuu Long basin;
- » Directly buying gas from gas field owners and selling to consumers. This form is applied to gas source from Nam Con Son basin;
- » Only gathering and transporting gas as a transporting agent. This form is applied to gas source from PM3 field, Malay - Tho Chu basin.

Gathering, Transporting

Total gas output gathered offshore Vietnam from three basins Cuu Long, Nam Con Son (Southeast), Malay - Tho Chu and transported ashore has reached 9.67 billion m³ of gas, increased by 3% as compared to 2012; equivalent to 9.47 billion m³ of dry gas after liquid separation for LPG and Condensate production. In specific:

- » Gas resource from Cuu Long basin (Bach Ho, Vom Bac, Rang Dong, Phuong Dong, Rong, Doi Moi, Su Tu Den, Su Tu Vang, Su Tu Trang, Hai Su Trang, Te Giac Trang, Ca Ngu Vang,... fields) reached 1.42 billion m³ of gas transported ashore. Thanks to newly operated wells and optimal repair/maintenance to maximize ashore gas output by all partners in the gas chain, Cuu Long basin's gas output was not in the downfall trend over production time, but even increased by 13% in comparison with 2012, helping to produce 1.19 billion m³ of dry gas and remarkably increasing the LPG and Condensate output. With respect to the current status of PV Gas' production line, Cuu Long gas system has its specific advantages for production of three product types, i.e. dry gas, LPG and Condensate;
- » Predominant in terms of output, gas resource from Nam Con Son basin (Blocks 06.1, 11.2, Chim Sao, Hai Thach - Moc Tinh,...) reached 6.26 billion m³ of gas, representing 66% of total gas supply. Since September 2013, Nam Con Son gas system has

received and transported new gas resource from Hai Thach - Moc Tinh field, helping PV Gas gain more initiatives in mobilizing and transporting gas ashore to meet the demand in Southeast region;

- » PM3 gas resource from Malay - Tho Chu basin reached 1.98 billion m³ of gas, increased by 4% in comparison with 2012, despite of some incidents of Talisman rig affecting its gas supply in February, March, July and October 2013. At the end of December 2013, PV Gas has already installed Ca Mau gas compressor, helping PM3 gas system increase its output in the following years. Concerning PM3 gas operation, PV Gas has always striven for the maximum gas volume exploited and transported ashore, taking best right of Vietnam in the overlapping area with Malaysia.

In 2014, although the gas output is not expected to grow much higher over 2013, it is more important that PV Gas will reasonably nominate and dispatch gas resources from time to time and by each consumer for the best use of the country's natural resources and PV Gas' maximum profit; as well as focusing resources on investment in gas pipeline projects such as Nam Con Son 2 Phase 1, Ham Rong - Thai Binh, 1 MMTA LNG storage at Thi Vai, Block B - O Mon gas pipeline,... creating great advances in PV Gas capability to supply gas to consumers in 2015 and beyond.

Distribution

Starting with only one customer, Ba Ria power plant in 1995, currently PV Gas transports and sells gas to 14 customers; including 11 power plants (Ba Ria, Phu My 1, 2.1, 2.2,

6.26
BILLION M³ OF GAS
GAS RESOURCE FROM
NAM CON SON BASIN



LOW PRESSURE GAS AND CNG (COMPRESSED NATURAL GAS)

Low pressure gas and CNG are the 2 different forms of dry gas in various pressures 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 special tanks and transported to customers sites by tractors.

PV Gas D, PV Gas South - 2 subsidiaries of PV Gas and CNG Vietnam - a subsidiary of PV Gas South, currently are the only three companies in Vietnam directly producing and trading low pressure gas and CNG, supplying to Southeast region's customers (industrial plants, transportation means) with the average output of 620 million m³ of low pressure gas and 130 million m³ of CNG/year approximately.

Expectedly, in the next two years, 2014 and 2015, PV Gas' subsidiaries - PV Gas D, PV Gas North and PV Gas City, will continue to expand their low pressure gas and CNG distributing networks to the North market and to condominiums, buildings; expanding the production and business chain throughout PV Gas.

LPG

PV GAS STARTED TRADING LPG (AND CONDENSATE) IN 1998 AFTER COMPLETING INVESTMENT AND PUTTING INTO OPERATION THE DINH CO GAS PROCESSING PLANT.

LPG - Liquefied Petroleum Gas - is a light hydrocarbon compound, mainly comprising of propane and butane, can be stored and transported in liquid form at average pressure and ambient temperature. With its clean fuel advantage, LPG is one of the most important and popular fuels in Vietnam.

PV Gas started trading LPG (and Condensate) in 1998 after completing investment and putting into operation the Dinh Co Gas Processing Plant.



WORLD LPG MARKET OVERVIEW

Contrary to the price rise tendency of the previous year, the world LPG market in 2013 saw the opposite direction. The 2013 average CP price dropped by 45 USD in comparison with 2012 (the lowest CP price was 755 USD/ton in May, the highest was 1,162.5 USD/ton in December) with abundant supply fully satisfying any demand all over the world. Therefore the Asian LPG market was not in short of supply, the price did not increase, but went in the opposite direction. The drop of CP price in 2013 was mainly caused by abundant supply from Asian petrochemical plants and oil refineries (Singapore, Brunei, Korea...); and unexpectedly rising volume of LPG at competitive price exported by Western Africa and U.S to Asia also contributed to this trend.

OVERVIEW OF VIETNAM LPG MARKET

Vietnam LPG market has increased its consumption output by 7.5%

over 2012, or approximately 1.3 million tons. The domestic LPG supply (from Dinh Co Gas Processing Plant and Dung Quat Oil Refinery) covered over 50% of total demand, increased by 10% over 2012; LPG import (from Middle East and neighbouring countries such as China, Malaysia, Taiwan, Singapore, Indonesia,...) increased by about 3% in comparison with 2012, satisfying the remaining demand.

LPG TRADE OF PV GAS

LPG PRODUCTION, PURCHASE AND IMPORT

PV Gas' LPG trade is from 3 sources: LPG supplied by Dinh Co Gas Processing Plant, Dung Quat Oil Refinery and import.

» **LPG produced by Dinh Co Gas Processing Plant** from Cuu Long gas source, fluctuating depending on Cuu Long ashore gas output and liquid product recovery ratio, produced 299,169 tons and supplied 302,300 tons, satisfying

about 44% of LPG demand of Southeast and Southwest markets.

» **LPG produced by Dung Quat Oil Refinery:** PV Gas (and its subsidiaries) joins the auction every 6 months to buy and underwrite a portion of the total output. In the auction, PV Gas as well as other customers, based on PV Gas' LPG market evaluations, forecasts and business plans, decides the Premium suitable to each market (No CP auction is performed; CP price fluctuates monthly according to announcement of Aramco Saudi). In 2013, PV Gas purchased and sold 65,500 tons of Dung Quat LPG to the markets nationwide.

» **LPG import:** PV Gas imported refrigerated LPG on term contracts from the big producer ADNOC in the Middle East and on spot contracts from other countries such as Qatar, UAE, Arab Saudi, Kuwait with the total volume of about 281,309 tons for trading in the domestic market and for export. Besides, PV Gas also imported pressurized LPG by small shipments from Southern China for trading in Northern market with the volume of nearly 59,065 tons. So, in 2013, PV Gas imported about 340,374 tons of LPG for supply to domestic market and for export.

» In addition, in order to expand the LPG business in the direction of intensive access to the world LPG market, with focus on Middle East and Asian markets, PV Gas has also carried out transactions (international LPG trade) with

many foreign LPG traders. Total LPG volume transacted internationally reached about 352,637 tons in 2013.

Similar to the purchase of Dung Quat LPG, in international LPG trade, PV Gas and its partners only negotiate the Premium (the CP price is based on the monthly CP price announcement of Aramco Saudi according to international practice).

LPG SALES AND EXPORT

» LPG customers:

- Domestic customers: as the biggest LPG wholesaler in Vietnam market, PV Gas has LPG sale contracts with almost major LPG traders in the North, Central and South Vietnam. Customers with frequent transactions with PV Gas are about 40-50, like Petrolimex, Saigon Petro, Gas Petronas,... and PV Gas' 3 subsidiaries: PV Gas South, PV Gas North and PV Gas City with total consumption of about 640,224 tons LPG.
- Foreign customers: PV Gas exported nearly 67,950 tons of LPG to Cambodia, Malaysia, Bangladesh, Philippines, Indonesia, up by 16% as compared to 2012.

Besides, as mentioned above, PV Gas has carried out transactions (international LPG trade) with many foreign LPG traders with total LPG volume transacted in foreign markets reaching approximately 352,637 tons.



PV GAS HAS LPG SALE CONTRACTS WITH ALMOST MAJOR LPG TRADERS IN THE NORTH, CENTRAL AND SOUTH VIETNAM. CUSTOMERS WITH FREQUENT TRANSACTIONS WITH PV GAS ARE ABOUT 40 - 50, LIKE PETROLIMEX, SAIGON PETRO, GAS PETRONAS,... AND PV GAS' 3 SUBSIDIARIES: PV GAS SOUTH, PV GAS NORTH AND PV GAS CITY.

LPG (continued)

» Sales policy:

- For Dinh Co LPG source, PV Gas organizes auction publicly every six months and invites customers satisfying LPG business conditions (according to Decree No. 107/2009/NĐ-CP dated 26/11/2009 of the Government) to participate in. Similar to Dung Quat LPG auction procedures, LPG traders decide themselves their Premium suitable to each market.
- For imported LPG source: PV Gas applies the mechanism of competitive selling price (as compared to Premium) to the LPG sources imported from regional countries in Vietnam market and other domestic sources, on the principle of

ensuring business efficiency. Similarly, in the international LPG trade, PV Gas also applies the mechanism of competitive selling price (as compared to Premium) to LPG sources imported from Middle East market, on the principle of ensuring the business efficiency, as well.

As such, LPG trade of PV Gas, either as the buyer or the seller, is based on market mechanism and in accordance with State regulations as well as international practice. However, with the advantages of the biggest LPG importer and producer in Vietnam, widespread LPG storage system (refrigerated LPG and pressurized LPG) representing about 50% of the country's

total LPG storage capacity, PV Gas' reputation, PV Gas has always maintained sufficient LPG reserve to satisfy any demand and could regulate LPG sources to minimize any temporary shortage leading to unreasonable price increase in Vietnam LPG market.

- For PV Gas's subsidiaries including PV Gas South, PV Gas North and PV Gas City: LPG products are sold to industrial plants (for use as fuel in the manufacturing process), restaurants, hotels, households or condominiums, buildings (using LPG in cylinder or via central gas system as fuel for cooking and living activities), transport vehicles (using LPG as fuel instead of gasoline and diesel oil), ... all over the country.

The gas industry is a chain of search - exploration - exploitation - production - trading activities from upstream, midstream to downstream. No enterprise can operate independently without relationship with other enterprises and organizations.

Therefore, PV Gas has always actively sought, maintained and developed investment, cooperation relationship with reputable foreign and domestic partners, PVN's members, major partners in Asian-Pacific region, Europe, Australia, the Middle East.

On the other hand, PV Gas is a reliable partner that almost all domestic, foreign investors and enterprises

seek to establish business relations with when they intend to do business, investment in Vietnam gas industry.

Investment co-operation relationship between PV Gas and partners has brought mutual benefits for relating contracting parties, including PV Gas, contributing to improve PV Gas' reputation as well as develop the gas industry of Vietnam.

In 2013, PV Gas has maintained and improved the cooperation with long term partners to operate gas fields offshore Vietnam (Rosneft, Perenco, Chevron, MOECO, PTTEP, Talisman, Vietsovpetro, JVPC, HLJOC, Thang Long JOC,...), sell dry gas (EVN, PV Power, PVFCCo, PVCFC), import LPG

(Adnoc, Tasweeq, Saudi Aramco,...), sell LPG, Condensate (BSR, PV Oil, SaigonPetro, Petrolimex,...), develop the LNG value chain (Tokyo Gas), produce steel pipelines (Steel Flower and Busan City). In addition, PV Gas has also expanded further cooperation relationship with foreign partners by signing cooperation agreements with BG LNG Trading (Singapore), GDF SUEZ Group (France) on LNG investment, trade and Gazprom (Russia) on producing and using natural gas as fuel, essentially supporting the gas trade.

PV Gas always welcomes reputable investors and enterprises interested in PV Gas in particular and Vietnam gas industry in general.

CONDENSATE

Condensate is mainly used to produce gasoline, industrial solvents and as a feedstock for petrochemical complexes. Similar to LPG, PV Gas produces Condensate at Dinh Co Gas Processing Plant from Cuu Long gas

source. The variation of output depends on ashore Cuu Long gas output and liquid product recovery ratio, production reached 61,164 tons and supply to PV Oil's Condensate Processing Plant reached 62,200 tons.

For Condensate produced at Nam Con Son Gas Processing Plant, PV Gas acts as the transporter for the field owner and is entitled to transport, with the transport volume reaching 178,550 tons.



“PV GAS’ SYNERGY IN OPERATING AND EXPLOITING SAFELY, CONTINUOUSLY AND EFFICIENTLY THE WHOLE GAS SYSTEMS IS ACHIEVED THANKS TO THE IMPORTANT ROLE OF 100% OWNED COMPANIES AND GOOD COORDINATION OF SUBSIDIARIES WITH WIDE MARKET. 100% OWNED COMPANIES PLAY THE MAJOR ROLE TO BUILD, SUPPORT AND VITALIZE PV GAS.

SOUTHEAST GAS TRANSMISSION COMPANY

Gas Southeast Transmission Company is in charge of operating the gas pipeline system from Cuu Long basin to Ba Ria - Phu My - Nhon Trach - Hiep Phuoc and Phu My Gas Distribution Center. In 2013, the company transported ashore the first gas from Extended Rong-Doi Moi field and coordinated in successfully receiving the new gas from Hai Thach - Moc Tinh field to be mixed with the gas of Cuu Long and Nam Con Son basins to properly and efficiently distribute to all gas fired power plants, fertilizer plants and low pressure gas consumers in Southeast region. All together, the company and Nam Con Son gas pipeline company and Ca Mau gas company provided customers with the 80 billion m³ of gas.



101 Le Loi Street,
Ward 6, Vung Tau City.

Tel: 064 3834174
Fax: 064 3834171

www.pvgas.com.vn

NAM CON SON GAS PIPELINE COMPANY

Nam Con Son Gas Pipeline Company is in charge of operating the gas pipeline from Nam Con Son basin to Phu My and Nam Con Son GPP. The year 2013 has marked the fact that Nam Con Son gas system reached the milestones for 10 years of safe and continuous operation, successful transportation of 50 billion m³ of gas, raising capacity to 22 million m³ of gas /day, facilitating the new Hai Thach - Moc Tinh gas source in September 2013 to be mixed to the gas of Nam Con Son basin, continuously affirming the important role of Nam Con Son gas system - the biggest capacity gas pipeline in all gas systems of PV Gas.



Provincial highway 14, An Ngai Commune, Long Dien District, Ba Ria Vung Tau.

Tel: 08 37840111
Fax: 08 37840345

www.pvgas.com.vn

CA MAU GAS COMPANY

Ca Mau Gas Company - PV Gas' representative in the Ca Mau gas-power-fertilizer complex, is in charge of operating PM3 - Ca Mau gas pipeline to transport gas ashore to supply 2 billion m³ of gas/year to gas fired power plants and fertilizer plant in Southwest region. The labour force of the company is as young as the company itself (established in 2006), but full of creativeness, enthusiasm and determination in work and study. In December 2013, they received, managed and safely put into operation the Ca Mau gas compressor, for more PM3 gas supply.



Khanh An Commune, U Minh District, Ca Mau Province.

Tel: 0780 3591343
Fax: 0780 3591315

www.pvgas.com.vn

VUNG TAU GAS PROCESSING COMPANY

Vung Tau Gas Processing Company is in charge of operating Dinh Co Gas Processing Plant, LPG and Condensate storage and terminal system nationwide. The company's production activities not only bring PV Gas a more value added gas products, sales and profits, but also smoothly coordinates with Gas Trading Company in LPG trade to cover a dominant market share in Vietnam LPG market. Thanks to its capability and experience, in March 2013, the company has received, managed and operated the refrigerated LPG storage at Thi Vai with a capacity of 60,000 tons - the unique, most advanced and biggest refrigerated LPG storage in Vietnam, helping increase PV Gas' LPG storage capacity to 50% of the national LPG storage capacity.



101 Le Loi Street,
Ward 6, Vung Tau City.

Tel: 064 6250150
Fax: 064 3838257

www.pvgas.com.vn

GAS SERVICES COMPANY

Gas Services Company is in charge of scheduled and unscheduled maintenance, protective maintenance and timely calibration and testing at high quality, contributing to smooth operation of PV Gas' gas systems. In 2013, the company's skilled labor force completed 100% of maintenance works, even shortened the maintenance time during the complete halt of Cuu Long and PM3 - Ca Mau gas systems by 34 hours and 3 days, respectively. The time saving helped PV Gas cut down sales and profit decrease during gas system stops, resume gas supply to power and fertilizer plants for their continued productions. Therefore, the highly-skilled and qualified human resource is the valuable assets of the Company and PV Gas as well.



101 Le Loi Street,
Ward 6, Vung Tau City.

Tel: 064 3586381
Fax: 064 3563180

www.pvgas.com.vn



GAS TRADING COMPANY

Gas Trading Company trades not only LPG produced in PV Gas' Dinh Co GPP but also in Dung Quat Oil Refinery and imported from abroad, at world price, mainly for domestic and partly for neighbor market. Therefore, the Company business is under market pressure of LPG supply, price, cost and trading efficiency. However, for the past years, thanks to its abundant LPG supply, storage and terminal system nationwide, PV Gas trade name, the staff well-informed about the worldwide and Vietnam LPG market, the Company has firmly and successfully maintained its position as Vietnam's leading LPG trader and producer with an annual sale of 1 million tons of LPG in the world and Vietnam market. The position is now more consolidated as the 60,000 ton refrigerated LPG storage in Thi Vai - the biggest and modernest LPG storage in Vietnam has been put into operation since March of 2013, increasing PV Gas' LPG storage capacity to 50% of the national LPG storage capacity, allowing PV Gas to put forward solutions of LPG storage in big quality and long-term for more business advantages.

11th Floor, PV Gas Tower,
673 Nguyen Huu Tho Street,
Phuoc Kien Commune, Nha Be
District, HCMC.

Tel: 08 3784 0220
Fax: 08 3784 0215

www.pvgas.com.vn

GAS PROJECT MANAGEMENT COMPANY

Gas Project Management Company is in charge of preparing and implementing PV Gas' important and big gas projects. As each year passed, PV Gas' system of gas works has been more and more expanded thanks to the consolidated efforts of the labour force of the Company - those who not only work hard in reviewing and evaluating documents at office but also experience hard climate at construction site for contractor supervision throughout the construction stage. In 2013, the Company completed investment in refrigerated LPG storage and Extended Rong - Doi Moi gas pipeline, prepared the EPC bidding for LNG storage with a capacity of 1 million tons/year at Thi Vai, Ham Rong - Thai Binh gas pipeline. These projects have created physical facilities for PV Gas to supplement the gas supply and enhance its LPG storage capacity.



11th Floor, PV Gas Tower,
673 Nguyen Huu Tho Street,
Phuoc Kien Commune, Nha Be
District, HCMC.

Tel: 08 3784 0181
Fax: 08 3784 0180

www.pvgas.com.vn

BLOCK B- O MON PIPELINE MANAGEMENT COMPANY

To implement the Block B - O Mon gas pipeline BCC signed by PV Gas, Chevron, MOECO and PTTEP, Block B - O Mon Gas Pipeline Management Company was established for preparation and execution of the project, which aims at gathering and transporting gas from Block B to Southwest. The Company staff are experienced and qualified experts in projects joined by foreign partners. In 2013, pending the results of upstream gas price negotiation, the Company only deployed some necessary work items (detailed design, foundation treatment...) in preparation for the project resumption.



11th Floor, PV Gas Tower,
673 Nguyen Huu Tho Street,
Phuoc Kien Commune, Nha Be
District, HCMC.

Tel: 08 3784 0551
Fax: 08 3784 0550

www.pvgas.com.vn

SOUTHEAST GAS PROJECT MANAGEMENT BOARD

Southeast Gas Project Management Board is in charge of construction investment work of PV Gas' gas gathering projects. Due to the projects' importance, the Board staff are experienced in many petroleum projects, highly qualified and creative to successfully deal with any change during investment. In 2013, the Board has focused human resources to complete the investment in Hai Thach - Moc Tinh gas pipeline and prepare the F/S of Nam Con Son 2 phase 1 to be submitted for approval for more gas supply in Southeast region in 2013 and beyond.



12th Floor, Petro Hotel,
9-11 Hoang Dieu Street, Ward 1,
Vung Tau City.

Tel: 064 358 4584
Fax: 064 358 4585

www.pvgas.com.vn

CA MAU GPP PROJECT MANAGEMENT BOARD

Ca Mau GPP Project Management Board has been set up to prepare and carry out the Ca Mau GPP project in order to increase gas product value. The Board's young labor force has continuously and creatively found out the initiatives of optimal technical engineering solutions to reduce the overall investment capital and increase the economic efficiency of the project. In 2013, beside updating input of Ca Mau GPP to be consistent with actual changes, the Board completed the investment and handed over the Ca Mau gas compressor for safe operation in December, contributing to increasing PM3 gas ashore output, supplying to customers in Southwest regions.



12th Floor, PV Gas Tower,
673 Nguyen Huu Tho Street,
Phuoc Kien Commune, Nha Be
District, HCMC.

Tel: 08 3784 0118
Fax: 08 3784 0120

www.pvgas.com.vn

Thanks to practical and timely support from PV Gas - parent company, big shareholder - and their own effort, the subsidiaries

have achieved quite good results in business and production activities. This has helped conserve and expand PV Gas' interest in financial

investment as well as create good coordination between PV Gas - subsidiaries in the whole gas system operation and business.

Order No.	Company name	Business	Address	Charter capital (Billion VND)	PV Gas' share (%)	Net Sales (Billion VND)	Profit before tax (Billion VND)	Profit before tax/ Charter capital (%)
1	PetroVietnam Southern Gas JSC - PV Gas South	Import, export and trade LPG Produce and trade CNG	4 th Floor, PetroVietnam Tower, 1-5 Le Duan Street, Ben Nghe Ward, District 1, HCMC. Tel: 08 39100108 - Fax: 08 39100097 www.pgs.com.vn	380.0	35.3	7,057.5	237.7	62.6
2	PetroVietnam Gas City Investment and Development JSC - PV Gas City	Trade gas by pipeline; install gas supply system in buildings	4 th Floor, VPI Tower, 173 Trung Kinh Street, Cau Giay District, Ha Noi City. Tel: 04 37346848 - Fax: 04 37346838 www.pvgascity.com.vn	188.7	35.5	855.2	14.6	7.7
3	PetroVietnam Northern Gas JSC - PV Gas North	Import, export and trade LPG	11 th Floor, VPI Tower, 173 Trung Kinh Street, Cau Giay District, Ha Noi City. Tel: 04 39445555 - Fax: 04 39445333 www.pvgasn.vn	277.2	35.9	4,074.5	27.7	9.9
4	PetroVietnam Low Pressure Gas JSC - PV Gas D	Trade and transport low pressure gas by pipeline	7 th Floor, PV Gas Tower, 673 Nguyen Huu Tho Street, Phuoc Kien Commune, Nha Be District, HCMC. Tel: 08 37840445 - Fax: 08 37840446 www.pvgasd.com.vn	429.0	50.5	6,422.1	209.1	48.7
5	PetroVietnam Coating JSC - PV Coating	Coat pipe and construct	60 Truong Cong Dinh Street, Ward 3, Vung Tau City. Tel: 064 3924456 - Fax: 064 3924455 www.pvcoating.vn	216.0	76.5	533.0	58.7	27.1



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THE SUBSIDIARIES HAVE ACHIEVED QUITE GOOD RESULTS IN BUSINESS AND PRODUCTION ACTIVITIES. THIS HAS HELPED CONSERVE AND EXPAND PV GAS' INTEREST IN FINANCIAL INVESTMENT AS WELL AS CREATE GOOD COORDINATION IN THE WHOLE GAS SYSTEM OPERATION AND BUSINESS.

6

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for a **LONG - LASTING** DEVELOPMENT

From the present platforms, PV Gas forcibly invested in new factories, developed gas gathering projects, enhanced gas quality and and gas output, diversified products, satisfied the demand of many groups of customers and expanded the market for a sustainable development.





GENERAL OBJECTIVES

Develop PV Gas based on sustainability, safety, quality, efficiency and modernity, with a wide range of operation in all stages of gathering, transportation, processing, storing, trading, services, importing and exporting of

gas products; focus on investment in gas infrastructure nationwide; expand to international market. Achieve revenue growth rate of 6.6%/year, of which gas revenue accounts for 53%, gas products 33% and services 14%.

DEVELOP PV GAS BASED ON SUSTAINABILITY, SAFETY, QUALITY, EFFICIENCY AND MODERNITY.

SPECIFIC OBJECTIVES

“GATHER GAS NATIONWIDE, MAXIMIZE GAS GATHERING FROM EXISTING SOURCES, PROMPTLY GATHER GAS FROM NEW SOURCES; ENSURE SAFE AND EFFICIENT GAS SOURCE OPERATION; STRIVE TO ACHIEVE GAS OUTPUT OF OVER 10.2 BILLION M³ IN 2015.

» Gather gas nationwide, maximize gas gathering from existing sources, promptly gather gas from new sources; ensure safe and efficient gas source operation; strive to achieve gas output of over 10.2 billion m³ in 2015;

» Invest in intensive processing, maximize product recovery, increase gas works value; invest in developing onshore pipeline network in line with gas gathering; ensure continuous and stable gas supply for customers; strive to

supply 9.5-9.8 billion m³/year for the period 2014-2015, produce 185-212 thousand tons of LPG/year and 47 - 41 thousand tons of Condensate/year;

» Maintain the decisive role in LPG trading market, strive to acquire at least 70% of national LPG market, including at least 50% of wholesale market and 27% retail market;

» Being the leading service provider in the gas industry, particularly

transport services for gas products, pipe manufacturing, pipe coating; supply of low pressure gas, supply of CNG/LNG for transportation/urban areas and gas storage. Annual growth rate of period 2014 - 2015 is expected to reach 12.6%.



CURRENT SITUATION

- » Advantages: PV Gas' reputation has been increasing domestically and regionally; PV Gas has been continuously receiving the interest and close directions from PVN, supports from local authorities, priorities given by Government to develop the gas industry. The revised five-year plan 2011 - 2015 and PV Gas restructure plan have been approved by PVN, facilitating PV Gas in implementing planned tasks and targets for development of gas industry.
- » Difficulties: global economy as well as national economy are expected to experience many difficulties, activities of domestic enterprises will be adversely affected... Many major projects of PV Gas are simultaneously deployed on tight schedules and require large capital. Huge resources need to be focused and mobilized to ensure these projects to be completed on schedule.

BASIS OF PLANNING

- » Revised five-year plan 2011 - 2015 and PV Gas Restructure Plan for period 2012 - 2015;
- » Gas prices, gas transport charges are in accordance with Contract provisions and Government regulations;
- » There are no new gas sources and no new major customers for dry gas in 2014;
- » According to the forecast, domestic LPG market will grow but the growth rate is not high (about 2% as compared with 2013);
- » Price of crude oil as the basis to calculate fuel prices is USD 100 /barrel;
- » PV Gas' actual performance in the last three years.

TARGETS AND DUTIES

- » Safely and effectively operate existing gas works and ensure their safety and security activities;
- » Ensure efficiency in production, consumption of gas and gas products at maximum output for customers;
- » Control and ensure progress and capital for construction investment projects, especially gas gathering, processing, storing and distributing projects;
- » Focus on gas and gas services as the core business, keep reviewing the work of outside investments,
- adjusting the appropriate investment portfolio to ensure efficiency; cost saving in production and business activities;
- » Carry out corporate restructure, checking and arranging personnel according to the approved plan, in line with PV Gas' business activities;
- » Effectively manage/exploit contracts of gas sales, purchase and transportation;
- » Focus on investment and development of PV Gas' brand home and abroad.

MAIN TARGETS

No.	Target	Unit	Plan 2014
I	Volume target		
1	Dry gas	MMCM	9,511
-	<i>Cuu Long gas</i>	<i>MMCM</i>	<i>980</i>
-	<i>Nam Con Son gas</i>	<i>MMCM</i>	<i>6,581</i>
-	<i>PM3 gas</i>	<i>MMCM</i>	<i>1,950</i>
2	Condensate	Ton	47,200
3	LPG (Parent company)	Ton	940,465
-	<i>Dinh Co</i>	<i>Ton</i>	<i>212,465</i>
-	<i>Dung Quat</i>	<i>Ton</i>	<i>84,000</i>
-	<i>International trading and import</i>	<i>Ton</i>	<i>644,000</i>
II	Financial target		
1	Revenue	Billion VND	62,444
-	<i>Of which parent company</i>	<i>Billion VND</i>	<i>55,299</i>
2	Profit before tax	Billion VND	10,537
-	<i>Of which parent company</i>	<i>Billion VND</i>	<i>10,343</i>
3	Profit after tax	Billion VND	8,616
-	<i>Of which parent company</i>	<i>Billion VND</i>	<i>8,454</i>
4	Profit after tax/charter capital ratio	%	45
5	Dividend payout	%	33
6	Contribution to budget	Billion VND	4,176
-	<i>Of which parent company</i>	<i>Billion VND</i>	<i>4,088</i>
7	Disbursement value of Parent company (*)	Billion VND	4,582
-	<i>Equity</i>	<i>Billion VND</i>	<i>2,268</i>
-	<i>Loans + Other capitals</i>	<i>Billion VND</i>	<i>2,314</i>
8	Employees at the year end (Parent company)	Person	1,142
9	Scientific research (Parent company)	Topic	06
-	<i>Of which transitional from 2013</i>	<i>Topic</i>	<i>04</i>

(*) Total projects of PV Gas - parent company was 18 (including new and transitional projects and those in the stage of investment preparation and final accounting), focused on the two main areas of gas gathering, transportation, processing and distribution and construction of infrastructure in preparation for LNG import with disbursement value of VND 4,582 billion, including: 7 projects of group A, 8 projects of group B, the remaining projects of group C, procurement and financial investment.

MAIN TARGETS (CONTINUED)

“NAM CON SON GAS PIPELINE 2 - INVESTMENT PHASE 1 (THIEN UNG FIELD): COMPLETING 40% OF THE WORKLOAD FOR EPC CONTRACT OF OFFSHORE PIPELINES, 100% FOR PLATE STEEL PURCHASE ...

Targets/activities of some projects:

GAS GATHERING PROJECTS

- » Nam Con Son gas pipeline 2 - investment phase 1 (Thien Ung field): Completing 40% of the workload for EPC contract of offshore pipelines, 100% for plate steel purchase, 90% for pipe production and 80% for pipe coating;
- » Block B - O Mon gas pipeline: Completing 100% of the foundation treatment of O Mon Station;
- » Ham Rong - Thai Binh gas pipeline: Completing 10% of the workload for EPC contract;
- » Thang Long - Dong Do gas pipeline: Conducting research on appropriate gathering solutions on the basis of updating gas gathering capacity.

GAS IMPORT PROJECTS

- » 1 MMTA LNG storage at Thi Vai: Completing 80% of detailed design, 90% of foundation treatment, 10% of procurement;
- » 3 - 6 MMTA LNG storage and terminal at Son My: Composing and working with State administration agencies,

relevant organizations on LNG supply mode, sale contract, pricing mechanism, rules and standards on LNG facilities,...; and closely coordinating with relevant partners of Son My power plant project... in an effort to obtain early approval for the F/S of 3 - 6 MMTA LNG storage and terminal at Son My.

STRENGTHENING GAS PRODUCT PROCESSING AND STORING CAPACITIES

- » Dinh Vu - Hai Phong LPG storage upgrading: Completing 100%

of detailed design, 60% of tank construction and installation, 30% of procurement;

- » Separating Ethane from Nam Con Son and Cuu Long gas sources: Approving the F/S, proceeding with FEED and cost estimates;

FINAL ACCOUNTING AND SETTLEMENT FOR

Thi Vai refrigerated LPG storage, Ca Mau gas Compressor, some facilities of Nam Con Son 2 gas pipeline, the extended Rong - Doi Moi gas pipeline,...



KEY IMPLEMENTATION SOLUTIONS

PRODUCTION AND BUSINESS

- » Strengthening the protection, security and safety activities of gas works; actively and closely coordinating with parties in the gas line on forecast, nomination, maintenance and repair, ensuring the safe and smooth system operation to minimize downtime/gas supply decrease and tap on full system capacity of the parties;
- » Constantly reviewing, supplementing and improving procedures on safety, regulations on maintenance and repair, technical and economic norms,... to reduce production cost, increase labor productivity and improve the competitiveness of PV Gas' products on the market;
- » Balancing LPG supply sources (Dinh Co, Dung Quat, import), preparing business plans, ensuring business efficiency and helping PV Gas to maintain its position as the largest LPG supplier in Vietnam market;
- » Promoting marketing activities, seeking customers, developing consumption markets for LPG, KTA, CNG, steel pipes and pipe coating; investing in distribution infrastructure systems to deliver low pressure gas to industrial consumers and households;
- » Effectively maintaining and developing the management system integrated with Safety-Quality-Environment; Well carrying out communication programs, Regulation on coordination for security and safety protection of gas works.

INVESTMENT AND CONSTRUCTION

- » Prioritizing the implementation of key projects to improve capital use efficiency; focusing on projects including 1 MMTA LNG storage at Thi Vai, Nam Con Son 2 gas pipeline - phase 1, Dai Hung, Block B - O Mon and Ham Rong - Thai Binh gas pipelines to increase gas supply;
- » Continuously reviewing and strictly controlling the progress, re-evaluating the investment efficiency (if necessary) to delay/reschedule and proceeding on the directive principle of efficiency or propose alternative plans in case of inefficiency; arranging capital to ensure adequate capital for project progress;
- » Reviewing all investment bidding packages/items, prioritizing the concentration of resources, speeding up the progress of key bidding packages/investment items to ensure progress, reduce loan interest and relevant costs, improve efficiency of projects;
- » Basing on the project characteristic and hierarchy level, carrying out regular inspection, supervision, pushing at sites, maintaining weekly/monthly briefings to resolve problems, preparing and applying the specific reward, penalty policies.

HUMAN RESOURCES, TRAINING, REMUNERATION, BUSINESS ADMINISTRATION

- » Preparing the training plan with key points closely attached to production and business tasks; organizing the training, re-training programs in line with positions; minimizing short-term training courses abroad; strengthening

activities of internal training, on-job training to reduce costs;

- » Proposing, applying appropriate wage, bonus and benefit policies to help personnel to secure life, comfortable morale, health for their work, to attract and develop qualified and experienced human resources with long-term working commitment with PV Gas; building and developing young, active, creative and dedicated human resources to support production and business activities;
- » Implementing PV Gas restructure plan; constantly reviewing, arranging, rearranging labor in line with production and business situation; hiring no more personnel if tasks and workloads not increased, completely resolving labor surplus (if any) to increase labor productivity and reduce labor costs; performing staff appointment, rotation to improve leadership capacity and well fulfill tasks;
- » Reviewing functions, duties and capacities of PV Gas' representatives at subsidiaries to increase the role and responsibility of representatives; strongly decentralizing as well as strengthening activities of inspection, supervision, acceleration, promptly resolving difficulties and problems of units at grassroots level.

Effectively maintaining and developing the management system integrated with Safety - Quality - Environment; Well carrying out communication programs, Regulation on coordination for security and safety protection of gas works.

MAIN TARGETS (CONTINUED)

CAPITAL MOBILIZATION, MANAGEMENT AND USAGE

» Taking full advantage of credit capital from domestic and foreign financial institutions, PVN to ensure sufficient capital for investment, production and business requirements of PV Gas; flexibly and efficiently managing

capital resources of PV Gas and subsidiaries to maximize financial strength throughout PV Gas;

» Reviewing, balancing income and expenditure in foreign currency, actively coordinating with banks in implementing the foreign exchange policy when necessary, promptly supporting investment, production and business activities;

reviewing investment demands by capital source, promptly arranging capital by progress of each project; strengthening usage of VND loans to minimize exchange rate risks...;

» Speeding up the final accounting, settlement of completed projects; strengthening assets management, conducting regular control and inspection; promptly

preparing financial statements in support of management and information disclosure activities;

» Closely managing and controlling costs of goods and services in line with renovation of corporate governance, ensuring quality and competitiveness at reasonable level for goods and services, organizing inspection and monitoring to promptly remedy performances; cutting down regular expenses, costs of procurements of materials,

fuels, feedstock, using services in accordance with regulations and ensuring the quality;

» Increasing the agenda combination to shorten time of meetings and conferences aiming at saving costs; reducing seminars and conferences held far from head office; not combining meetings and conferences with sightseeing and vacation; promoting meeting, task handling with video conference; assigning the right staff in the right number to go on business trips.

SCIENCE AND TECHNOLOGY

Promoting research and application of advanced technologies in the gas industry; reinforcing science and technology cooperation with domestic and foreign organizations/units in gas processing; focusing on research, preparation of standards, planning the gas reception and distribution system in support of gas products trading, gas gathering at marginal fields; applying information technology and advanced management methods in production and business.



“PROMOTING RESEARCH AND APPLICATION OF ADVANCED TECHNOLOGIES IN THE GAS INDUSTRY; REINFORCING SCIENCE AND TECHNOLOGY COOPERATION WITH DOMESTIC AND FOREIGN ORGANIZATIONS/UNITS IN GAS PROCESSING.”

6

AUDITED CONSOLIDATED FINANCIAL STATEMENTS 2013



The Board of General Directors 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 2013.

THE BOARDS OF MANAGEMENT AND GENERAL DIRECTORS

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

BOARD OF MANAGEMENT

Mr. Le Nhu Linh	Chairman (appointed on 06 December 2013)
Mr. Do Khang Ninh	Chairman (appointed on 15 April 2013, resigned on 05 December 2013)
Mr. Do Khang Ninh	Member (appointed on 06 December 2013)
Ms. Nguyen Thi Lan	Chairman (retired on 15 April 2013)
Mr. Vu Dinh Chien	Vice Chairman
Mr. Phan Quoc Nghia	Member
Mr. Nguyen Trung Dan	Member

BOARD OF GENERAL DIRECTORS

Mr. Do Khang Ninh	General Director cum Member of the Board of Management
Mr. Tran Hung Hien	Deputy General Director
Mr. Pham Hong Linh	Deputy General Director
Mr. Nguyen Thanh Nghi	Deputy General Director
Mr. Duong Manh Son	Acting Deputy General Director
Mr. Bui Ngoc Quang	Deputy General Director
Mr. Nguyen Quoc Huy	Deputy General Director
Mr. Ho Tung Vu	Deputy General Director
Mr. Nguyen Mau Dung	Deputy General Director

THE BOARD OF GENERAL DIRECTORS’ STATEMENT OF RESPONSIBILITY

The Board of General Directors 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 General Directors is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the 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 General Directors 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 General Directors 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 General Directors confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of General Directors,



Do Khang Ninh
General Director

24 March 2014



No.: 846/VN1A-HN-BC

INDEPENDENT AUDITOR'S REPORT

Deloitte.

Deloitte Viet Nam Company Ltd.
12A Floor, Vinaconex Tower
34 Lang Ha Street, Dong Da District
Ha Noi, Vietnam
Tel: +844 6288 3568
Fax: +844 6288 5678
www.deloitte.com/vn

CONSOLIDATED BALANCE SHEET

As at 31 December 2013

FORM B 01-DN/HN

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

We have audited the accompanying consolidated financial statements of PetroVietnam Gas Joint Stock Corporation (the "Corporation"), prepared on 24 March 2014, as set out from page 107 to page 154, which comprise the consolidated balance sheet as at 31 December 2013, and the consolidated statements of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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 consolidated financial reporting and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 auditor's 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 auditor considers 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 give a true and fair view of, in all material respects, the financial position of the Corporation as at 31 December 2013, 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.



Pham Hoai Nam
Deputy General Director
Audit Practising Registration Certificate
No. 0042-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
24 March 2014
Hanoi, S.R. Vietnam

Hoang Van Kien
Auditor
Audit Practising Registration Certificate
No. 1130-2013-001-1

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Unit: VND

ASSETS	Codes	Notes	31/12/2013	31/12/2012
A. CURRENT ASSETS (100=110+120+130+140+150)	100		28,307,000,125,801	20,371,923,851,895
I. Cash and cash equivalents	110	5	18,292,997,853,785	12,753,084,518,890
1. Cash	111		2,871,148,131,563	2,863,132,509,023
2. Cash equivalents	112		15,421,849,722,222	9,889,952,009,867
II. Short-term financial investments	120		818,400,000,000	68,900,000,000
1. Short-term investments	121	6	818,400,000,000	68,900,000,000
III. Short-term receivables	130		5,960,271,247,392	5,373,621,264,496
1. Trade accounts receivable	131		5,367,524,365,864	4,685,347,490,903
2. Advances to suppliers	132		364,713,506,477	238,284,434,969
3. Other receivables	135	7	303,515,673,310	503,275,558,814
4. Provision for short-term doubtful debts	139		(75,482,298,259)	(53,286,220,190)
IV. Inventories	140	8	2,461,447,890,066	1,613,861,504,515
1. Inventories	141		2,551,234,000,042	1,697,933,795,824
2. Provision for devaluation of inventories	149		(89,786,109,976)	(84,072,291,309)
V. Other short-term assets	150		773,883,134,558	562,456,563,994
1. Short-term prepayments	151		99,394,627,300	80,864,897,395
2. Value added tax deductibles	152		155,681,481,108	242,263,975,928
3. Taxes and other receivables from the State Budget	154	9	27,431,864,026	746,260,576
4. Other current assets	158	10	491,375,162,124	238,581,430,095
B. NON-CURRENT ASSETS (200=220+240+250+260)	200		21,540,672,785,751	24,154,899,329,132
I. Fixed assets	220		19,832,971,680,375	20,995,219,488,496
1. Tangible fixed assets	221	11	16,566,943,437,255	15,322,431,154,651
- Cost	222		33,379,936,365,725	28,892,920,270,805
- Accumulated depreciation	223		(16,812,992,928,470)	(13,570,489,116,154)
2. Finance lease assets	224	12	117,401,685,038	171,444,164,015
- Cost	225		234,189,964,033	233,414,964,033
- Accumulated depreciation	226		(116,788,278,995)	(61,970,800,018)
3. Intangible assets	227	13	345,269,451,846	344,498,531,074
- Cost	228		375,361,704,774	365,265,638,716
- Accumulated amortisation	229		(30,092,252,928)	(20,767,107,642)
4. Construction in progress	230	14	2,803,357,106,236	5,156,845,638,756
II. Investment properties	240		-	762,243,170
- Cost	241		-	5,653,026,713
- Accumulated depreciation	242		-	(4,890,783,543)
III. Long-term financial investments	250		445,219,192,283	867,827,381,026
1. Investments in associates	252	16	78,618,908,503	75,635,750,091
2. Other long-term investments	258	18	441,600,283,780	847,600,283,780
3. Provision for impairment of long-term financial investments	259		(75,000,000,000)	(55,408,652,845)
IV. Other long-term assets	260		1,262,481,913,093	2,291,090,216,440
1. Long-term prepayments	261	19	1,231,778,636,667	2,265,490,285,995
2. Deferred tax assets	262		5,499,218,456	3,521,287,287
3. Other long-term assets	268		25,204,057,970	22,078,643,158
C. GOODWILL	269	20	531,262,467,013	619,357,443,887
TOTAL ASSETS (270=100+200+269)	270		50,378,935,378,565	45,146,180,624,914

The notes set out on pages 112 to 154 are an integral part of these consolidated financial statements

Unit: VND

RESOURCES	Codes	Notes	31/12/2013	31/12/2012
A. LIABILITIES (300=310+330)	300		15,345,611,241,732	16,310,931,351,123
I. Current liabilities	310		9,873,098,383,528	8,056,204,626,148
1. Short-term loans and liabilities	311	21	2,852,512,594,119	3,041,859,621,480
2. Trade accounts payable	312		3,658,256,678,856	2,374,444,302,083
3. Advances from customers	313		73,689,620,884	11,632,553,842
4. Taxes and amounts payable to	314	22	773,742,762,060	708,635,752,915
5. Payables to employees	315		137,995,751,453	163,803,747,694
6. Accrued expenses	316	23	1,564,990,395,523	1,191,150,294,664
7. Inter-company payables	317	24	298,361,455,294	45,631,637,351
8. Other current payables	319	25	404,605,274,667	456,754,972,429
9. Bonus and welfare funds	323		108,943,850,672	62,291,743,690
II. Long-term liabilities	330		5,472,512,858,204	8,254,726,724,975
1. Long-term inter-company liabilities	332	26	44,264,383,269	44,264,383,269
2. Other long-term payables	333	27	229,197,999,385	270,061,016,924
3. Long-term loans and liabilities	334	28	4,604,396,517,868	6,188,759,149,207
4. Long-term provisions	337		82,576,132,249	1,261,561,198
5. Unearned revenue	338		505,123,377,794	596,715,164,385
6. Scientific and technological development fund	339		6,954,447,639	1,153,665,449,992
B. EQUITY (400= 410+430)	400		33,358,036,009,393	27,192,763,424,095
I. Owners' equity	410	29	33,358,036,009,393	27,191,199,379,241
1. Owners's contributed capital	411		18,950,000,000,000	18,950,000,000,000
2. Share premium	412		1,216,727,266	-
3. Other owners's capital	413		33,010,841,083	33,010,841,083
4. Investment and development fund	417		8,519,430,938,822	1,548,073,253,137
5. Financial reserve fund	418		2,683,834,433,528	1,456,619,605,947
6. Other reserves	419		134,944,997,553	131,687,747,553
7. Retained earnings	420		3,035,598,071,141	5,071,807,931,521
II. Other resources and funds	430		-	1,564,044,854
1. Funds for fixed assets acquisition	433		-	1,564,044,854
C. NON-CONTROLLING INTERESTS	439	30	1,675,288,127,440	1,642,485,849,696
TOTAL RESOURCES (440=300+400+439)	440		50,378,935,378,565	45,146,180,624,914

OFF BALANCE SHEET ITEMS	31/12/2013	31/12/2012
1. Goods held under trust (kg)	1,397,848	1,108,431
2. Foreign currencies		
USD	5,107,337	4,596,527
EUR	1,947	1,638

Dang Thi Hong Yen
Preparer

Mai Huu Ngan
Chief Accountant

Do Khang Ninh
General Director

24 March 2014

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2013

Unit: VND

ITEMS	Codes	Notes	2013	2012
1. Gross revenue from goods sold and services	01	32	65,597,100,116,086	68,419,862,408,855
2. Deductions	02	32	197,414,320,128	118,503,607,859
3. Net revenue from goods sold and services rendered (10=01 - 02)	10	32	65,399,685,795,958	68,301,358,800,996
4. Cost of sales	11	33	48,167,455,634,889	53,394,663,454,298
5. Gross profit from goods sold and services rendered (20 = 10 - 11)	20		17,232,230,161,069	14,906,695,346,698
6. Financial income	21	34	1,222,947,832,000	1,143,873,657,044
7. Financial expenses	22	35	649,017,818,757	556,776,193,436
- In which: Interest expense	23		420,450,207,908	449,624,014,624
8. Selling expenses	24		1,263,022,901,640	1,272,656,622,780
9. General and administration expenses	25		2,095,444,712,513	1,926,596,892,273
10. Operating profit (30 = 20+(21-22)-(24+25))	30		14,447,692,560,159	12,294,539,295,253
11. Other income	31	36	1,201,093,426,441	90,534,302,545
12. Other expenses	32	37	71,328,506,419	37,121,818,982
13. Profit from other activities (40=31-32)	40		1,129,764,920,022	53,412,483,563
14. Share of associates' net profit	45		5,298,215,259	2,349,765,728
15. Accounting profit before tax (50=30+40+45)	50		15,582,755,695,440	12,350,301,544,544
16. Current corporate income tax expense	51	38	2,988,853,977,911	2,247,551,651,441
17. Deferred corporate tax (income)/ expense	52		(1,977,931,169)	791,039,463
18. Net profit after corporate income tax (60=50-51-52)	60		12,595,879,648,698	10,101,958,853,640
18.1. Non-controlling interests	61		308,337,205,403	294,622,980,277
18.2. Equity holders of the Holding Company	62		12,287,542,443,295	9,807,335,873,363
19. Basic earnings per share	70	39	6,478	5,167

Dang Thi Hong Yen
Preparer

Mai Huu Ngan
Chief Accountant

Do Khang Ninh
General Director

24 March 2014

Unit: VND

ITEMS	Codes	2013	2012
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	15,582,755,695,440	12,350,301,544,544
2. Adjustments for:			
Depreciation and amortisation	02	3,338,271,404,708	3,088,796,474,370
Provisions	03	47,501,243,891	102,223,792,403
Unrealized foreign exchange loss/(gain)	04	12,343,823,954	(5,685,400,262)
(Gain) from investing activities	05	(1,159,756,676,572)	(1,067,698,147,746)
Interest expense	06	420,450,207,908	449,624,014,624
3. Operating profit before movements in working capital	08	18,241,565,699,329	14,917,562,277,933
Changes in receivables	09	(548,535,666,065)	1,479,228,476,613
Changes in inventories	10	(853,300,204,218)	(581,402,364,408)
Changes in accounts payable (not including accrued interest and corporate income tax payable)	11	518,796,365,795	(2,553,346,982,591)
Changes in prepaid expenses and other assets	12	919,153,794,756	1,081,050,011,962
Interest paid	13	(449,960,870,727)	(529,185,270,206)
Corporate income tax paid	14	(3,003,609,993,823)	(1,981,984,302,115)
Other cash inflows	15	54,646,353,189	37,810,180,213
Other cash outflows	16	(294,120,152,649)	(331,728,721,290)
Net cash from operating activities	20	14,584,635,325,587	11,538,003,306,111
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(2,370,691,165,930)	(2,414,704,980,096)
2. Proceeds from sales, disposal of fixed assets	22	962,732,491	20,531,843,742
3. Cash outflow for lending, buying debt instruments of other entities	23	(753,283,158,412)	(176,151,837,380)
4. Cash recovered from lending, selling debt instruments of other entities	24	406,800,000,000	544,081,695,453
5. Interest earned, dividends and profits received	27	1,110,891,885,615	1,120,730,933,458
Net cash (used in) investing activities	30	(1,605,319,706,236)	(905,512,344,823)

Unit: VND

ITEMS	Codes	2013	2012
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	5,609,612,470,569	2,337,623,086,925
2. Repayment of borrowings	34	(7,315,593,730,885)	(4,183,039,332,825)
3. Repayment of obligations under finance lease	35	(29,653,684,508)	(40,014,456,444)
4. Dividends and profits paid	36	(5,703,802,624,545)	(6,043,425,480,000)
Net cash (used in) financing activities	40	(7,439,437,569,369)	(7,928,856,182,344)
Net increase in cash	50	5,539,878,049,982	2,703,634,778,944
Cash and cash equivalents at the beginning of the year	60	12,753,084,518,890	10,045,200,208,018
Effects of changes in foreign exchange rates	61	35,284,913	4,249,531,928
Cash and cash equivalents at the end of the year	70	18,292,997,853,785	12,753,084,518,890


Dang Thi Hong Yen
 Preparer


Mai Huu Ngan
 Chief Accountant


Do Khang Ninh
 General Director



24 March 2014

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.

Petro Vietnam Gas Corporation - One Member Company Limited was officially transformed into Petro Vietnam 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 PVGAS Tower, 673 Nguyen Huu Tho Street, Phuoc Kien Commune, Nha Be District, Ho Chi Minh City, S.R. Vietnam.

The Corporation had subsidiaries as follows:

- PetroVietnam Southern Gas Joint Stock Company (“PVGAS South”);
- PetroVietnam Northern Gas Joint Stock Company (“PVGAS North”);
- PetroVietnam Low Pressure Gas Distribution Joint Stock Company (“PVGAS D”);
- PetroVietnam Coating Joint Stock Company (formerly known as PetroVietnam Gas Investment and Construction Joint Stock Company) (“PV Coating”);
- PetroVietnam Steel Pipe Joint Stock Company (“PV Pipe”);
- PetroVietnam Gas Cylinder Joint Stock Company (“PV Cylinder”), merged into PVGAS South in 2013;
- Petroleum Sport and Culture Joint Stock Company (“PSCC”), dissolved in 2013.

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 issues, i.e. to consult 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 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; 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 (provide relevant services).

2. ACCOUNTING CONVENTION AND FIANANCIAL 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

New guidance on management, usage and depreciation of fixed assets

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC (“Circular 45”) guiding the regime of management, usage and depreciation of fixed assets. This Circular supersedes Circular No. 203/2009/TT-BTC (“Circular 203”) dated 20 October 2009 of the Ministry of Finance guiding the regime of management, usage and depreciation of fixed assets. Circular 45 is effective from 10 June 2013 and is applied from financial year 2013 onwards. According to the Board of General Directors’ assessment, Circular 45 does not have material effect on the Corporation’s consolidated financial statements for the year ended 31 December 2013.

New guidance on provision for impairment of long-term investments into other entities

On 28 June 2013, the Ministry of Finance issued Circular No. 89/2013/TT-BTC (“Circular 89”) amending and supplementing Circular No. 228/2009/TT-BTC (“Circular 228”) dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, losses of financial investments, bad debts and warranty for products, goods and construction and installation works at enterprises. Circular 89 is effective from 26 July 2013. According to the Board of General Directors’ assessment, Circular 89 does not have material effect on the Corporation’s consolidated financial statements for the year ended 31 December 2013.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December each year. 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 in the net assets of consolidated subsidiaries are identified separately from the Corporation's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

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.

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.

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.

Goodwill arising on the acquisition of an associate is included within the carrying amount of the associate. Goodwill arising on the acquisition of subsidiaries and jointly controlled entities is presented separately as an intangible asset in the consolidated balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised good will 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, investments, trade receivables, other receivables and other financial assets.

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 borrowings, trade payables, other payables, accrued expenses and borrowings.

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.

Short-term financial investments

Short-term financial investments are recognized at cost, including time deposits of twelve months or less and short-term entrusted investments with the interest calculated based on the results of entrusted fund management activities.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method or FIFO. 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:

	Year 2012 Years	Year 2013 Years
Buildings, structures	4 - 25	4 - 25
Machinery, equipment	3 - 12	3 - 12
Motor vehicles	2 - 9	2 - 12
Office equipment	3 - 5	3 - 9
Other assets	3 - 20	3 - 20

Tangible fixed assets, representing machinery, equipment directly related to the goods production for the coating project in PetroVietnam Coating Joint Stock Company (the subsidiary), 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 profit 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.

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 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 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.

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 is amortized using the straight-line method over their estimated useful lives from three (03) years to night (09) years.

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.

Other long-term financial investments

Other long-term investments represent investments in other entities with proportion of ownership interest less than 20% equivalent to proportion of voting power held at these entities, loans and other long-term financial investments are recognized at cost including directly attributable costs. At the subsequent reporting dates, these investments shall be recognized at cost less diminution in value of investments (if any).

Provision for impairment of value of long-term investments is made in accordance with prevailing relevant regulations which allow provision to be made for investments whose book values are higher than recoverable amounts as at the balance sheet date.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term prepayments

Long-term prepayments comprise business privilege, gas cylinder case values and other types of long-term prepayments.

Business privilege represents the value of advantage in doing business arising from revaluation of the Corporation's net asset for equitization. Business privilege is allocated to the consolidated income statement for three (03) years from the time the Corporation has officially been transformed into Joint Stock Company.

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

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

Revenue recognition

Sale of products

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

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

In accordance with Official Letter No.5110-TC/TCT dated 16 May 2003 issued by the Ministry of Finance, revenue from selling and transporting Nam Con Son gas is recorded at the issue date of value added tax invoices.

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:

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

Unearned revenue

Unearned revenue mainly represents a deficit when the gas volume actually delivered is less than the committed volume in accordance with take or pay gas sale agreement. Such difference will be offset by the excess of the amount delivered in the subsequent periods.

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.

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" and Circular No. 179/2012/TT-BTC dated 24 October 2012 of the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises. 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 income statement. Unrealised exchange gains as at the balance sheet date are not treated as part of distributable profit to shareholders.

Borrowing costs

Borrowing costs 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.

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

Provisions

Provisions 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 management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

Scientific and technological development fund

Scientific and technological development fund is allocated to finance the Corporation's scientific and technological activities. The fund is provided for maximum to 10% of taxable income before corporate income tax at most and is recognized in the income statement for the year.

In 2013, the Corporation reversed the total balance of the scientific and technological development fund with the amount of VND 1,146,711,002,353 and recorded to the consolidated income statement as stated in Note 36.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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 year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other 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 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.

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

Unit: VND

	31/12/2013	31/12/2012
Cash on hand	20,278,890,078	13,967,220,175
Cash in bank	2,850,438,727,910	2,849,165,288,848
Cash in transit	430,513,575	-
Cash equivalents (i)	15,421,849,722,222	9,889,952,009,867
	18,292,997,853,785	12,753,084,518,890

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

6. SHORT-TERM INVESTMENTS

Unit: VND

	31/12/2013	31/12/2012
Time deposits and entrusted investments of no more than 12 months	818,300,000,000	65,800,000,000
Others	100,000,000	3,100,000,000
	818,400,000,000	68,900,000,000

7. OTHER RECEIVABLES

Unit: VND

	31/12/2013	31/12/2012
Receivable from related parties in joint venture agreement on the construction of Block B - O Mon Gas Pipelines System	23,629,438,880	148,896,597,399
Receivables from Phu Long Real Estate JSC.	21,474,885,586	215,139,399,300
Receivables from PVC MeKong for construction contract of office for lease in Bac Lieu Province	50,000,000,000	50,000,000,000
Accrued interest income from entrusted investments and term deposits	96,289,596,413	33,049,479,260
Receivable from PetroVietnam Insurance Joint Stock Corporation - insurance compensation	10,465,468,068	-
Others	101,656,284,363	56,190,082,855
	303,515,673,310	503,275,558,814

8. INVENTORIES

Unit: VND

	31/12/2013	31/12/2012
Goods in transit	75,266,818,644	24,239,996,690
Raw materials	537,768,189,494	589,315,538,676
Tools and supplies	61,045,044,314	64,028,781,677
Work in progress	47,169,471,714	96,321,933,781
Finished goods	89,974,375,039	163,692,283,252
Merchandise	1,739,953,337,079	760,335,261,748
Goods on consignment	56,763,758	-
	2,551,234,000,042	1,697,933,795,824
Provision for devaluation of inventories	(89,786,109,976)	(84,072,291,309)
Net realisable value of inventories	2,461,447,890,066	1,613,861,504,515

11. TANGIBLE FIXED ASSETS

Unit: VND

COST	Buildings, structures	Machinery, equipment	Motor vehicles	Office equipment	Other fixed assets	Total
As at 01/01/2013	2,557,213,836,987	2,038,547,681,969	497,734,595,094	151,785,639,912	23,647,638,516,843	28,892,920,270,805
Purchases for the year	11,245,055,379	43,218,610,385	10,447,919,934	16,074,729,914	2816,754,305	83,803,069,917
Transfer from construction in progress	2,900,379,488,142	1,701,912,495,004	10,412,818,730	-	18,937,050,815	4,631,641,852,691
Adjustment per final accounts	3,517,010,800	(1,594,536,123)	-	-	(190,568,957,332)	(188,646,482,655)
Other increases	13,603,585,228	1,064,376,907	-	94,500,420	8,083,557,409	22,846,019,964
Disposals	(2,127,172,185)	(2,364,124,390)	-	(2,025,474,818)	-	(6,516,771,393)
Other decreases	(2,485,255,683)	-	(1,305,514,096)	(441,237,745)	-	(4,232,007,524)
Reclassification to tools and supplies	(867,422,339)	(12,416,972,046)	(1,487,900,938)	(34,190,005,999)	(2,917,284,758)	(51,879,586,080)
Other reclassification	5,175,464,424	(10,839,612,075)	5,555,600,652	337,547,038	(229,000,039)	-
As at 31/12/2013	5,485,654,590,753	3,757,527,919,631	521,357,519,376	131,635,698,722	23,483,760,637,243	33,379,936,365,725
ACCUMULATED DEPRECIATION						
As at 01/01/2013	984,005,062,327	734,109,573,580	254,617,501,217	95,094,289,438	11,502,662,689,592	13,570,489,116,154
Charge for the year	403,956,366,839	400,088,724,211	103,940,904,933	21,221,262,729	2,344,172,691,621	3,273,379,950,333
Other increases	5,601,311,303	6,054,049,230	-	-	-	11,655,360,533
Disposals	(165,054,911)	(1,769,051,903)	-	(2,025,738,452)	-	(3,959,845,266)
Reclassification to tools and supplies	(294,252,965)	(8,516,080,296)	(440,993,683)	(26,744,060,920)	(1,766,879,909)	(37,762,267,773)
Other decreases	-	-	(248,464,635)	(560,920,876)	-	(809,385,511)
Other reclassification	(4,625,283,276)	4,293,447,162	906,423,056	248,117,648	(822,704,590)	-
As at 31/12/2013	1,388,478,149,317	1,134,260,661,984	358,775,370,888	87,232,949,567	13,844,245,796,714	16,812,992,928,470
NET BOOK VALUE						
As at 31/12/2013	4,097,176,441,436	2,623,267,257,647	162,582,148,488	44,402,749,155	9,639,514,840,529	16,566,943,437,255
As at 31/12/2012	1,573,208,774,660	1,304,438,108,389	243,117,093,877	56,691,350,474	12,144,975,827,251	15,322,431,154,651

Unit: VND

9. TAXES AND OTHER RECEIVABLES FROM THE STATE BUDGET

	31/12/2013	31/12/2012
Value added tax	4,419,642,821	201,612,424
Import, export duties	22,382,302,241	-
Corporate income tax	213,310,972	218,273,332
Personal income tax	285,561,037	-
Others	131,046,955	326,374,820
	27,431,864,026	746,260,576

Unit: VND

10. OTHER CURRENT ASSETS

	31/12/2013	31/12/2012
A shortage of assets awaiting to be resolved	750,437,509	370,300,170
Advances	12,602,037,800	16,447,885,255
Short-term deposits and collaterals	478,022,686,815	221,763,244,670
	491,375,162,124	238,581,430,095

11. TANGIBLE FIXED ASSETS (Continued)

The cost of the Corporation's tangible fixed assets as at 31 December 2013 includes VND 622,554,209,299 of fixed assets which were fully depreciated but are still in use (as at 31 December 2012: VND 227,308,426,531).

The cost of the fixed assets as at 31 December 2013 includes some facilities at cost of VND 3,767,101,966,857 (as at 31 December 2012: VND 5,550,544,476,967) which are temporarily recorded based on the actual expenses for the purpose of depreciation when the facilities go into operation. Upon the approval of final accounts, the cost will be adjusted accordingly.

The Corporation has pledged its buildings, structures, machinery and equipment which have net book value of VND 154,587,982,001 as at 31 December 2013 (31 December 2012: VND 331,536,043,180), to secure banking facilities granted to the Corporation.

In addition, PetroVietnam Coating Joint Stock Company (the subsidiary) pledged all assets formed from the Coating factory project at Phu My I Industrial zone, Tan Thanh District, Ba Ria - Vung Tau Province and PetroVietnam Steel Pipe Joint Stock Company (the subsidiary) pledged all assets formed from the Steel pipe factory project at Soai Rap Petroleum Service Industrial Zone, Gia Thuan Commune, Vam Lang Town, Go Cong Dong District, Tien Giang Province to secure banking facilities granted to these subsidiaries.

12. FINANCIAL LEASE ASSETS

Unit: VND

	Machinery, equipment	Motor vehicles	Total
COST			
As at 01/01/2013	231,893,729,033	1,521,235,000	233,414,964,033
Purchases for the year	775,000,000	-	775,000,000
Reclassification	(42,086,821,615)	42,086,821,615	-
As at 31/12/2013	190,581,907,418	43,608,056,615	234,189,964,033
ACCUMULATED DEPRECIATION			
As at 01/01/2013	60,604,192,770	1,366,607,248	61,970,800,018
Charge for the year	40,682,897,124	14,134,581,853	54,817,478,977
Reclassification	(14,104,364,947)	14,104,364,947	-
As at 31/12/2013	87,182,724,947	29,605,554,048	116,788,278,995
NET BOOK VALUE			
As at 31/12/2013	103,399,182,471	14,002,502,567	117,401,685,038
As at 31/12/2012	171,289,536,263	154,627,752	171,444,164,015

13. INTANGIBLE ASSETS

Unit: VND

	Land use rights	Computer software	Copyright, patents	Trademarks	Others	Total
COST						
As at 01/01/2013	327,803,748,435	31,640,712,659	1,464,370,376	4,288,007,246	68,800,000	365,265,638,716
Purchases for the year	558,409,091	7,401,366,751	-	-	-	7,959,775,842
Other increase	2,604,244,366	-	-	-	-	2,604,244,366
Other decreases	-	(63,000,000)	-	-	-	(63,000,000)
Reclassification to prepaid expense	-	(404,954,150)	-	-	-	(404,954,150)
As at 31/12/2013	330,966,401,892	38,574,125,260	1,464,370,376	4,288,007,246	68,800,000	375,361,704,774
ACCUMULATED AMORTIZATION						
As at 01/01/2013	2,592,412,977	17,798,323,498	336,237,837	-	40,133,330	20,767,107,642
Charge for the year	995,006,370	8,554,146,202	-	-	185,641,158	9,734,793,730
Other decreases	-	(46,010,019)	-	-	-	(46,010,019)
Reclassification to prepaid expense	-	(363,638,425)	-	-	-	(363,638,425)
As at 31/12/2013	3,587,419,347	25,942,821,256	336,237,837	-	225,774,488	30,092,252,928
NET BOOK VALUE						
As at 31/12/2013	327,378,982,545	12,631,304,004	1,128,132,539	4,288,007,246	(156,974,488)	345,269,451,846
As at 31/12/2012	325,211,335,458	13,842,389,161	1,128,132,539	4,288,007,246	28,666,670	344,498,531,074

14. CONSTRUCTION IN PROGRESS

	Unit: VND	
	31/12/2013	31/12/2012
Block B - O Mon Gas Pipelines System	398,886,902,889	183,440,931,235
Cold LPG Warehouse	-	1,853,555,696,608
C2 Chi Linh Apartment Building Project	46,438,795,278	46,438,795,278
Nam Con Son 2 Gas Pipelines System	498,635,784,711	307,710,556,124
Liquefied Nature Gas Import Warehouse and Port	131,849,342,644	131,848,342,644
Steel pipe manufacturing plant project	13,108,145,053	2,034,167,598,362
CNG construction for automobiles	29,827,146,367	6,615,159,054
Ca Mau Gas Processing Plant	362,651,695,592	73,445,529,518
LNG Thi Vai Warehouse	74,349,202,109	69,941,941,558
Project on gas collection and distribution in Ham Rong and Thai Binh fields	88,493,398,924	52,658,320,301
Shared work construction items of Thi Vai LPG warehouse and LNG warehouse	250,265,717,649	181,933,290,591
Gas collection system expansion project in Rong field - period 1	737,285,175,350	56,675,744,156
East - West Southern Region Connection Pipelines	20,809,223,285	18,328,681,959
Project on gas collection and transportation in Dai Hung - Nam Con Son 2	20,237,217,410	-
Dai Hung Project	9,706,709,983	-
Project on gas collection and transportation in Thang Long - Nam Dong Do	6,442,462,966	-
PVGas D's operating office in Vung Tau city	-	27,950,495,197
Da Nang gas products base depot	28,625,586,440	29,510,229,556
Others	85,744,599,586	82,624,326,615
	2,803,357,106,236	5,156,845,638,756

The total interest expense of about VND 32 billion was capitalized into constructions in progress for the year.

15. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 December 2013 are as follows:

Name of companies	Place of incorporation and operation	Proportion of ownership interest	Proportion of voting right power held	Principal activity	Investment as at 31/12/2013 VND
PetroVietnam Southern Gas JSC (i)	HCM City	35.26%	35.26%	Distribute LPG	226,460,000,000
PetroVietnam Northern Gas JSC (i)	Hanoi	35.88%	35.88%	Distribute LPG	118,364,908,900
PetroVietnam Low Pressure Gas Distribution JSC	HCM City	50.50%	50.50%	Distribute low pressure gas	778,958,445,000
PetroVietnam Gas Cylinder JSC (ii)	Dong Nai	77.92%	91.00%	Manufacture gas cylinders	-
PetroVietnam Coating JSC	Vung Tau	76.50%	76.50%	Provide pipe coating service	184,839,835,833
Petroleum Sports and Culture JSC (iii)	Hanoi	60.00%	60.00%	Sports and Cultural activities	-
PetroVietnam Steel Pipe JSC	Tien Giang	99.99%	99.99%	Manufacture steel pipe	1,253,808,700,000
					2,562,431,889,733

(i) Investments in companies to which the Corporation contributes less than 50% of the charter capital but holds the controlling power. According to the assessment of the Board of General Directors, 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 nature of transactions incurred, compliant with accounting standards and prevailing relevant regulations.

(ii) In 2013, the Corporation transferred all of its capital contributed at PetroVietnam Gas Cylinder JSC to PetroVietnam Southern Gas JSC (the subsidiary) according to Resolution No. 137/NQ-KVN dated 23 October 2013 of the Board of Management.

PetroVietnam Southern Gas JSC purchased all the shares of PetroVietnam Gas Cylinder JSC owned by other shareholders to get 100% ownership of this subsidiary. According to Resolution No. 13/NQ-KMN dated 18 November 2013, the Board of Management of PetroVietnam Southern Gas JSC approved the plan of dissolution of subsidiary mentioned above in order to convert it to PetroVietnam Gas Cylinder Factory branch directly under the company and continue its production and business as normal.

(iii) PetroVietnam Sports and Culture JSC dissolved in 2013 according to Decision No. 72/2013/QD-DHDCE dated 16 April 2013.

16. INVESTMENTS IN ASSOCIATES

Unit: VND

	31/12/2013	31/12/2012
Gas City Investment and Development JSC	78,618,908,503	75,635,750,091
	78,618,908,503	75,635,750,091

Details of the Corporation's associates as at 31 December 2013 are as follows:

Name of associate	Place of incorporation and operation	Proportion of voting power held	Principal activity
Gas City Investment and Development JSC	Hanoi	35.51%	Trading gas

17. BUSINESS COOPERATION AGREEMENT

PetroVietnam Gas Joint Stock Corporation, PetroVietnam Engineering Joint Stock Corporation 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 Joint Stock Corporation:	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:

Unit: VND

	31/12/2013	31/12/2012
Cost of fixed assets	718,541,747,813	718,541,747,813
Accumulated depreciation of fixed assets	48,082,852,898	28,497,981,337
Net book value of fixed assets	670,458,894,915	690,043,766,476

Unit: VND

	2013	2012
Revenue of business cooperation agreement	117,627,671,780	119,388,713,263
Expenses of business cooperation agreement	46,785,341,898	46,840,855,174
Other expense of business cooperation agreement	21,533,571,464	4,051,964,612
Corporate income tax	12,327,189,605	17,123,973,369
Net profit after corporate income tax	36,981,568,814	51,371,920,108
Profit distribution as per the capital contribution ratio:		
<i>PetroVietnam Gas Corporation - Joint Stock Company</i>	<i>25,887,098,170</i>	<i>35,960,344,075</i>
<i>PetroVietnam Engineering Consultancy Corporation - Joint Stock Company</i>	<i>7,396,313,763</i>	<i>10,274,384,022</i>
<i>Phu Long Real State Joint Stock Company</i>	<i>3,698,156,881</i>	<i>5,137,192,011</i>

18. OTHER LONG-TERM INVESTMENTS

Unit: VND

	31/12/2013	31/12/2012
Investment in securities (i)	356,600,283,780	356,600,283,780
Long-term entrusted investments and time deposits of more than 12 months	-	441,000,000,000
Other long-term investments	85,000,000,000	50,000,000,000
	441,600,283,780	847,600,283,780

(i) Investment in securities includes shares in Southeast Asia Commercial Joint Stock Bank amounting to VND 311,250,000,000. As at 31 December 2013, the Corporation carefully evaluated investments and found no impairment; accordingly, no provision for impairment of the investment was made.

19. LONG - TERM PREPAYMENTS

Unit: VND

	31/12/2013	31/12/2012
Business privilege (i)	341,217,322,506	1,251,130,182,514
Gas cylinder expenses	558,646,525,552	634,997,802,500
Other long-term prepayments	331,914,788,609	379,362,300,981
	1,231,778,636,667	2,265,490,285,995

Detail of carrying out obligation for State Budget based on each type of taxes are as follows:

Items	As at 31/12/2012	Payable	Paid	As at 31/12/2013
Value added tax	111,392,408,016	2,254,831,929,478	2,186,207,590,890	180,016,746,604
Special consumption tax	3,302,217,226	41,883,580,239	39,845,958,184	5,339,839,281
Import duty	2,956,111,245	336,642,170,915	361,962,972,160	(22,364,690,000)
Corporate income tax	578,282,853,933	2,993,347,972,764	3,003,609,993,823	568,020,832,874
Land and housing tax, land rental	-	5,917,830,934	5,621,938,934	295,892,000
Personal income tax	11,610,834,793	76,930,767,472	75,949,679,220	12,591,923,045
Business license tax	-	20,520,000	20,520,000	-
Foreign contractor withholding tax	640,884,456	56,722,872,166	55,789,899,319	1,573,857,303
Other taxes, fees and charges	(295,817,330)	34,710,359,212	33,578,044,955	836,496,927
Total	707,889,492,339	5,801,008,003,180	5,762,586,597,485	746,310,898,034
In which:				
Taxes and other receivables from the State Budget	746,260,576			27,431,864,026
Taxes and other payables to the State Budget	708,635,752,915			773,742,762,060

19. LONG - TERM PREPAYMENTS (Continued)

- (i) Business privilege represents the value of advantage in doing business arising from revaluation of the Corporation's net asset value for equitization. Business privilege is allocated to the consolidated income statement within 3 years from the official date of transformation into joint stock company. The value allocated into expenses for the year ended 31 December 2013 was VND 909,912,860,008.

20. GOODWILL

Unit: VND

	2013	2012
Opening balance	619,357,443,887	692,064,922,695
Movement due to trading of investments	(12,006,997,852)	4,581,200,000
Allocation to expense for the year	(76,087,979,022)	(77,288,678,808)
Closing balance	531,262,467,013	619,357,443,887

21. SHORT-TERM LOANS AND LIABILITIES

Unit: VND

	31/12/2013	31/12/2012
Short-term loans	370,415,091,649	255,022,306,049
Current portion of long-term loans (Note 28)	2,482,097,502,470	2,786,837,315,431
	2,852,512,594,119	3,041,859,621,480

22. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

Unit: VND

	31/12/2013	31/12/2012
Value added tax	184,436,389,605	111,594,020,440
Import, export duty	17,612,241	2,956,111,245
Corporate income tax	568,234,143,846	578,501,127,265
Special consumption tax	5,339,839,281	3,302,217,226
Personal income tax	12,825,116,358	11,610,834,793
Others	2,889,660,729	671,441,946
	773,742,762,060	708,635,752,915

23. ACCRUED EXPENSES

	Unit: VND	
	31/12/2013	31/12/2012
Expenses for Nam Con Son Project's operator	35,338,734,292	43,081,839,539
Accruals for Rong Doi Moi and Vom Bac Bach Ho fields' operation	26,670,743,950	-
Interest expense	48,465,733,203	55,003,860,470
Accruals for gas system repair (i)	242,309,132,892	152,064,265,134
Accruals for gas purchase cost	999,551,877,663	880,608,028,017
Accruals for construction in progress	186,069,713,421	-
Others	26,584,460,102	60,392,301,504
	1,564,990,395,523	1,191,150,294,664

(i) The Corporation accrued repair and maintenance expenses for gas facilities based on estimated expense for items that should be repaired in 2014. The Corporation believes that the accrued expense is consistent with actual situation of the Corporation.

24. SHORT-TERM INTER-COMPANY PAYABLES

	Unit: VND	
	31/12/2013	31/12/2012
Vietnam Oil and Gas Group	298,361,455,294	45,631,637,351
	298,361,455,294	45,631,637,351

Details of payables to Vietnam Oil and Gas Group are as follows:

- Management fee payable with the amount of VND 46,342,042,702 in accordance with services supplying contract between Vietnam Oil and Gas Group and the Corporation. Accordingly, the Corporation has to pay Vietnam Oil and Gas Group annual management fee at the rate from 0.05% to 0.5% for each sale types.
- The payable with the amount of VND 244,427,145,521 related to the Corporation's equitization finalization on 16 May 2011 as stated in Note 29.
- The payable with the amount of VND 7,592,267,071 related to the settlement works of "Phu My - Ho Chi Minh City Gas Pipelines System" project.

25. OTHER CURRENT PAYABLES

	Unit: VND	
	31/12/2013	31/12/2012
Payables related to capital contribution (i)	262,772,314,681	232,314,963,400
Bidding guarantee	-	105,159,339,517
Joint Venture "VietsovPetro" (ii)	65,025,992,405	-
Other payables	76,806,967,581	119,280,669,512
	404,605,274,667	456,754,972,429

(i) These payables represent the capital contributed and distributed profits of PetroVietnam Engineering Joint Stock Corporation and Phu Long Real Estate Joint Stock Company to construct and invest in the project "PVGas Tower" as stated in Note 17.

(ii) These reflect payables related to joint investment agreement to "Construction of Block of 10 flats in Drilling Platform MSP4" project between PetroVietnam Gas South East Transmission Company (the unit directly under the Corporation) and Joint Venture "VietsovPetro" (Vietsov). Accordingly, Vietsov monitors, inspects and takes responsibility for payment to contractors. According to minutes of inspection and acceptance with contractors, Vietsov will recover construction cost corresponding to the investment proportion of PetroVietnam Gas South East Transmission Company.

26. LONG-TERM INTER-COMPANY PAYABLES

	Unit: VND	
	31/12/2013	31/12/2012
Long-term inter-company payables	44,264,383,269	44,264,383,269
	44,264,383,269	44,264,383,269

Long-term inter-company payables represent payables to Vietnam Oil and Gas Group regarding the capital granted to PetroVietnam South East Gas Project Management Board (an independent unit of the Corporation) to finance the Rong Doi Moi Gas Gathering Pipeline Construction Project.

27. OTHER LONG-TERM PAYABLES

	Unit: VND	
	31/12/2013	31/12/2012
Deposits and collaterals received for gas cylinder regarding gas cylinders cases	226,233,196,950	267,116,214,489
Others	2,964,802,435	2,944,802,435
	229,197,999,385	270,061,016,924

28. LONG-TERM LOANS AND LIABILITIES

	Unit: VND	
	31/12/2013	31/12/2012
Long-term loans	6,982,643,865,112	8,842,599,162,464
Joint Stock Commercial Bank for Investment and Development of Vietnam	2,811,700,849,704	3,149,003,481,765
Standard Chartered Bank	1,246,357,777,731	1,845,596,667,069
Southeast Asia Commercial Joint Stock Bank	224,696,339,043	443,912,295,925
Vietnam Public Joint Stock Commercial Bank (formerly known as PetroVietnam Finance Joint Stock Corporation)	686,956,739,845	1,528,449,282,086
European Investment Bank	153,974,424,042	297,417,903,804
Calyon Bank Vietnam	-	94,613,636,251
Ho Chi Minh City Development Joint Stock Commercial Bank	422,090,460,552	218,813,976,000
Bangkok Bank Public Company Limited - Ho Chi Minh City Branch	122,526,239,951	181,435,880,018
Joint Stock Commercial Bank for Foreign Trade of Vietnam	524,486,458,296	-
Military Commercial Joint Stock Bank	80,058,679,230	121,077,559,790
Vietnam Joint Stock Commercial Bank for Industry and Trade	709,795,896,718	933,834,738,963
Vietnam Bank of Agriculture and Rural Development	-	28,443,740,793
Long-term liabilities	103,850,155,226	132,997,302,174
Sacombank - SBL	42,380,188,435	65,384,465,635
ACB Leasing Company	18,072,761,679	27,567,735,349
Vietnam International Leasing Company Ltd.	41,068,480,639	36,598,588,969
Chailase International Leasing Co., Ltd.	2,328,724,473	3,446,512,221
	7,086,494,020,338	8,975,596,464,638
Less: Current portion of long-term loans (shown under current liabilities)	2,482,097,502,470	2,786,837,315,431
Amount due for settlement after 12 months	4,604,396,517,868	6,188,759,149,207

Long-term loans and debts of the Corporation are disbursed in Vietnam Dong, Euro and United States Dollar to construct and purchase fixed assets/leasing assets of the Corporation. Details of loans and debts in disbursement currency are as follows:

	Unit: VND	
	31/12/2013	31/12/2012
Loans in EUR	-	28,443,740,793
Loans in USD	4,678,602,464,864	6,323,771,178,055
Loans in VND	2,407,891,555,474	2,623,381,545,790
	7,086,494,020,338	8,975,596,464,638

28. LONG-TERM LOANS AND LIABILITIES (Continued)

Long-term loans of the Corporation are guaranteed under the method as follow:

	Unit: VND	
	31/12/2013	31/12/2012
Unsecured	5,857,194,256,952	7,032,143,971,015
Third parties' guarantee	153,974,424,042	513,109,099,845
Assets of the Corporation	971,475,184,118	1,297,346,091,604
Finance leasing	103,850,155,226	132,997,302,174
	7,086,494,020,338	8,975,596,464,638

Long-term loans of the Corporation were signed at both fixed and floating interest rates. Interest rates within the year are from 9.1% to 17.5% per annum with VND loans, from 1% to 4.5% per annum with USD. Loans defined under interest rates are as follows:

	Unit: VND	
	31/12/2013	31/12/2012
Fixed interest rate	545,337,429,752	860,130,564,872
Floating interest rate	6,541,156,590,586	8,115,465,899,766
	7,086,494,020,338	8,975,596,464,638

Long-term loans and liabilities are repayable as follows:

	Unit: VND	
	31/12/2013	31/12/2012
On demand or within one year	2,482,097,502,470	2,786,837,315,431
In the second year	1,855,496,667,675	2,429,288,754,212
In the third to the fifth years inclusive	1,799,741,757,126	2,664,767,125,454
After five years	949,158,093,067	1,094,703,269,541
	7,086,494,020,338	8,975,596,464,638
Less: Amount due for settlement within 12 months (shown under short-term loans and liabilities)	2,482,097,502,470	2,786,837,315,431
Amount due for settlement after 12 months	4,604,396,517,868	6,188,759,149,207

29. OWNER'S EQUITY

Movement in owner's equity:

Unit: VND

	Owners's contributed capital	Share premium	Other owners's capital	Investment and development fund	Financial reserve fund	Foreign exchange reserve	Retained earnings	Other reserves	Total
As at 01/01/2012	18,950,000,000,000	-	30,966,515,289	357,653,653,654	456,640,566,558	(71,056,425,755)	3,541,719,326,186	214,429,579,255	23,480,353,215,187
Profit in the year	-	-	-	-	-	-	10,101,958,853,640	-	10,101,958,853,640
Fund allocation	-	-	5,846,098,031	1,344,672,211,493	1,013,814,499,699	-	(2,370,332,809,223)	6,000,000,000	-
Foreign exchange difference	-	-	-	-	-	76,799,420,013	-	-	76,799,420,013
Bonus and welfare fund and executive bonus fund	-	-	-	-	-	-	(83,029,522,589)	-	(83,029,522,589)
Dividends declared	-	-	-	-	-	-	(6,064,000,000,000)	-	(6,064,000,000,000)
Fund reallocation	-	-	-	-	-	-	85,771,831,702	(85,771,831,702)	-
Others	-	-	(17,192,985)	-	-	-	(67,894,882,324)	-	(67,912,075,309)
Non-controlling interests	-	-	(3,784,579,252)	(154,252,612,010)	(13,835,460,310)	(5,742,994,258)	(72,384,865,871)	(2,970,000,000)	(252,970,511,701)
As at 01/01/2013	18,950,000,000,000	-	33,010,841,083	1,548,073,253,137	1,456,619,605,947	-	5,071,807,931,521	131,687,747,553	27,191,199,379,241
Profit in the year	-	-	-	-	-	-	12,595,879,648,698	-	12,595,879,648,698
Fund allocation (i)	-	-	-	7,074,089,332,728	1,232,864,559,160	-	(8,313,403,891,888)	6,450,000,000	-
Adjustment per equitization finalization (ii)	-	1,216,727,266	-	-	-	-	(245,831,372,787)	-	(244,614,645,521)
Bonus and welfare fund and executive bonus fund (ii)	-	-	-	-	-	-	(216,057,825,177)	-	(216,057,825,177)
Dividends declared	-	-	-	-	-	-	(5,685,000,000,000)	-	(5,685,000,000,000)
Profit distributed to partners of business cooperation agreement	-	-	-	-	-	-	(11,094,470,644)	-	(11,094,470,644)
Others	-	-	-	(96,538,297)	(93,163,176)	-	21,837,936,535	-	21,648,235,062
Non-controlling interests	-	-	-	(102,635,108,746)	(5,556,568,403)	-	(182,539,885,117)	(3,192,750,000)	(293,924,312,266)
As at 31/12/2013	18,950,000,000,000	1,216,727,266	33,010,841,083	8,519,430,938,822	2,683,834,433,528	-	3,035,598,071,141	134,944,997,553	33,358,036,009,393

29. OWNER'S EQUITY (Continued)

(i) In which, the Holding Company - The Corporation made distribution from the profit of year 2012 based on approved figures in Resolution No. 74/NQ-DHDCD dated 15 April 2013 at the 2013 Annual General Meeting of Shareholders. Accordingly, the Corporation made additional distribution to Investment and Development fund and Financial reserve fund with the amounts of VND 2,615,000,000,000 and VND 383,749,448 respectively.

The Holding Company - The Corporation made interim distribution to Investment and Development fund and Financial reserve fund from profit after tax for the financial year ended 31 December 2013 in accordance with the approved plan in Resolution No. 74/NQ-DHDCD dated 15 April 2013 at the 2013 Annual General Meeting of Shareholders with the amounts of VND 4,280,672,193,928 and VND 1,223,049,198,265 respectively. The final distribution for these funds shall be approved at the 2014 Annual General Meeting of Shareholders.

(ii) Under the minutes of the final accounts of equitization, the Corporation adjusted and transferred profit after tax from the previous years to Vietnam Oil and Gas Group with the amount of VND 244,427,145,521 (Note 24), recorded Share premium with the amount of VND 1,216,727,266 and made additional distribution to Bonus and Welfare fund with the amount of VND 187,500,000.

(iii) In which, the Holding Company - The Corporation made additional distribution to Bonus and welfare funds and Management bonus fund in accordance with approved figures in Resolution No. 74/NQ-DHDCD dated 15 April 2013 at the 2013 Annual General Meeting of Shareholders with the amount of VND 89,873,770,633.

The Holding Company - The Corporation made interim distribution to Bonus and welfare funds and Management bonus fund from profit after tax for the financial year ended 31 December 2013 with the amount of VND 78,500,000,000. The Corporation's Board of General Directors believes that the distribution above shall be approved in the 2014 Annual General Meeting of Shareholders.

Details of owners' contributed capital are as follows:

	Quantity (share)	Rate %	Capital Contributed VND
Vietnam Oil and Gas Group	1,832,835,900	96.72	18,328,359,000,000
Other shareholders	62,164,100	3.28	621,641,000,000
	1,895,000,000	100	18,950,000,000,000

The number of Corporation's shares registered and issued to the public as at 31 December 2013 was 1,895,000,000. All of the shares are common shares, with par value of VND 10,000 per share.

Shares	31/12/2013	31/12/2012
- Number of shares issued to public	1,895,000,000	1,895,000,000
+ Common shares	1,895,000,000	1,895,000,000
- Number of outstanding shares in circulation	1,895,000,000	1,895,000,000
+ Common shares	1,895,000,000	1,895,000,000

Dividends:

Under Resolution No. 74/NQ-DHDCD dated 15 April 2013 at the 2013 Annual General Meeting of Shareholders, the Holding Company - The Corporation declared and made the third payment of dividends from the 2012 profit after tax with the amount of VND 1,895,000,000,000 (equivalent to VND 1,000 per share).

The Holding Company - The Corporation declared and made the first and second payment of interim dividends from profit after tax of the financial year ended 31 December 2013 with the amount of VND 3,790,000,000,000 (equivalent to VND 2,000 per share).

30. MINORITY INTERESTS

	Unit: VND	
	31/12/2013	31/12/2012
Owner's contributed capital	833,953,049,289	892,131,685,993
Other owner's capital	8,110,915,588	8,110,915,588
Assets revaluation reserve	14,845,685,500	14,845,685,500
Share premium	38,055,042,784	38,055,042,784
Investment and development fund	438,886,816,432	350,828,893,291
Financial reserve fund	64,880,969,147	56,816,699,268
Other owner's fund	6,162,750,000	2,970,000,000
Retained earnings	270,392,898,700	278,726,927,272
	1,675,288,127,440	1,642,485,849,696

31. BUSINESS AND GEOGRAPHICAL SEGMENTSGeographical 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 is currently organised into separate operating divisions based on relatively separate operations of subsidiaries.

Principal activities of the Corporation are as follows:

- Gas and gaseous products business activities (including the Holding Company, PVGAS South, PVGAS North and PVGAS D);
- Gas and gaseous products sub-activities: steel pipe and cylinder productions and installation, repair of gas facilities (including PV Pipe, PV Cylinder and PV Coating);
- Other activities: organization of sportal and cultural activities (including PSCC).

31. BUSINESS AND GEOGRAPHICAL SEGMENTS (Continued)

The information about business segments is as follows:

Consolidated balance sheets as at 31 December 2013

	Gas and gaseous products business activities	Gas and gaseous products sub-activities	Other activities	Eliminated	Total
Unit: VND					
Assets					
Cash and cash equivalents	18,174,474,815,384	118,523,038,401	-	-	18,292,997,853,785
Short-term financial investments	818,100,000,000	300,000,000	-	-	818,400,000,000
Short-term receivables	8,265,359,014,477	148,522,784,318	-	(2,453,610,551,403)	5,960,271,247,392
Inventories	2,247,366,423,874	214,081,466,192	-	-	2,461,447,890,066
Other short-term assets	717,896,942,039	55,986,192,519	-	-	773,883,134,558
Fixed assets	17,472,559,155,620	2,333,509,479,248	-	26,903,045,507	19,832,971,680,375
Long-term financial investments	3,129,399,564,981	-	-	(2,684,180,372,698)	445,219,192,283
Other long-term assets	1,139,121,116,501	124,770,653,027	-	(1,409,856,435)	1,262,481,913,093
Goodwill	12,389,955,861	-	-	518,872,511,152	531,262,467,013
Total consolidated assets	51,976,666,988,737	2,995,693,613,705	-	(4,593,425,223,877)	50,378,935,378,565
Liabilities					
Current liabilities	11,559,388,676,275	740,301,642,349	-	(2,426,591,935,096)	9,873,098,383,528
Long-term liabilities	4,817,443,753,701	656,594,531,738	-	(1,525,427,235)	5,472,512,858,204
Total consolidated liabilities	16,376,832,429,976	1,396,896,174,087	-	(2,428,117,362,331)	15,345,611,241,732

Consolidated operating results for the year ended 31 December 2013

	Gas and gaseous products business activities	Gas and gaseous products sub-activities	Other activities	Eliminated	Total
Unit: VND					
Gross sales					
Net sales	74,524,828,287,624	637,741,082,635	11,691,000,000	(9,774,574,574,301)	65,399,685,795,958
Internal sales	9,629,832,117,095	144,742,457,206	-	(9,774,574,574,301)	-
External sales	64,894,996,170,529	492,998,625,429	11,691,000,000	-	65,399,685,795,958
Operating expenses	60,507,174,396,908	711,765,504,010	10,976,590,452	(9,703,993,242,328)	51,525,923,249,042
- Cost of sales	57,221,427,240,694	649,103,423,050	500,000,000	(9,703,575,028,855)	48,167,455,634,889
- Selling expenses	1,327,501,135,577	732,616,067	-	(65,210,850,004)	1,263,022,901,640
- General and administration expenses	1,958,246,020,637	61,929,464,893	10,476,590,452	64,792,636,531	2,095,444,712,513
Operating profit	14,017,653,890,716	(74,024,421,375)	714,409,548	(70,581,331,973)	13,873,762,546,916
Share of associates' net profit					5,298,215,259
Financial income					1,222,947,832,000
Financial expenses					649,017,818,757
Profit from other activities					1,129,764,920,022
Accounting profit before tax					15,582,755,695,440
Current corporate income tax expense					2,988,853,977,911
Deferred corporate tax income					(1,977,931,169)
Net profit after corporate income tax					12,595,879,648,698

32. REVENUE

	Unit: VND	
	2013	2012
Gross sales	65,597,100,116,086	68,419,862,408,855
Sales of dry gas	32,266,408,660,838	36,645,020,843,182
Sales of LPG	27,657,602,672,799	27,581,037,326,065
Gas transportation revenue	4,040,790,375,278	2,401,913,832,649
Sale of condensate	460,719,382,626	375,864,602,078
Sale from leasing PVGAS Tower	117,627,671,780	119,388,713,263
Others	1,053,951,352,765	1,296,637,091,618
Deductions	197,414,320,128	118,503,607,859
Sales discount	155,530,739,889	84,334,114,516
Special consumption tax, export tax	41,883,580,239	34,169,493,343
Net sales	65,399,685,795,958	68,301,358,800,996

Revenue from selling and transporting Nam Con Son gas is recognized at the issue date of value added tax invoices in accordance with Official Letter No. 5110-TC/TCT dated 16 May 2003 issued by the Ministry of Finance. Accordingly, revenue and purchase of sold and transported Nam Con Son gas incurred in November and December 2013 have not been recorded in the income statement for the year ended 31 December 2013 with the amounts of VND 4,056 billion and VND 3,328 billion, respectively (those incurred in November and December 2012 were recorded in the income statement for the year ended 31 December 2013 of the Corporation with the amounts of VND 4,380 billion and VND 3,376 billion, respectively).

33. COST OF SALES

	Unit: VND	
	2013	2012
Cost of dry gas sold	22,045,209,092,382	27,851,151,959,167
Cost of LPG sold	23,625,246,404,884	23,911,742,387,020
Cost of gas transportation	1,325,687,869,740	446,533,183,600
Cost of condensate sold	211,536,202,837	188,672,821,820
Cost of leasing PVGAS Tower	46,785,341,898	46,840,855,174
Others	912,990,723,148	949,722,247,517
	48,167,455,634,889	53,394,663,454,298

34. FINANCIAL INCOME

	Unit: VND	
	2013	2012
Deposit and loan interest	1,129,514,181,099	1,077,249,409,492
Realized foreign exchange gain	44,238,541,654	44,910,354,472
Unrealized foreign exchange gain	3,387,907,500	8,552,538,080
Profit and dividends received	39,471,557,750	13,161,355,000
Gain from selling investments	5,146,263,919	-
Other financial income	1,189,380,078	-
	1,222,947,832,000	1,143,873,657,044

35. FINANCIAL EXPENSES

	Unit: VND	
	2013	2012
Interest expense	420,450,207,908	449,624,014,624
Realized foreign exchange loss	127,187,874,374	56,468,087,880
Unrealized foreign exchange loss	15,731,731,454	2,867,137,818
Loss from selling investments	12,674,960,000	-
Provision for impairment of long-term investments	19,591,347,155	26,820,754,050
Other financial expenses	34,238,383,672	1,852,884,870
Foreign exchange loss during construction	19,143,314,194	19,143,314,194
	649,017,818,757	556,776,193,436

36. OTHER INCOME

Unit: VND

	2013	2012
Reversal of Scientific and Technological Development Fund (i)	1,146,711,002,353	-
Proceeds from disposal of assets	962,732,491	20,531,843,742
Proceeds from penalty of contracts	-	12,121,487,954
Others	53,419,691,597	57,880,970,849
	1,201,093,426,441	90,534,302,545

- (i) (i) The Corporation reversed the unused Scientific and Technological Development Fund according to Resolution No. 01/NQ-KVN by the Board of Management on 02 January 2013.

37. OTHER EXPENSES

Unit: VND

	2013	2012
Interest expense related to CIT on the reversed balance of Scientific and Technological Development Fund	30,945,482,839	-
Loss from disposal of fixed assets	2,557,189,761	20,740,531,608
Others	37,825,833,819	16,381,287,374
	71,328,506,419	37,121,818,982

38. CORPORATE INCOME TAX

Unit: VND

	2013	2012
Profit before tax	15,582,755,695,440	12,350,301,544,544
Current corporate income tax	2,988,853,977,911	2,247,551,651,441
In which:		
PetroVietnam Gas Corporation - Joint Stock Company	2,845,418,785,761	2,105,673,268,625
PetroVietnam Southern Gas Joint Stock Company	42,509,494,646	46,694,986,009
PetroVietnam Northern Gas Joint Stock Company	9,005,287,848	9,292,623,519
PetroVietnam Low Pressure Gas Distribution Joint Stock Company	72,170,534,738	76,045,349,005
PetroVietnam Coating Joint Stock Company	19,461,105,058	9,777,912,769
Petroleum Sport and Culture Joint Stock Company	288,769,860	67,511,514

The Corporation is obligated to pay corporate income tax at the rate of 25% of its assessable income. The Corporation is 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 a corporate income tax exemption for three years as from the first year having taxable income and a reduction of 50% for the seven 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 a reduction of 50% for the seven 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.

The Holding Company - The Corporation is entitled to a corporate income tax exemption for two years as from the first year having taxable income and a reduction of 50% for the three years thereafter with respect to PM3 - Ca Mau Gas Pipelines System Project under Investment Incentive Certificate No. 61101000095 dated 09 February 2010. 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 PVGas South, a subsidiary:

As per Investment Certificate with respect to CNG business, PVGAS South is entitled to corporate income tax rate of 20% during the operation duration and a corporate income tax exemption for two years and a reduction of 50% in the six years thereafter since the Corporation starts to incur taxable income.

CNG Vietnam Joint Stock Company, a subsidiary of PVGAS South, is annually entitled to corporate income tax rate of 20% of taxable income within 10 years from the operation commencement and 25% 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 and a reduction of 50% in the six years thereafter.

- (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, the company is entitled to incentives for investment projects in geographical areas with difficult socio-economic conditions (Go Cong district, Tien Giang province). The company is entitled to incentives regarding corporate income tax and duration of corporate income tax exemption under Decree No. 124/2008/ND-CP dated 11 December 2008 of the Government guiding the implementation of some articles of Law on Corporate income tax, i.e. preferential tax rate of 20% applied during 10 years continuously from the first year with revenue from business activities entitled to tax incentives and tax exemption for 2 years, reduction of 50% in 4 the years thereafter. Exemption and reduction duration shall be continuous from the first year that the Corporation has taxable income from investment project. In case that the Company has no taxable income in the first 3 years from the year in which the Company has revenue from the project, exemption and reduction durations are determined from the fourth year.

39. BASIC EARNINGS PER SHARE

	Unit: VND	
	2013	2012
Profit after tax of the Holding Company	12,287,542,443,295	9,807,335,873,363
Profit payable to parties of the business cooperation agreement on PVGas Tower	11,094,470,644	15,411,576,033
Profit to calculate basic earnings per share	12,276,447,972,651	9,791,924,297,330
Weighted average number of ordinary shares in circulation for the period	1,895,000,000	1,895,000,000
Basic earnings per share	6,478	5,167

40. PRODUCTION COST BY NATURE

	Unit: VND	
	2013	2012
Raw materials and consumables	2,545,105,893,149	5,975,521,011,866
Expenses on gas purchase from field owners	17,353,555,072,678	22,470,710,284,754
Labour cost	748,819,717,935	769,216,391,395
Depreciation and amortization	3,338,271,404,708	3,088,796,474,370
Out-sourced services	2,016,057,746,706	2,037,843,553,621
Other expenses	1,911,386,641,153	1,396,860,398,851
	27,913,196,476,329	35,738,948,114,857

41. COMMITMENTS**(i) Capital commitments**

As at 31 December 2013, the Corporation has commitments relating to some significant construction contracts which are being performed but have not been completed:

	Unit: VND	
	2013	2012
Cold LPG Warehouse	-	733,282,927,297
LNG Warehouse with a capacity of 1 million ton per annum in Thi Vai	951,425,238,697	955,832,499,248
Block 102 and 106 - Project on gas collection and distribution in Ham Rong and Thai Binh fields	576,644,814,849	612,479,893,472
Expansion construction of gas collection project in Rong field - period 1	427,471,810,522	1,108,081,241,716
	1,955,541,864,068	3,409,676,561,733

(ii) Other commitments

The following commitments relating to gas sales and transportation:

Purchasing commitments:

Purchasing commitments	Committed volume	Committed period
Purchasing commitment from gas owners of Block 06.1	A minimum gas volume of 4 billion m ³ per annum	Until 30 June 2014
Purchasing commitment from gas owners of Block 11.2	A minimum gas volume of 1.216 billion m ³ per annum	Until the end of stabilization period of Block 11.2
Purchasing commitment from gas owners of Block 05.3 and 05.2	A minimum gas volume of 1.3 billion m ³ per annum	Until 31 December 2034

Selling Commitment

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 ³	Until the end of stabilization period as per the GSA
Nam Con Son Gas Sales Agreement with Phu My 3 BOT Power Plant (PM3 BOT)	An annual minimum gas volume of 0.85 billion m ³	Until 2023
Nam Con Son Gas Sales Agreement with MeKong Energy Company (PM2.2 BOT)	An annual minimum gas volume of 0.85 billion m ³	Until 2023
Nam Con Son Gas Sales Agreement with PetroVietnam Power Corporation	An annual minimum gas volume of 0.447 billion m ³	During stabilization period 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 ³	Until 30 June 2034

The Corporation signed a contract with Vietnam Electricity for the supply of gas for power plants of Vietnam Electricity from Nam Con Son gas basin. The gas supply has been carried out since 1 July 2009. The take or pay gas sale agreement between two parties determines annual committed gas volume, but there is no regulation on the unit price applicable to the excess of the gas volume delivered above the committed volume (if any). The Corporation recorded gas sales for the excess of the gas volume delivered above the committed volume for the period from 01 July 2009 to 31 December 2013 at the provisional rates.

Until the issue date of this report, the Corporation and Vietnam Electricity are in the process of negotiation to come to an agreement on the unit price applicable to gas volume delivered above the committed volume according to the gas sales and purchase agreement mentioned above. The difference of revenue (if any) when applying new gas selling unit price will be adjusted and recorded in the Corporation's results of operations in subsequent periods upon agreement with Vietnam Electricity.

42. 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 21 and Note 28, offset by cash and cash equivalents) and equity attributable to equity holders of the Corporation (comprising capital, reserves and retained earnings).

Significant accounting policies

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

Categories of financial instruments

	Unit: VND	
	Carrying amount 31/12/2013	Carrying amount 31/12/2012
Financial assets		
Cash and cash equivalents	18,292,997,853,785	12,753,084,518,890
Short-term investments	818,400,000,000	68,900,000,000
Trade and other receivables	5,574,082,855,329	4,920,197,430,227
Long-term investments	366,600,283,780	792,191,630,935
Other financial assets	478,022,686,815	221,763,244,670
Total	25,530,103,679,709	18,756,136,824,722
Financial liabilities		
Borrowings	7,456,909,111,987	9,230,618,770,687
Trade and other payables	4,490,054,443,522	3,184,763,534,307
Accruals	1,564,990,395,523	1,191,150,294,664
Total	13,511,953,951,032	13,606,532,599,658

The Corporation has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 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 by 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 might be higher than that incurred from market risk of fluctuation in foreign exchange rates, interest rates of these instruments in the future.

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:

	Unit: VND			
	Assets		Liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
US dollar	1,892,021,464,520	1,033,504,782,764	6,222,515,685,332	6,326,770,501,550
EUR	508,225,001	1,013,344,168	706,948,286	29,429,044,908

Foreign currency sensitivity analysis

The Corporation is mainly exposed to United States Dollar.

The following table details the Corporation's sensitivity to a 5% increase 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 period 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:

	Unit: VND	
	2013	2012
US Dollar	216,524,711,041	264,663,285,939

Interest rate risk management

The Corporation has interest rate risks arising from interest bearing loans which are arranged. The Corporation is exposed to interest rate risks as the Corporation borrows funds at both fixed and floating interest rates. The risk is managed by the Corporation by maintaining an appropriate mix between fixed and floating rate borrowings.

42. FINANCIAL INSTRUMENTS (Continued)*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 for the year ended 31 December 2013 would have been impacted as follows:

	Increase/(decrease) in basis points	Impact on profit before tax
Unit: VND		
For the year ended 31 December 2013		
VND	+200	138,231,433,645
VND	-200	(138,231,433,645)
For the year ended 31 December 2012		
VND	+200	162,309,317,995
VND	-200	(162,309,317,995)

Share price risk management

The Corporation is exposed to equity price risks arising from investments in subsidiaries, associates, and other entities. The Corporation's Board of Management assesses and approves decisions on investments in subsidiaries, 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.

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 2013, the Corporation had some overdue receivables and made provision for doubtful debts as at 31 December 2013 with the amount of VND 75,482,298,259.

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 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 owners 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.

	Unit: VND		
31/12/2013	Less than 1 year	Over 1 year	Total
Financial assets			
Cash and cash equivalents	18,292,997,853,785	-	18,292,997,853,785
Short-term investments	818,400,000,000	-	818,400,000,000
Trade and other receivables	5,574,082,855,329	-	5,574,082,855,329
Long-term investments	-	366,600,283,780	366,600,283,780
Other financial assets	478,022,686,815	-	478,022,686,815
	25,163,503,395,929	366,600,283,780	25,530,103,679,709
Financial liabilities			
Borrowings	2,852,512,594,119	4,604,396,517,868	7,456,909,111,987
Trade and other payables	4,216,592,060,868	273,462,382,654	4,490,054,443,522
Accruals	1,564,990,395,523	-	1,564,990,395,523
	8,634,095,050,510	4,877,858,900,522	13,511,953,951,032
Net liquidity gap	16,529,408,345,419	(4,511,258,616,742)	12,018,149,728,677

	Unit: VND		
31/12/2012	Less than 1 year	Over 1 year	Total
Financial assets			
Cash and cash equivalents	12,753,084,518,890	-	12,753,084,518,890
Short-term investments	68,900,000,000	-	68,900,000,000
Trade and other receivables	4,920,197,430,227	-	4,920,197,430,227
Long-term investments	-	792,191,630,935	792,191,630,935
Other financial assets	221,763,244,670	-	221,763,244,670
	17,963,945,193,787	792,191,630,935	18,756,136,824,722
Financial liabilities			
Borrowings	3,041,859,621,480	6,188,759,149,207	9,230,618,770,687
Trade and other payables	2,869,176,572,916	315,586,961,391	3,184,763,534,307
Accruals	1,191,150,294,664	-	1,191,150,294,664
	7,102,186,489,060	6,504,346,110,598	13,606,532,599,658
Net liquidity gap	10,861,758,704,727	(5,712,154,479,663)	5,149,604,225,064

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

43. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties

Related party	Relationship
Vietnam Oil and Gas Group	Holding Company
Gas City Investment and Development Joint Stock Company	Associate
The subsidiaries, joint-venture, associates of Vietnam Oil and Gas Group	Same owners

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

Unit: VND

	2013	2012
Sales		
PetroVietnam Exploration Production Corporation	558,419,569,095	2,148,143,021,112
PetroVietnam Fertilizer and Chemicals Corporation	2,787,129,395,448	2,871,034,208,573
PetroVietnam Oil Corporation	460,771,141,390	376,850,833,585
PetroVietnam Technical Services Joint Stock Corporation	152,232,843,631	536,032,910,353
PetroVietnam Power Corporation	6,081,162,877,766	10,631,792,874,737
PetroVietnam Transportation Corporation	1,008,939,315,885	847,415,322,123
Petrovietnam Petrochemical and Textile Fiber Joint Stock Company	81,873,337,990	135,141,156,645
Vietnam Oil and Gas Group	3,335,312,637,970	1,131,037,918,994
Gas City Investment and Development Joint Stock Company	694,768,792,342	672,296,423,257
PetroVietnam Camau Fertilizer Company Limited	-	1,121,317,224,264
East Sea Petroleum Operator Joint Stock Company	43,638,833,903	-
PetroVietnam General Services Joint Stock Corporation	180,646,390,774	13,714,964,160
Purchases		
Vietnam Oil and Gas Group	12,520,348,246,227	5,230,919,847,651
PetroVietnam Exploration Production Corporation	2,686,190,412,184	10,004,217,529,659
PetroVietnam Construction Joint Stock Corporation	403,414,780,934	636,702,516,661
Binh Son Refining and Petrochemical Limited Company	4,942,040,894,648	6,867,827,928,823
Vietnam-Russia Vietsovpetro Joint Venture	826,622,399,733	301,734,504,667
PetroVietnam Oil Corporation	65,665,409,083	92,424,852,452
PetroVietnam Transportation Corporation	383,440,077,730	178,401,029,882
Bien Dong Petroleum Operation Company	475,042,709,300	-
Remuneration of the Boards of Management and General Directors	13,890,852,025	15,103,655,470

Related party significant balances at the 31 December 2013 were as follows:

Unit: VND

	31/12/2013	31/12/2012
Receivables		
Vietnam Oil and Gas Group	302,402,933,494	778,684,404,634
PetroVietnam Fertilizer and Chemicals Corporation - Joint Stock Company	281,531,190,794	263,117,723,252
PetroVietnam Power Corporation	3,522,534,613	335,694,672,382
PetroVietnam Transportation Corporation	162,039,975,126	97,686,018,925
PetroVietnam Engineering Consultancy Corporation - Joint Stock Company	61,596,610,765	40,453,188,086
Petrovietnam Petrochemical and Textile Fiber Joint Stock Company	44,957,405,058	27,617,030,195
Gas City Investment and Development Joint Stock Company	138,578,958,296	125,731,918,738
Other receivables		
PetroVietnam Technical Services Joint Stock Corporation	57,177,865,931	38,776,911,280
PetroVietnam Urban Development Joint-Stock Company	50,000,000,000	50,000,000,000
Payables		
Vietnam Oil and Gas Group	6,131,365,191	50,395,748,460
PetroVietnam Construction Joint Stock Corporation	66,419,965,794	90,647,474,754
Binh Son Refining and Petrochemical Limited Company	677,720,709,774	776,452,354,601
PetroVietnam Engineering Consultancy Corporation - Joint Stock Company	29,053,590,773	16,534,498,331
Vietnam-Russia Vietsovpetro Joint Venture	317,546,678,975	41,621,760,075
Internal payables		
Vietnam Oil and Gas Group	342,625,838,563	89,896,020,620
Accruals		
Vietnam Oil and Gas Group	981,867,578,026	880,608,028,017
Other payables		
PetroVietnam Engineering Consultancy Corporation - Joint Stock Company	173,639,500,854	153,334,600,000
Vietnam-Russia Vietsovpetro Joint Venture	65,025,992,405	-
Advances to suppliers		
PetroVietnam Engineering Consultancy Corporation - Joint Stock Company	7,475,635,514	31,021,824,003
PetroVietnam Technical Services Joint Stock Corporation	173,645,399,729	-
Entrusted investments		
Vietnam Public Joint Stock Commercial Bank (formerly known as PetroVietnam Finance Joint Stock Corporation)	-	346,000,000,000
Loans		
Vietnam Public Joint Stock Commercial Bank (formerly known as PetroVietnam Finance Joint Stock Corporation)	686,956,739,845	1,528,449,282,086

44. SUBSEQUENT EVENTS

As at 16 January 2014, PetroVietnam Low Pressure Gas Joint Stock Company (the subsidiary of the Corporation) approved Resolution No. 03/NQ-DHDCD/2013 to increase its charter capital from VND 429 billion to VND 600 billion by issuing individual shares to the Corporation, preference shares to employees and ordinary shares to existing shareholders corresponding to the contribution proportion of parties. Therefore, the Corporation made commitment to purchase 5,864,734 additional shares at the price of VND 10,000 per share, corresponding to the amount of VND 58,647,340,000. The Corporation will receive 2,770,766 additional shares of PetroVietnam Low Pressure Gas Joint Stock Company under the plan to issue bonus share according to Resolution No. 03/NQ-DHDCD/2013.

As at 24 January 2014, the Corporation issued Decision No. 28/NQ-KVN to approve the plan of increasing charter capital of PetroVietnam Steel Pipe JSC (the subsidiary of the Corporation) VND 1,699.5 billion to VND 1,838.5 billion.

45. COMPARATIVE FIGURES

Comparative figures are figures presented in the audited consolidated financial statements for the year ended 31 December 2012.



Dang Thi Hong Yen
Preparer

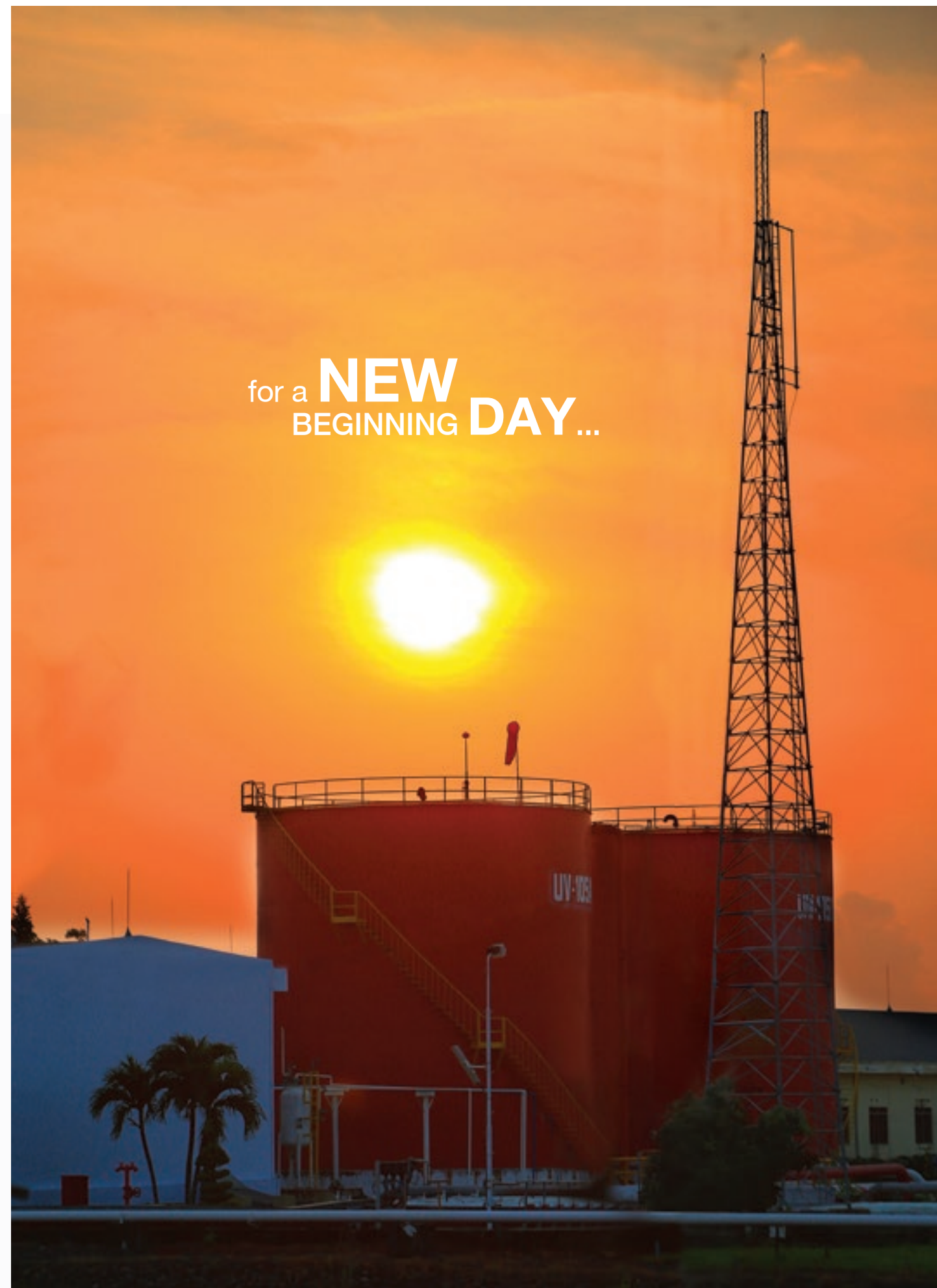
24 March 2014



Mai Huu Ngan
Chief Accountant



Do Khang Ninh
General Director



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