



ANNUAL REPORT 2015

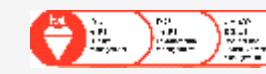


CÔNG TY CỔ PHẦN ĐẦU TƯ DẦU KHÍ
SAO MAI - BẾN ĐÌNH (PVSB)

SAO MAI BEN DINH
PETROLEUM INVESTMENT JOINT STOCK COMPANY



ISO 9001:2008
PS 610818



SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANY (PVSB)

Address: Floor 16, No 9, Hoang Dieu, Ward 1, Vung Tau City, Ba Ria Vung Tau Province

Tel: 064.6253375 | Fax: 064.6253374

Website: www.pvsb.com.vn

Message from the Board of Management:

Year 2015 was passed in the context of the world situation being more complicated, with conflicting economic and political environment among some countries. In the country, Vietnam has maintained stabilized macro-economic, controlled inflation, assured national defense, social order and security. Given the economic growth has recovered, business environment, productivity and efficiency, and competitive ability is low in light of growing requirements from international integration.

Overcoming these difficulties, with determination and best efforts of all leaders and employees, Sao Mai - Ben Dinh Petroleum Investment J.S.C has exceeded the targets. All resources of the Company continue to be preserved and grown, with financial indicators assessed at the safety level, competitive ability and brand position of the Company more stable and sustainable.



Dear shareholders,

Year 2016 forecasted the world situation to be continually complicated, especially oil prices has fell sharply, which is posing many difficulties and challenges; investment and construction projects, and the progress of oil and gas services can be prolonged or suspended ... However, with available advantages, with the view of gradually sustainable development, with all the resources, energy, experiences and the determination of collective leaders and employees of the Company, especially supports and trust from Shareholders, we strongly believe that we can fulfill the tasks of business in Year 2016.

On behalf of the Board of Management, Executive Board and all employees of the company, I would like to extend my deeply sincere thanks for all the trust and practical supports of our customers, shareholders, especially PetroVietnam Technical Services Corporation (PTSC) for PVSB.

Sincerely,

**CHAIRMAN
BOARD OF MANAGEMENT
Mr. Tran Hai Binh**

ANNUAL REPORT 2015

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ABOUT US

Company name : SAO MAI - BEN DINH PETROLEUM INVESTMENT J.S.C (PVS)

Head office address: 16th Floor, No. 9 Hoang Dieu Street, Ward 1, Vung Tau City,

Ba Ria-Vung Tau Province, Viet Nam S.R

Tel. : 064.6253375

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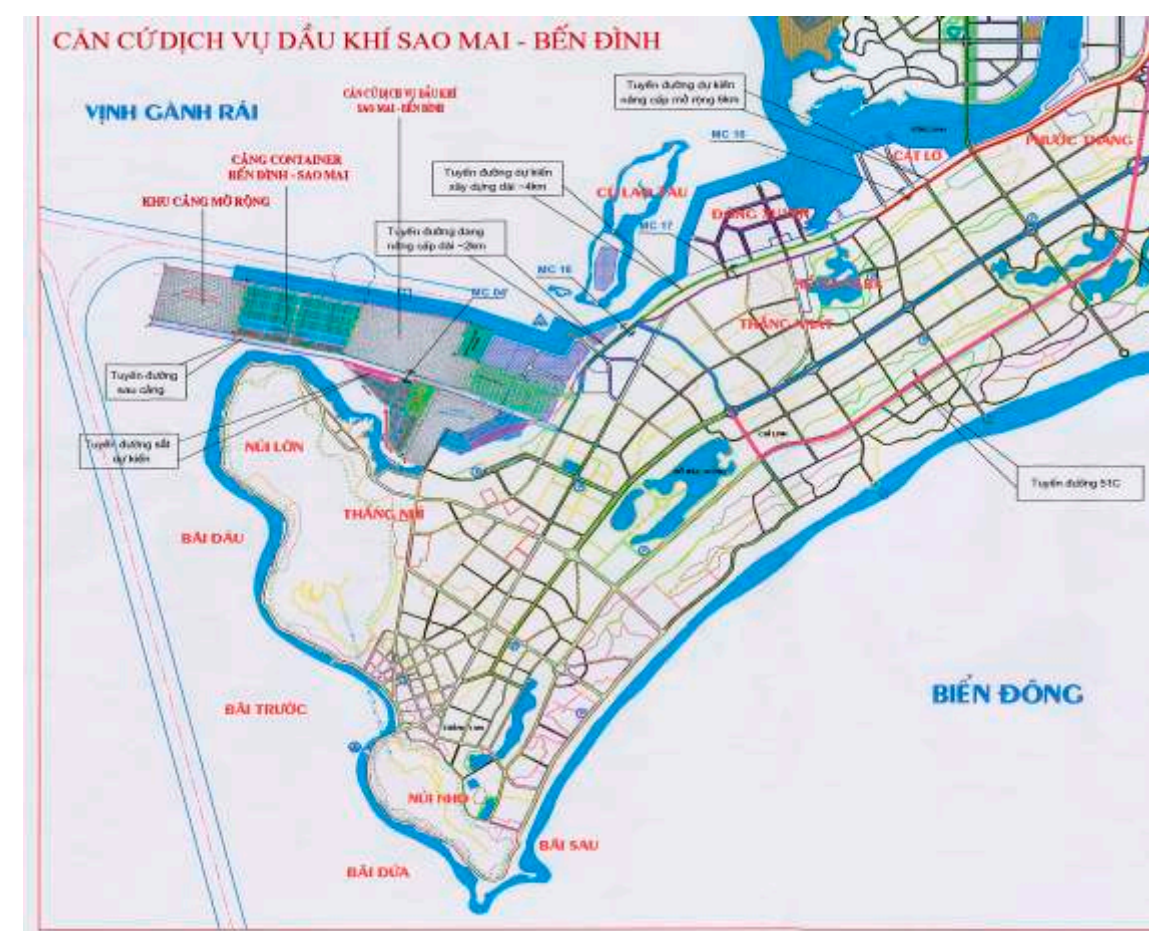
Website : www.pvsb.com.vn

Certificate of business registration and tax registration number: 3500794814 (1st registration dated on 07/05/2007, 7th registration changes dated on 05/06/2014 issued by the Planning and Investment Department of Ba Ria-Vung Tau Province).

Capital: 500 billion VND (five hundred billion Vietnamese dong)

Total of shares: 50,000,000 shares

Stock Code: PSB



(Location of Sao Mai-Ben Dinh Petroleum Marine Services Port Base Project at Vung Tau City)

1. Establishment and development history:

Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company (PVSB) is an enterprise established by Viet Nam Oil and Gas Group and strategic shareholders, now is a division of PetroVietnam Technical Services Corporation (PTSC) with the goal to build and develop a Port Complex- Sao Mai-Ben Dinh Petroleum Marine Services Base at Sao Mai-Ben Dinh area located in Vung Tau City as a leading modern and large-scale complex serving the oil and gas exploration, exploitation and other services...

- 06/04/2007: Sao Mai-Ben Dinh Petroleum Investment Joint Stock Company (PVSB) is established under the Resolution No. 1847/NQ-DKVN issued by the Management Board of Vietnam Oil and Gas Group (PVN).
- 24/04/2007: The 1st Shareholders General Assembly adopted organization and operation charter of the Mai-Ben Dinh Petroleum Investment Joint Stock Company (PVSB); Project investment plan for Port Complex- Sao Mai-Ben Dinh Petroleum Marine Services Base at Sao Mai-Ben Dinh.
- 07/05/2007: PVSB' Operation Licensed was issued by the People's Committee of Ba Ria – Vung Tau province.
- 11/11/2009: Completing the infrastructure investments with 39,8ha of yards and handed over to PV Shipyard.
- 25/12/2009: Successfully listed the shares on the Viet Nam stock exchange (UPCOM) with PSB stocks.
- 26/04/2010: Under the guidance of the Prime Minister on the establishment of the Vung Tau International Container Terminal Project and Logistics Zone, PVSB, BSPD (under Vinalines) and CMG has negotiated and signed the joint venture agreement dated 26/04/2010 to establish Vung Tau International Container Port J.S.C with participation rate of PVSB 25%, BSPD 26% and CMG 49%.
- 16/09/2010: Completing the infrastructure investments with 23,5 ha of yards and handed over to PVC-MS.
- 01/01/2012: Upon expired Joint venture agreement, PVSB announced its decision to terminate the joint venture agreement dated 26/04/2010 with approval from joint venture parties in accordance with regulations.
- 16/07/2012: The investment of Project Sao Mai - Ben Dinh Petroleum Marine Services Base Project continued as agreed by Prime Minister.
- 27/09/2012: Investment Certificate No. 49121000147 to implement investment the Sao Mai - Ben Dinh Petroleum Marine Services Base Project issued by Ba Ria-Vung Tau Province People Committee.

2. Scope of business:

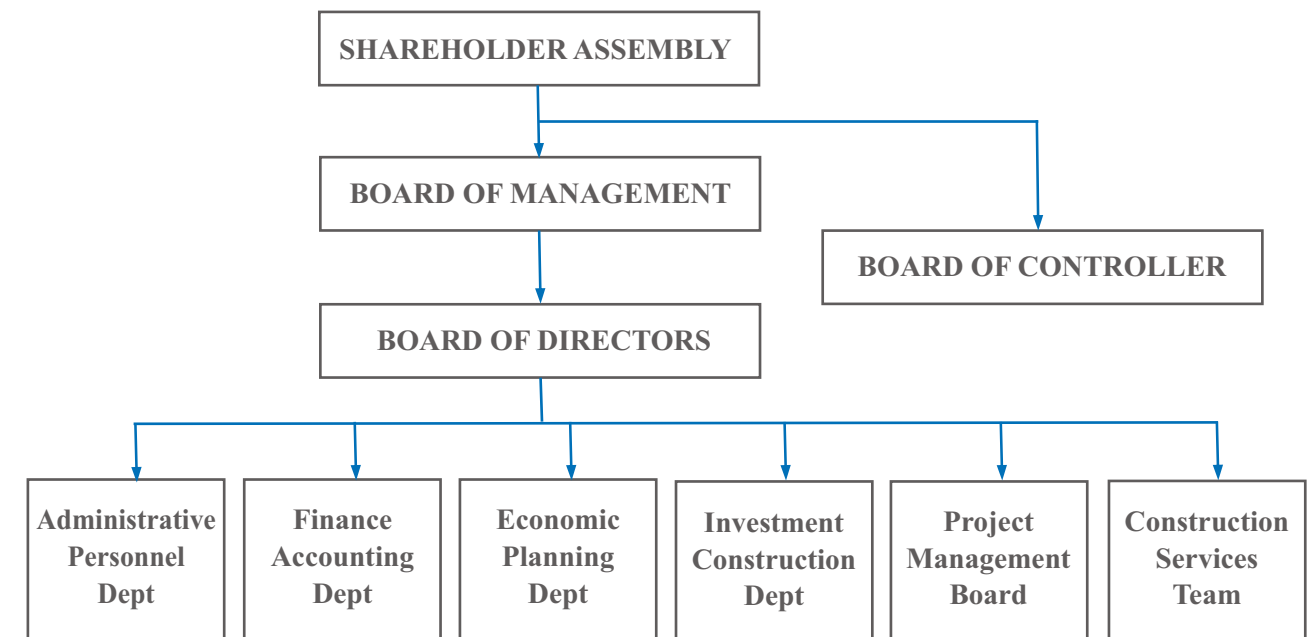
(Area of Sao Mai-Ben Dinh Petroleum Marine Services Port Base)

- 2.1. Operation of Sao Mai-Ben Dinh container port complex and economic zone;
- 2.2. Newly build, repair of ships and floating facilities; Assembling Offshore Drilling Rig and floating works to serve the oil and gas industry; Manufacture, repair and provide container rental service; Purchase of machinery and equipment for oil and gas, and marine industries;
- 2.3. Construction for the oil and gas industry, storage of petroleum products, pipelines, civil engineering, industrial works, water supply pipes, building structure, underground or underwater works and house buildings;
- 2.4. Supervise the installation of industrial equipment, of transmission lines and substations up to 35kV. Supervise the construction and improvement of roads and the completion of civil works;
- 2.5. Business operation on sea, inland waterways transportation; fertilizer, building materials, chemicals (except toxic chemicals and chemicals banned from circulation, agricultural chemicals);
- 2.6. Wholesale for silk, fiber, textile fibers; for raw cotton fiber; dyes; for materials, packaging for the textile industry; for asphalt and chemical raw materials, asphalt additives; for plastics in primary forms: polypropylene resin and other related products;
- 2.7. Rental services of transportation means, warehousing; road transportation; crude oil and petrochemical products transportation; together with shipping agency services.

3. Objectives and development strategy:

With the goal of "building PVSB as the Company providing sound oil and gas, and marine infrastructure services, with established strong brand in the region, in which infrastructure construction will be the key ...", the Company will focus on the following strategic missions:

- 3.1. To accelerate the construction of port base services system, invest in infrastructure development to exploit and lease thereof in the Sao Mai - Ben Dinh area.
- 3.2. To manage exploit, develop utility services and the existing infrastructure for leasing to PVShipyards, PVC-MS and other customers.
- 3.3. To exploit at the maximum port services, expand and develop logistics services, oil and gas services and other support services.
- 3.4. To focus on developing major high-tech and potential services, including:
 - Fabrication services for oil and gas project and shipbuilding
 - Decommissioning services for oil and gas structures.
 - Transition services and launching of super-weight structures.
 - Repair and maintenance services for means such as ships, floating facilities, drilling rig...
 - Oil and gas trading.
 - Oil and gas man-power service.
- 3.5. To focus on training, building, maintaining and developing human resources to meet the development needs at each stage of the company.
- 3.6. To complete an advanced management system within the whole company to ensure one unified management system, while ensuring the proactiveness and flexibility in production and business.
- 3.7. To strengthen the exploration and expansion of cooperation relationship with strategic partners, especially foreign partners in order to maximize available advantages of partners including experience, strong financial capability, technology, modern equipment, extensive global-network relationships, thereby improving the competitive advantage of the company.

4. Company organization chart:**5. Shareholders structure:****5.1. Shareholding:**

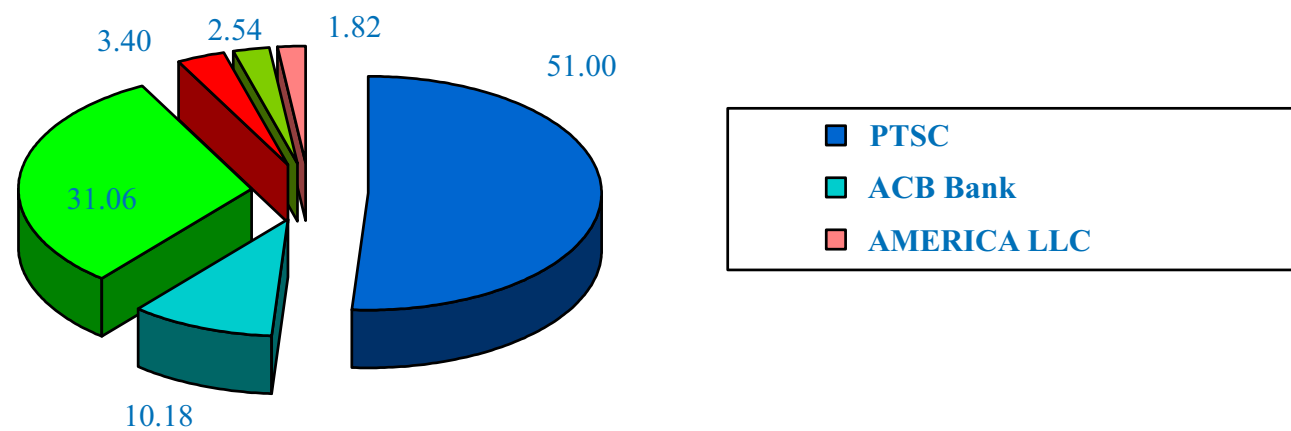
- The total of shares outstanding: 50,000,000
- The par value of shares: 10,000 VND /share

5.2. Shareholder structure (updated list of shareholders dated 19/02/2016):

No.	Name of shareholder	Number of shares owned	Proportion (%)
I.	DOMESTIC:		
1	PTSC	25.500.000	51,00
2	ACB Bank	5.092.400	10,18
3	GP Bank	1.700.000	3,40
4	PVI	1.270.400	2,54
5	Individual shareholders	15.529.400	31,06
II.	FOREIGN:		
	AMERICA LLC	907.800	1,82
	TOTAL	50.000.000	100,00

5.3. List of major shareholders:

No.	Name of shareholder	Number of shares owned	Proportion (%)
1	PTSC	25.500.000	51,00
2	ACB Bank	5.092.400	10,18
3	AMERICA LLC	907.800	1,82



(Construction of fabrication and installation of Upper Deck floor combination of HRD)

6. BOARD OF MANAGEMENT:

① **Mr. TRAN HAI BINH**
CHAIRMAN**Date of birth:** 20/10/1969 – Thai Binh**Qualification:** Bachelor of Finance
and Accounting**Personal shares:** 92**WORKING EXPERIENCE:**

- + 09/1994 - 08/1997: PTSC Supply Base
- + 09/1997 - 12/1998: PTSC Equipment Services and Fuel Enterprise – Vung Tau
- + 01/1999 - 09/2000: Manager of Finance and Accounting Department - PTSC
Equipment Services and Fuel Enterprise – Vung Tau
- + 10/2000 - 05/2001: Deputy Director - PTSC Petroleum Products Enterprise – Tay Ninh
- + 05/2001 - 03/2006: Chief Accountant – Petrovietnam Processing and Distribution
Company
- + 03/2006 - 12/2006: Manager of Economic Planning Department - Petrovietnam
Processing and Distribution Company
- + 01/2007 - 04/2007: Main Controller - Petrovietnam Processing and Distribution
Company
- + 04/2007 - 07/2009: Chief Controller – Sao Mai-Ben Dinh Petroleum Investment J.S.C
- + 08/2009 - now: Chairman - Sao Mai-Ben Dinh Petroleum Investment J.S.C

BOARD OF MANAGEMENT:

② Mr. PHUNG NHU DUNG
MEMBER, DIRECTOR

Date of birth: 28/01/1969 – Ha Noi
Qualification: Master in Business Administration, Mechanical Engineer
Personal shares: 0

WORKING EXPERIENCE:

- + 06/1991 - 05/1992: Garment Technology and Researching Center - Ha Noi.
- + 06/1992 - 06/1993: Petroleum Services and Geophysics Enterprise- Ha Noi.
- + 07/1993 - 07/1995: Foreman – PTSC Supply Base.
- + 08/1995 - 12/1999: Deputy Manager, Manager of Production Planning Department - PTSC Supply Base.
- + 01/2000 - 04/2001: Deputy Director - PTSC Supply Base.
- + 05/2001 - 10/2001: Acting Director - Equipment Services and Fuel Enterprise – Vung Tau.
- + 11/2001 - 12/2003: Management Board's Chief of Condensate Processing Plant Project
- + 01/2004 - 01/2006: Deputy Director - Petrovietnam Processing and Distribution Company.
- + 02/2006 - 05/2007: Deputy General Director - Petrovietnam Processing and Distribution Company
- + 06/2007 - Now: Director – Sao Mai-Ben Dinh Petroleum Investment J.S.C



③ Mr. NGUYEN TAN HOA
MEMBER

Date of birth: 20/02/1956 – Ha Noi
Qualification: Construction Engineer
Personal shares: 75



④ Mr. NGUYEN VIET DAT
MEMBER

Date of birth: 27/07/1966 – Hai Phong
Qualification: Exploration Geology Engineer
Personal shares: 975

WORKING EXPERIENCE:

- + 06/1980 - 12/1981: PVENGINEERING.
- + 12/1981 - 05/1993: Basic Contruction Department - PetroVietnam.
- + 06/1993 - 01/1996: Planning Department - PetroVietnam.
- + 01/1996 - 01/1998: Manager of Planning Department – Petrovietnam Processing and Distribution Company.
- + 02/1998 - 08/2000: Chief of Investment Projects Board - Petrovietnam Processing and Distribution Company.
- + 09/2000 - 05/2001: Chief of Project Management Board – Dinh Vu Petro Terminal – Hai Phong.
- + 06/2001 - 02/2004: Deputy Manager of Investment Development Board - PetroVietnam
- + 03/2004 - 02/2006: Deputy Director – Petrovietnam Engineering Construction Company.
- + 03/2006 - Now: Vice President – PetroVietnam Technical Services Corporation.

WORKING EXPERIENCE:

- + 03/1990 - 10/1990: Petroleum Services and Geophysics Company – Hai Phong.
- + 11/1990 - 03/1993: Petroleum Services and Geophysics Company – Da Nang.
- + 04/1993 - 04/2002: Deputy Manager of Planning Production Department – PTSC Supply Base.
- + 05/2002 - 12/2007: Manager Planning Department, Deputy Director of Project Management Board – PTSC Supply Base.
- + 01/2008 - now: Deputy Director – PTSC Supply Base.



**⑤ Mr. LE TRIEU THANH
MEMBER**

Date of birth : 11/05/1957 – Ha Noi
Qualification: Mechanic Ship Engineer
Personal shares: 0

WORKING EXPERIENCE:

- + 01/1985 - 09/1996: Engineer, Chief Mechanic – Shipping Company – Ha Noi
- + 10/1996 - 05/2007: Deputy Director, Director - Maritime Consulting Company – Vietnam National Shipping Lines.
- + 06/2007 - now: Deputy President - Vietnam National Shipping Lines.

7. BOAR OF DIRECTORS:



**① Mr. PHUNG NHU DUNG
DIRECTOR**

Date of birth: 28/01/1969 – Ha Noi
Qualification: Master in Business Administration,
Mechanic Engineer
Personal shares: 0

WORKING EXPERIENCE:

- + 06/1991 - 05/1992: Garment Technology and Researching Center - Ha Noi.
- + 06/1992 - 06/1993: Petroleum Services and Geophysics Enterprise- Ha Noi.
- + 07/1993 - 07/1995: Foreman – PTSC Supply Base.
- + 08/1995 - 12/1999: Deputy Manager, Manager of Production Planning Department - PTSC Supply Base.
- + 01/2000 - 04/2001: Deputy Director - PTSC Supply Base.
- + 05/2001 - 10/2001: Acting Director - Equipment Services and Fuel Enterprise – Vung Tau.
- + 11/2001 - 12/2003: Management Board's Chief of Condensate Processing Plant Project
- + 01/2004 - 01/2006: Deputy Director - Petrovietnam Processing and Distribution Company.
- + 02/2006 - 05/2007: Deputy General Director - Petrovietnam Processing and Distribution Company

**ĐẠI HỘI
CỔ ĐÔNG THƯỜNG NIÊN NĂM 2015**

Vũng Tàu, ngày 23 tháng 3 năm 2015





② Mr. DANG DUC HOI
DEPUTY DIRECTOR

Date of birth: 01/11/1962 – Nam Dinh

Qualification: Bachelor of Economic

Personal shares: 2.692

WORKING EXPERIENCE:

- + 09/1987 - 02/1991: Petroleum Construction Conjunction Factory.
- + 03/1991 - 07/1995: Chief Accountant – No. 6 Construction Team - Petroleum Construction Conjunction Factory.
- + 08/1995 - 02/2001: Chief Accountant – Design and Survey Enterprise - Petroleum Construction & Design Company.
- + 03/2001 - 11/2004: Specialist of Finance - Petroleum Construction & Design Company.
- + 12/2004 - 04/2007: Deputy Manager, Manager of Finance Accounting Department; Chief Accountant Petroleum Construction & Design Company.
- + 05/2007 - 07/2009: Chief Accountant - Sao Mai-Ben Dinh Petroleum Investment J.S.C
- + 08/2009 - now: Deputy Director - Sao Mai-Ben Dinh Petroleum Investment J.S.C

WORKING EXPERIENCE:

- + 07/1999 - 06/2002: Building Materials and Construction Company –Ministry of Trade.
- + 06/2003 - 08/2005: Specialist of Project Management Board – PTSC Supply Base.
- + 08/2005 - 08/2007: Deputy Manager of Economic Planning Department - Project Management Board – PTSC Supply Base.
- + 02/2007 - 08/2007: Manager of Economic Planning Department - Project Management Board – PTSC Supply Base.
- + 08/2007 - 10/2009: Deputy Director - Petroleum IDICO Long Son Industrial Park Investment J.S.C
- + 10/2009 - now: Deputy Director - Sao Mai-Ben Dinh Petroleum Investment J.S.C



③ Mr. TRAN CHI DUNG
DEPUTY DIRECTOR

Date of birth: 03/05/1976 – Ha Tinh

Qualification: Construction Engineer

Personal shares: 975



④ Mr. TRAN DUC HANH
DEPUTY DIRECTOR

Date of birth: 03/08/1979 - Thanh Hoa

Qualification: Master in Project Management,
Construction Engineer.

Personal shares: 7

WORKING EXPERIENCE:

- + 04/2002 - 11/2003: Construction and Application of New Technology Company – Ministry of Transport.
- + 12/2003 - 12/2004: Offshore construction Division – Vietsovpetro.
- + 12/2004 - 06/2005: Ruby-B Project Management Board - Vietsovpetro.
- + 06/2005 - 03/2007: Petrovietnam Processing and Distribution Company
- + 04/2007 - 10/2007: Deputy Manager of Technique Department - Petrovietnam Processing and Distribution Company.
- + 11/2007 - 10/2009: Manager of Investment Construction Department - Sao Mai-Ben Dinh Petroleum Investment J.S.C.
- + 10/2009 - now: Deputy Director - Sao Mai-Ben Dinh Petroleum Investment J.S.C

(Handover Fire water pump skid to Vietsovpetro)



8. BOARD OF CONTROLLER:

① Mr. NGO VAN LAP
CHIEF

Date of birth: 15/01/1971 - Nam Dinh
Qualification: Bachelor of Economic
Personal shares: 0

WORKING EXPERIENCE:

- + 11/1994 - 08/1997: Specialist of Import Department – Petechim J.S.C
- + 09/1997 - 07/2007: Specialist of Crude Oil Export Board – Petechim J.S.C
- + 08/2007 - 12/2011: Deputy Manager of Administrative Organization Department; Secretary of Board of Management - Sao Mai-Ben Dinh Petroleum Investment J.S.C
- + 01/2012 - now: Chief of Controller Board - Sao Mai-Ben Dinh Petroleum Investment J.S.C

② Ms. PHAM THUY NGA
MEMBER

Date of birth: 05/12/1958 – Ha Noi
Qualification: Bachelor of Economic Major in Accounting, Auditing
Personal shares: 0

WORKING EXPERIENCE:

- + 01/1983 - 05/1993: Auto Company No. 3 – Waterway Transport Corporation No. 1
- + 06/1993 - 03/1994: Manager of Finance Statistics – Northern Transport Company – Ministry of Transport.
- + 04/1994 - 08/2008: Chief Accountant, Chairman of Trade Union - Northern Transport Company.
- + 09/2008 - now: Deputy Chief of Internal Auditing Board – Vietnam National Shipping Lines.

QUÁ TRÌNH CÔNG TÁC:

- + 04/2002 - 10/2007: C.P. Vietnam Corporation
- + 11/2007 - 05/2009: Specialist of Finance Accounting Board - PetroVietnam Technical Services Corporation
- + 06/2009 – 01/2010: Accountant – PTSC Da Nang - PetroVietnam Technical Services Corporation.
- + 02/2010 - 08/2010: Manager of Capital Management and Financial Investment - Finance Accounting Board - PetroVietnam Technical Services Corporation.
- + 09/2010 - 04/2012: Chief Accountant - Nhon Trach Shipyard.
- + 05/2012 - Now: Manager of Capital Management and Financial Investment - Finance Accounting Board - PetroVietnam Technical Services Corporation



③ Mr. CHAU HOAI THANH
MEMBER

Date of birth: 15/08/1978 – Dong Nai
Qualification: Bachelor of Economic
Personal shares: 0



(Fabrication Blocks for Dung Quat Shipyard)

9. FINANCIAL STATEMENT:*9.1. Financial statement by years:*

No.	Items	Unit	2015	2014	2013
1	Total asset	VND'mil	851.888,57	812.533,33	813.919,95
2	Equity	VND'mil	558.814,16	558.814,14	559.968,98
3	Short-term loan	VND'mil	70.854,44	27.182,60	17.893,98
4	Long-term loan	VND'mil	222.219,97	226.536,58	236.056,99
5	Net revenue	VND'mil	200.778,06	56.118,70	58.426,87
6	Gross profit	VND'mil	11.756,28	5.536,17	2.483,01
7	Earnings before tax	VND'mil	1.044,89	2.208,45	2.710,26
8	Earnings after tax	VND'mil	145,35	1.321,26	1.056,41
9	Earnings per share	VND	3,00	26,00	21,00

9.2. Key financial indicators:

No.	Items	Unit	31/12/2015	31/12/2014	31/12/2013
1	Liquidity ratios				
	- Quick ratio	time	8,21	20,87	31,74
	- Current ratio	time	8,61	21,13	31,77
2	Equity ratio				
	- Payables /Total capital	%	34,40	31,23	31,20
	- Equity /Total capital	%	65,60	68,77	68,80
3	Profitability ratio				
	- Profit after tax /Sales Revenue (ROS)	%	0,06	1,48	1,07
	- Profit after tax /Equity (ROE)	%	0,03	0,24	0,19
	- Profit after tax /Total asset (ROA)	%	0,02	0,16	0,13

10. RISK MANAGEMENT:

Risk management in the enterprise is a process established by the Board of Managements, Executive Board and the management staff related application in the process of building a business strategy, implementation of the service has possibility to influence business and risk management within the scope allowed to provide the level of assurance of achieving the objectives of the enterprise.

Characteristics of the oil and gas sector faces many risks so since first days of establishment, the risk management has been particularly interested. The company has developed risk management system in order to detect and assess the risks that the Company shall be subject to, establish policies and procedures to strict risk control. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's operations. The risk in the Company is divided into the following groups:

- **Risks in Business:** are all risk factors arising from the business environment outside the company, such as politics, society, science and technology, suppliers, customers, competitors...
 - **Risk of operation:** is the risk of violating the provisions of internal policy of the Company or the fraudulent activities such as embezzlement, loss, waste, damage, abuse, vandalism ...
 - **Compliance risk:** the risk related to the law, or is a violation of the laws of government ...
 - **Financial risks:** the risks related to the damage may occur to the financial markets due to the change of financial variables: price, interest rates, exchange rates...
- The risk control is carried out under strict process accordance with the specific work of the company, ensuring absolute safety, fire prevention and sanitation; Improve performance, labor efficiency and legal compliance.



(PVSB's workers fabrication and installation of mechanical engineering oil and gas safety)

The Company applies the HSEQ Management System (Quality - Safety - Health - Environment) help guide the improvement of safety performance, labor efficiency, law compliance for the Company's. Applying Quality Management System in project management and construction of buildings serving the oil and gas industry in accordance with ISO 9001:2008.



Certificate of Registration

HỆ THỐNG QUẢN LÝ CHẤT LƯỢNG - ISO 9001:2008

Xác nhận rằng:

**CÔNG TY CỔ PHẦN ĐẦU TƯ DẦU KHÍ
SAO MAI – BẾN ĐÌNH**

Tầng 16, Số 9,
Hoàng Diệu, Phường 1,
Thành Phố Vũng Tàu,
Việt Nam

Giữ giấy chứng nhận số:

FS 616818

và thực hiện Hệ thống Quản lý Chất Lượng phù hợp với các yêu cầu của ISO 9001:2008 cho phạm vi:

Quản lý dự án và thi công công trình xây dựng phục vụ ngành dầu khí

Đại diện cho tập đoàn BSI:

Giám Đốc Đảm Bảo Chất Lượng Toàn Cầu, Gary Fenton

Ngày đăng ký: **01/09/2011**

Ngày ban hành: **09/08/2014**

Ngày hết hiệu lực: **30/08/2017**



Trang: 1/1

...making excellence a habit™

This certificate was issued electronically and remains the property of BSI and is bound by the conditions of contract. An electronic certificate can be authenticated online. Printed copies can be validated at www.bsigroup.com/ClientDirectory or telephone +84 (8) 39320 778. Further clarifications regarding the scope of this certificate and the applicability of ISO 9001:2008 requirements may be obtained by consulting the organization. This certificate is valid only if provided original copies are in complete set.

Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 845 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A member of the BSI Group of Companies.



By Royal Charter

Certificate of Registration

QUALITY MANAGEMENT SYSTEM - ISO 9001:2008

This is to certify that:

**SAO MAI - BEN DINH PETROLEUM INVESTMENT
JOINT STOCK COMPANY**
9-11 Hoang Dieu Street,
Ward 1,
Vung Tau City,
Vietnam

Holds Certificate Number:

FS 616818

and operates a Quality Management System which complies with the requirements of ISO 9001:2008 for the following scope:

Project management and construction of oil and gas works

For and on behalf of BSI:

Gary Fenton, Global Assurance Director

Originally registered: 01/09/2011

Latest Issue: 09/08/2014

Expiry Date: 30/08/2017



Page: 1 of 1

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Information and Contact: BSI, Kitemark Court, Davy Avenue, Knowlhill, Milton Keynes MK5 8PP. Tel: + 44 845 080 9000
BSI Assurance UK Limited, registered in England under number 7805321 at 389 Chiswick High Road, London W4 4AL, UK.
A Member of the BSI Group of Companies.

II. COMPANY ADMINISTRATION:

1. Activities of the Board of Management in 2015:

1.1. Functional activities and tasks:

Year 2015, the Board of Management of Sao Mai - Ben Dinh Petroleum Investment JSC (PVSB) held 4 regular meetings and 6 unscheduled meetings with getting idea by text, all meetings had the full participation of the members of the Board, at level 100%; Issued 06 Resolutions, 12 Decisions to manage operations of the Company. Board of Managements has presided the Annual Shareholders' meeting for the year 2015 on 28.03.2015 successfully with attendance rate more than 69% shareholders. Board of Managements consistently linked to the resolutions of the general meeting of shareholders and the actual situation to guide drastically the activities of the Company, completed the production and business targets by the Annual general meeting, as below:

- **Production and business activities:** Beside continuing to seek partners to invest to project of Sao Mai - Ben Dinh Petroleum Maritime Services Base, PVSB determine that Petroleum Mechanics Construction services is a major business activities of the Company, Board of Management has directed and created the most favorable conditions to perform the mechanical construction package for companies and oil and gas contractors on schedule, quality assurance.

Revenue from Mechanics Construction services in 2015 reached 93.42 billion by 155% the plan year, up 202% from the previous year. The reason is that a number of contracts signed in 2014 have not been accounted workload had been transferred to the 2015 included construction contract Pipe Fabrication spools of SMP9 Service Package for the Nghi Son Refinery (40.18 billion); Execution of the building blocks of the project Tam Dao 05 (17.47 billion).

Revenue from Trading Activities in 2015 reached 84.98 billion by 128% the plan. PVSB has completed commercial contracts for supplying equipment and material to Vietsovetro, include: supplying valves, fire water pump skid, submersible pump skid for Thien Ung Platform; supplying Air compressor skid, Instrument Bulk material to VSP; supplying material and equipment for AHTS, Cold chamber for Dung Quat Shipyard;...

- **In the investment and project management:** Board of Management has directed and implemented timely measures to ensure the success of the project, as below:
 - + Project of Sao Mai - Ben Dinh Petroleum Maritime Services Base: Based on Decision No. 1148/QĐ-UBND dated 05/06/2014 of BR-VT People's Committee on the adjustment, additional collected land of Project Sao Mai - Ben Dinh Petroleum Maritime Services Base, Environmental and Resource Service had granted certificate of land use and signed the 1st Land Leasing contract for 819,325.4 m². PVSB had counted unit price to pay land leasing money and doing process to get investment incentive.
 - + On investment in the temporary way line to Sao Mai - Ben Dinh Petroleum Maritime Services Base: PVSB has continuing to work with PVS MS, PTSC MC and PV Shipyard according to the agreed guideline.

- + The construction investment project 35 ha Petroleum Services area: PVSB has continuing to seek the partners, the investors. Sao Mai – Ben Dinh Petroleum Investment JCS has performed the contract to make even and fill up the space of 7ha for leasing by PTSC-MC. This project had started work at 10th August 2015 and as expecting will be completed in the first quarter of 2016. Beside this working, PVSB has doing other support items as : supplying and drainage works, power feed system, prevention and fire fighting system...
- + On investment in the construction fabrication workshop, 24kv underground cable and transformer station for Sao Mai - Ben Dinh Petroleum Maritime Services Base and additional supplying to PVC-MS. PVSB has checked and taken over, put into operation and counting performed works.
- **Financial activities:** Board of Managements has directed specially and concerned closely monitor the financial situation, enhance the work risk management, debt management, implementation of measures and programs of action to avoid waste. Company's financial is health, not letting the bad debt, capital of the Company to be used effectively, flexibility are preserved, developed.
- + Owner capital at 31/12/2015 reached 558.81 billion, equivalent compared with the beginning of the year. Payments indexes are higher than 1 its show that the company ensures the financial ability to pay liabilities.
- + In saving activities and avoiding waste, the Board of Management issued, monitoring and directing the Company has complied with program thrift practice and waste combat in 2015. Company was the thorough and strict implementation in accordance with the program issued.
- **In the relationship with shareholders and investors:** Board of Management has fully implemented the work provides relevant information during the operating under the provisions of law applicable to listed organizations. Responding and promptly explaining the idea of shareholders. Financial statements, annual reports, management reports... and other relevant documents are published on time to all shareholders and interested investors; ensuring the rights of shareholders in accordance with the Charter and the current legislation.

1.2. Evaluation of the Board of Management for the operation of the Executive Board:



(Installation UPS & Battery Room for Vietsovpetro's Offshore construction division)

Year 2015, the Board of Director had strived and taken drastic measures to manage all activities of the Company, in compliance with the provisions of law, the Charter and the Resolutions and Decisions of the General Meeting of Shareholders, Board of Management. With the targets to be achieved, Board of Management evaluated the Executive Board has completed the task in fiscal 2015:

- Production and business activities stable growth; use savings, efficiency resources; investment projects being implemented on schedule and quality assurance.
- Financial indexes are safe, secure; stable cash flow.
- Guaranteed income and life of workers; build and train a team of leaders, workers have appropriate

qualifications, enthusiasm created the foundation for sustainable development in the coming years.

- Fully implement the obligations to Socialist state under the regulations, transparency operating policies, having assignment, clear hierarchy in the apparatus; fulfill the responsibilities to the community.

However, to achieve sustainable development business results, the Executive Board need to review, deploy and reform workflow system; create favorable conditions for the combination synchronous and agreement between the Departments in the process of inter-departmental coordination. Building a professional team to look for partners, customers. Improve management capacity and expertise in the context of the business market increasingly fierce competition.

2. Activities of the Controller Board in 2015:



(Company's leaders talking with workers at Employee conference year 2016)

2.1. Activities of the Controller Board:

- Scheduling for Checking, supervision quarterly, allocation of responsibilities for each member of the Controller Board in each field, perform examination and monitoring plans.
- Inspection and monitoring on the implementation of business plans; monitoring the implementation of the resolution of the Annual General Meeting of Shareholders 2015.
- Inspection and monitoring compliance with the Company's Charter, the Socialist State Law and the Regulation on the internal management of the company.
- Inspection and monitoring the process of preparation, implementation and finalization of investment projects, the investment, construction, procurement.
- Evaluating Income statement, financial statements; analyzed, valued the financial situation, performance, ability to pay, the management, conservation and development of capital; consider and discuss with the independent auditors about the nature, scope and results of the audit.
- Coordinate with the authorities of the Socialist State, the inspection team, the audit of PVN, PTSC in the inspection and supervision of the management, production and business activities.
- Coordinate with the Board of Management, the Board of Director in managing owner capital, capital management of the Company invested in other businesses, with the aim to preserve and develop the capital.

2.2. The Performance evaluation:

- Controller Board has cooperated closely with the Board of Management, Board of Director in carrying out the functions, assigned tasks. Board of Management and the Board of Director have created favorable conditions for the Controller Board to perform the tasks. Provide full information and related documents to the operations of the Company; Controller Board is invited to the meetings of the Board of Management, Company's regular meeting and other meetings.
- Controller Board considered the inspection results, internal controls, audit report of the auditing company Deloitte Vietnam, considered the feedback of Board of Director Report the Controller Board's activities was consulted Boards of Managements before the General Meeting of Shareholders.
- Controller Board evaluated Financial Statements; Income Statement before submitting Boards of Managements and General Meeting of Shareholders. Final report of the inspection and supervision of the management and administration, the management and using capital, liquidity, inspection, internal control, the situation of accounting records and establishing quarterly financial report of Controller Board are submitted to Board of Directors and Board of Managements.

*(The Manegement Board working with MATRADE)***2.3. Recommendations of the Controller Board:**

- To ensure the sustainable development strategy, company should pay attention to the risk management in operating the business and production activities.
- To attract high-quality human resources and perform well planned management staff, company needs to continue to build and strengthen the remuneration policies, complete rating system work efficiently, fairly and professionally, ensuring employees shall be deserve preferential treatment and long-term commitment to PVSB.
- Strengthen budget control, cost savings, ensuring optimum efficiency of business.

III.THE BUSINESS REPORT OF THE DIRECTOR BOARD:**1.Overview of the year 2015:**

The world economy in 2015 ended with many difficulties still unresolved, conflicts occur in many places stress in the world. In Viet Nam, stable macroeconomic, inflation is under control. Economic growth has recovered but the business environment and productivity, efficiency and competitiveness of the economy remained are lower while international integration requirements are higher. Beside the achievement, the Viet Nam economy has many difficulties because of crashing in crude oil prices, complicated activities of international financial market, the decline of some big economies.

Rising from the general difficulties, getting special attention and close guidance of the Board of Directors, Board of General Directors - Corporation Technical Services Petro Vietnam (PTSC); Collaboration, assistance of member units from PTSC and PVN, domestic and foreign oil and gas contractors , with the support and create favorable conditions of Regional administration; Determining situation, sticking investment and production business, PVSB has undertaken solutions, implementing action programs, launched several movement, mobilizing all resources, focusing on directing decisively to maintain and make good services contract for companies and domestic and foreign oil and gas contractors, promote marketing activities to get for new service contracts, actually working cost-effective to improve the efficiency of production and business.

*(Handover LR 11350 - CRAWLER CRANE to Vietsovpetro)**(Fabrication Blocks at Workshop)*

With tradition of solidarity, spirit of enthusiastic, energetic, creative, PVSB has striven to implement and complete the tasks and planned targets by the General Meeting of Shareholders assigned in 2015.

2. Results of the implementation:

Year 2015, PVSB made and completed the tasks and planned targets with revenue of 227.99 billion, reaching 134.6% of the plan; profit before tax of 1.04 billion, state socialist budget remittances reached 13.53 billion, as follow:

2.1. of business and production activities in 2015:

Unit: VND's billion

No.	Items	Plan for in 2015	Implement in 2015	Implement in 2014	Completion rate's year
1	Total Revenue	169,30	227,99	89,55	134,6%
	- Revenue from Production and Business activities	139,30	200,77	56,12	144,1%
	- Revenue from financial operations	30,00	27,02	33,25	90,1%
2	Profit before Tax	0,70	1,04	2,21	148,6%
3	Profit after Tax	0,55	0,15	1,32	27,3%
4	Pay to Stage Budget	4,15	13,53	5,41	-
5	Invest to capital construction				
	- Total of investment execution	102,82	61,58	-	61,6%
	- Total of disbursement	102,54	22,51	-	22,5%

2.2. Financial Situation:

Unit: VND's billion

STT	Items	Year 2015	Year 2014
1	Total asset	851.888.573.986	812.533.328.204
2	Equity	558.814.157.828	558.814.144.818
3	Total revenue	200.778.064.230	56.118.700.910
4	Net Profit	11.756.276.584	5.536.171.982
5	Profit before Tax	1.044.889.020	2.208.450.860
6	Profit after Tax	145.351.493	1.321.258.940
7	Earnings per share	3	26

2.3. Key financial indicators:

Unit: VND's billion

Items	31/12/2015	31/12/2014
I- Current assets	610.162.490.756	574.241.456.276
1- Cash and cash equivalents	43.313.078.488	80.299.004.041
2- Short-term financial investments	450.000.000.000	455.000.000.000
3- Short-term Receivables	83.360.522.080	28.289.914.776
4- Inventories	28.257.115.341	6.931.504.705
5- Other short-term assets	5.231.774.847	3.721.032.754
II- Long-term assets	241.726.083.230	238.291.871.928
1- Long-term receivables	3.000.000	3.000.000
2- Fixed assets	20.101.777.300	12.938.996.066
3- Investment Property	202.277.135.763	207.012.407.619
4- Long-term uncompleted assets	18.914.542.980	18.122.461.073
5- Long-term financial investments	0	0
6- Other long-term assets	429.627.187	215.007.170
Total Assets	851.888.573.986	812.533.328.204

Liabilities situation

Unit: VND's billion

Items	31/12/2015	31/12/2014
I – Liabilities	293.074.416.158	253.719.183.386
1 – Current Liabilities	70.854.443.991	27.182.603.356
2 – Long-term Liabilities	222.219.972.167	226.536.580.030
II – Equity	558.814.157.828	558.814.144.818
1 – Equity	558.814.157.828	558.814.144.818
2 – Funding and other	0	0
Total Capital	851.888.573.986	812.533.328.204

3. OVERALL PRODUCTION AND BUSINESS ACTIVITIES IN 2015:

3.1. Petroleum mechanical construction service:

In 2015, the Company performed and completed the mechanical construction bid packages, specifically such as: Fabrication Blocks and Accommodation for Tam Dao 05 jack up rig project under the contract signed with PV Shipyard; Pipe spools fabrication service of SMP9 Package of Nghi Son Refinery and Petrochemical Ltd under the contract signed with PTSC-MC; supplying material and fabrication for PY Fab-Subsea 7 project under the contract signed with PTSC-POS; fabrication Blocks for AHTS project under the contract signed with Dung Quat Shipyard. Mechanical construction service has complied with safety, environment protection, accomplished the contract on time as customers requirement.

Because affected dramatically by oil price, almost petroleum projects has been cut down and stretched. By this reason in 2015 PVSB could not sign new contract in mechanical construction service. However PVSB has put the effort and completed revenue plan for mechanical fabrication field.



(Completely built and put into use the mechanical fabrication workshop at company's construction site)



The total value of 2015's performed mechanical construction service is VND 93.42 billion by 155.18% plan, up 201.9% compared to that of 2014, accounting for 40.98% of total revenue of the Company.

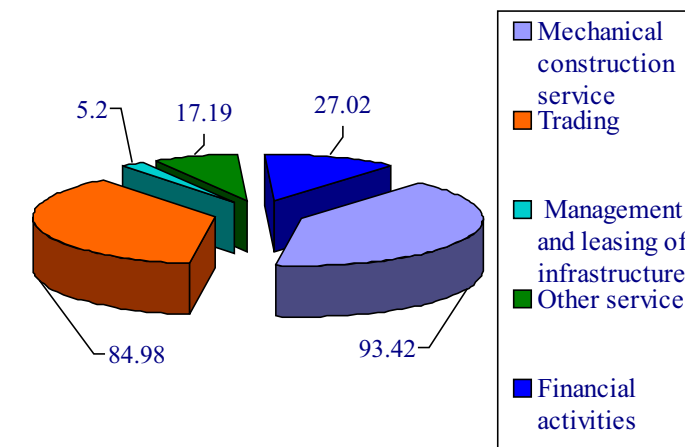


Chart of revenue proportion structure in 2015

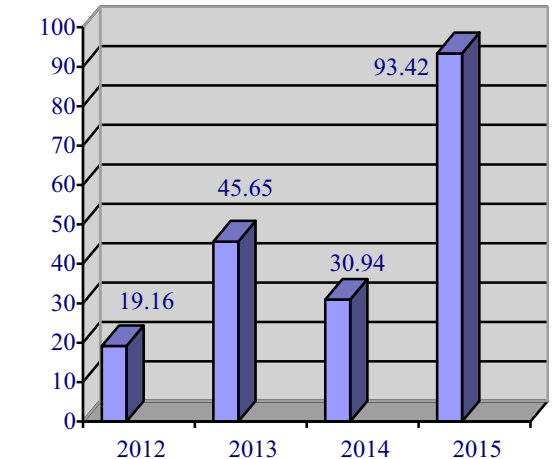


Chart of mechanical construction service revenue growth



(Making insulation for Block system of Tam Dao 05 platform)

3.2. Supplying equipment and material service:

(Handover fire water pump skid for Thien Ung platform to Vietsovpetro)

The commercial field in 2015 had to face with severe competition due to the decline in the number of new package and the involvement of new contractors in other industries. However PVSB has attempted to carry out marketing, bidding and has done some typical works include: Supplying fire water pump skid for Thien Ung platform of Vietsovpetro; supplying submersible pump for Thien Ung platform of Vietsovpetro; supplying oil drain pump for BKT platform – block 09.1; supplying non-API pump for block 04-3 of Vietsovpetro; supplying air compressor skid for 01 BKT platform for Vietsovpetro; supplying Instrument Bulk material for Vietsovpetro; supplying material for living barge of Dung Quat Shipyard; supplying Cold chamber for 150 mens barge of Dung Quat Shipyard; supplying electrical material for E-house project of contract No. VT-006.2/15 – XNXL – EH for Vietsovpetro; supplying instrument cable for STT E-house project of contract No. VT-006.3/15 – XNXL – EH for Vietsovpetro...

To achieve success in the work of supplying equipment and material, PVSB has been actively contacting to owners and closely manage suppliers to supply Goods with assurance quality and schedule.

The revenue from trading service in 2015 is 84.98 billion by 128.75% plan, up 948% compared to that of 2014.

3.3. Infrastructure leasing and management service:

(Ground infrastructures are leased to PVShipyard in Sao Mai – Ben Dinh Petroleum Marine Service Base)



Currently, the Company is managing and leasing 02 ground infrastructures to PVShipyard (39.8ha) and PVC-MS (23.5ha) in Sao Mai – Ben Dinh Petroleum Marine Service Base with annual revenue of VND5.2 billion by 100% plan of year which accounts for 2.28% of the Company's total revenue in 2015. Because of the difficult situation in 2015, the number of contractors in oil and gas field had decreased so providing warehousing services to new customers in trouble. PVSB has continued to call potential customers to use this service in Sao Mai – Ben Dinh Petroleum Marine Service Base.

3.4. Other services (supplying electric, water and auxiliary services):

(The mission of PVSb and VSP surveyed fire water pump skid in Australia)

Together with main services, PVSb has also provided electric and water for clients who are hiring the yard in Sao Mai – Ben Dinh Petroleum Marine Service Base. The service's revenue is stable. In December PVSb completed additional electric system for PVC-MS. The revenue from this field relates to the projects that performed in hiring yards.

The revenue from this service in 2015 was 17.18 billion by 217% plan, up 44.8 compared to 2014.

3.5. Financial revenue:

In 2015 CPI index swung at 0.55% that is the lowest number for 10 years. This is the reason why banking interest rate in the market was decreased and stabilized (down 0.3% year) so affected financial revenue of company.

The revenue from this service in 2015 was 27.02 billion by 90% plan and down 18.7% compared to 2014.

4. IMPLEMENTATION OF INVESTMENT PROJECTS:

(Mechanical construction and fabrication workshop)

4.1 Sao Mai - Ben Dinh Petroleum Marine Service Base Project:

- The Company was granted Investment Certificate No. 49121000147 dated 27/09/2012, Planning License No. 05/GPQH dated 26/03/2013 for additional planning of Sea Port Group No. 5 under Document No. 13602/BGTVT-KHDT dated 13/12/2013, by Ba Ria – Vung Tau Provincial People's Committee.

- Pursuant to Decision No. 1148/QD-UBND dated 05/06/2014 of Ba Ria – Vung Tau Provincial People's Committee on making adjustment and supplement to the recovered land area of Sao Mai - Ben Dinh Petroleum Marine Service Base, date 08/07/2015 Environmental and Resource Service had granted certificate of land use and signed the 1st Land Leasing contract for 81.9ha. PVSb had counted unit price to pay land leasing money and doing process to get investment incentive.

- On investment in the temporary way line to Sao Mai - Ben Dinh Petroleum Maritime Services Base: PVSb has continuing to work with PVS MS, PTSC MC and PV Shipyard according to the agreed guideline.

4.2. 35ha Petroleum Service Area Project:

- The construction investment project 35 ha Petroleum Services area: PVSb has continuing to seek the partners, the investors. Sao Mai – Ben Dinh Petroleum Investment JCS has performed the contract to make even and fill up the space of 7ha for leasing by PTSC-MC. This project had started work at 10th August 2015 and as expecting will be completed in the first quarter of 2016.
- Beside this working, PVSb has doing other support items as: supplying and drainage works, power feed system, prevention and fire fighting system...

4.3. Investment in the mechanical construction workshop:

- On investment in the construction fabrication workshop, 24kv underground cable and transformer station for Sao Mai - Ben Dinh Petroleum Maritime Services Base and additional supplying to PVC-MS. PVSb has checked and taken over, put into operation and counting performed works.

5. OTHER ACTIVITIES:

In addition to commercial activities, the Executive Board of the Company always finds and implements the PR and marketing to introduce, promote the Company's image to the investors, the companies and constructors in oil and gas field, the customers at home and abroad.

In July, Sao Mai – Ben Dinh Company has been distributor in Viet Nam for Lazaro Ituarte Valve of ValvoSpain group. Lazaro is one of leaders in Valve design and production field with complicated requirement and high quality, special material using in oil and gas industry and others. The range of Lazaro's production includes Gate, Globe, Check and Ball valve, Pressure seal, Cryogenic designs and Sour Service.



(PVSb becomes distribution representative of LAZARO ITUARTE VALVE – VALVO SPAIN GROUP in Viet Nam)



(The company's leaders worked with MATRADE)



(Company Director is introducing the activities of the Company to customers at OGAV petroleum industrial machinery, equipment and accessories exhibition 2013)

6. PLANS FOR 2016:

(The company's leaders and employee representative signed mutual agreement for 2016)

STT	Financial criteria	Unit	Plan for 2016	Implementation in 2015
1	Capital	VND's billion	500,00	500,00
2	Total revenue	VND's billion	165,80	227,99
3	Before-tax profit	VND's billion	2,00	1,04
4	After-tax profit	VND's billion	0,70	0,15
5	Implementing investment	VND's billion	188,00	61,58
	-Total of disbursement	VND's billion	203,16	22,51
	-Equity	VND's billion	203,16	22,51

Year 2016, it is forecasted that the development of the world situation continues to be very unpredictable. Conflict is happening in many places. Crashing in crude oil prices, complicated activities of international financial market, the decline of some big economies will make many effects to the Viet Nam economy.

Because affected dramatically by oil price, almost petroleum projects has been cut down and stretched. However, with available advantages and sustainable development outlook, the company built paln for the next year-2016 with 165.80 billion of revenue and 0.70 billion of profit after tax along with the specific financial criteria as follows:

To ensure successful implementation of the planned criteria, the Company has set out a number of specific measures as follows:

- Continue to maintain and develop the production and business fields which bring good revenue for company such as mechanical construction service and petroleum trading.
- Combine with PTSC corporation to build project “Evaluate and give professional advice to upgrade management and exploitation capacity with sea ports” with the target to improve management capacity and build new plan in future.
- Develop and finalize the ISO management system in the Company; ensure the science and high effectiveness. Building new processes, regulations about risk rate in bidding and implement contract to manage, control risks in business and production activities.
- Step up marketing to develop relationship, cooperation to get new contracts in next year.
- Develop human resources in the simplified, professional and efficient direction coupled with appropriate remuneration and human resource attraction policies to encourage staff and employees; improve productivity and work performance.
- Implement the preparation and management of the budget in accordance with the current regulations of the State, Vietnam National Petroleum Group, PTSC Corporation, and the internal management rules of the Company.
- Strictly manage the costs and construct the works, absolutely apply the saving measures, against waste in all works. Update and check all ragulations about management, production norms to improve them.



(Participated in the seminar of the member units of Vietnam Petroleum Technical Service Corporation (PTSC) in Da Nang in May 2014)

IV. INFORMATION TRANSPARENCY AND COMMUNITY RESPONSIBILITY:**1. Information transparency:**

Recognizing the importance and considering the role of information transparency as an integral part in the sustainable, long-term development of the Company, PVSB has developed and constantly improved its internal management system, processes of information exchange within and outside the Company, created internal link of PVSB, links between PVSB and shareholders, communities and society..

Over the past years, the Company has received many shareholders, investment funds, securities firms, strategic partners,... to introduce its process of establishment and development, update the business and production, financial condition, as well as share investment plans, business development orientation of PVSB in future.

The Company has issued an information disclosure process for all officers and employees' awareness of the role of information transparency, and understanding of the information disclosure process in accordance with the laws, as a basis for easier management of information exchange.

The Company has fully and promptly complied with the periodic provision of information as prescribed in the Financial Statements, Annual Report, Administration Report,...and other reports as required by the State Securities Commission, Stock Exchange. The information is regularly updated and posted on the website: www.pvsb.com.vn to ensure openness and transparency of the Company's operations.

The explicit information work of company is complied all regulations about information announcement. PVSB has been recognized a explicit company in trading floor UPCOM by National Exchange Commission Ha Noi's stock exchange.

2. Shareholders relationship:

Over the past years, the relationship with shareholders has become a firm bridge connecting PVSB with the investor community. Information is always provided in a truthful, timely manner, bringing the investors a clear picture of PVSB. And with learning attitude, PVSB has received much positive feedback from the investor community to improve and develop the system of corporate administration in the sustainable trend, in harmony with environmental and social benefits.

PVSB Management always determines that the shareholder relation activities are important and can not be separated from the production and business of the Company, as well as the responsibility in enhancing the trust of shareholders, investors through transparency in management, proactively providing information in a timely, complete and accurate manner for the investor community, ...

3. Commodity responsibility:

Besides incessant efforts for reaching greatness, PVSB is, at all times, well-aware of preserving and promoting traditional solidarity of the people through community development activities aiming at sustainable development of the Company with the motto:

**PVSB CHĂM LO CÔNG TÁC AN SINH XÃ HỘI HƯỚNG ĐẾN CỘNG ĐỒNG
MANG UY TÍN THƯƠNG HIỆU TỎA RỘNG**

In 2015, PVSB and officials, employees have contributed a total of VND 382 million to the implementation of community-oriented social security, namely donated 2 day's salary worth VND 110 million to the Young Generation Foundation, 2 days' salary worth VND 89.7 million to the Petroleum Assistance Fund, 2 days' salary worth VND 91 million to the Teammate Sentimental Attachment Foundation, 2 days' salary worth VND 90.6 million to the people affected by natural disasters.

The joint community development has really become a mission and wish of the entire Management and officer, employees of PVSB. Throughout 2014, the social security activities for a healthy community were implemented by the Trade Union, Youth Union and all officers, employees of the Company continuously and throughout the country with the goal of acting hand-in-hand for hunger elimination and poverty reduction, improving the quality of health care, education, culture, society....



(Company Youth Union and “Love Vung Tau” Charity are organizing the program entitled “Helping hand for Education” to give gifts to poor students in Phuoc Tan commune, Ba Ria – Vung Tau city, Ba Ria – Vung Tau province)

IV. FINANCIAL STATEMENTS FOR YEAR 2015:

SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANY

Floor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
Ba Ria - Vung Tau Province, S.R. Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2015.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Tran Hai Binh	Chairman
Mr. Phung Nhu Dung	Member
Mr. Le Trieu Thanh	Member
Mr. Nguyen Tan Hoa	Member
Mr. Nguyen Viet Dat	Member

Board of Directors

Mr. Phung Nhu Dung	Director
Mr. Dang Duc Hoi	Deputy Director
Mr. Tran Chi Dung	Deputy Director
Mr. Tran Duc Hanh	Deputy Director

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

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

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

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

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

For and on behalf of the Board of Directors,


Phung Nhu Dung
Director
8 March 2016

Deloitte.

No: 365/VN1A-HC-BC



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www.deloitte.com/vn

INDEPENDENT AUDITORS' REPORT

To: **The Shareholders, Boards of Management and Directors
Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company**

We have audited the accompanying financial statements of Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company (the "Company"), prepared on 8 March 2016, as set out from page 3 to page 28, which comprise the balance sheet as at 31 December 2015, and the statement of income, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the 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 financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

Emphasis of Matter

As stated in Note 3, in the year 2015, the Company restated the financial statements for the year ended 31 December 2014 related to the missing foreign withholding tax of VND 2,386,615,450 in prior years. Our opinion is not modified in respect of this matter.



Le Dinh Tu
Audit Partner
Audit Practising Registration Certificate
No. 0488-2013-001-1
For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED
8 March 2016
Ho Chi Minh City, S.R. Vietnam

Nguyen Tuan Ngoc
Auditor
Audit Practising Registration Certificate
No. 2110-2013-001-1

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SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANY

Floor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
Ba Ria - Vung Tau Province, S.R. VietnamFinancial Statements
For the year ended 31 December 2015BALANCE SHEET
As at 31 December 2015FORM B 01-DN
Unit: VND

ASSETS	Codes	Notes	31/12/2015	31/12/2014 (Restated)
A. CURRENT ASSETS	100		610,162,490,756	574,241,456,276
I. Cash and cash equivalents	110	6	43,313,078,488	80,299,004,041
1. Cash	111		33,313,078,488	65,299,004,041
2. Cash equivalents	112		10,000,000,000	15,000,000,000
II. Short-term financial investments	120		450,000,000,000	455,000,000,000
1. Held-to-maturity investments	123	7	450,000,000,000	455,000,000,000
III. Short-term receivables	130		83,360,522,080	28,289,914,776
1. Short-term trade receivables	131	8	61,078,390,875	11,404,626,628
2. Short-term advances to suppliers	132	9	10,247,233,386	5,414,656,886
3. Other short-term receivables	136	10	12,034,897,819	11,470,631,262
IV. Inventories	140		28,257,115,341	6,931,504,705
1. Inventories	141	11	28,257,115,341	6,931,504,705
V. Other short-term assets	150		5,231,774,847	3,721,032,754
1. Short-term prepayments	151		109,418,402	163,261,867
2. Value added tax deductibles	152	18	4,566,277,263	2,806,563,718
3. Taxes and other receivables from the State budget	153	12	556,079,182	751,207,169
B. NON-CURRENT ASSETS	200		241,726,083,230	238,291,871,928
I. Long-term receivables	210		3,000,000	3,000,000
1. Other long-term receivables	216		3,000,000	3,000,000
II. Fixed assets	220		20,101,777,300	12,938,996,066
1. Tangible fixed assets	221	13	20,101,777,300	12,938,996,066
- Cost	222		36,380,213,844	26,047,372,200
- Accumulated depreciation	223		(16,278,436,544)	(13,108,376,134)
2. Intangible assets	227		-	-
- Cost	228		53,372,880	53,372,880
- Accumulated amortisation	229		(53,372,880)	(53,372,880)
III. Investment property	230	14	202,277,135,763	207,012,407,619
- Cost	231		229,280,786,454	229,280,786,454
- Accumulated depreciation	232		(27,003,650,691)	(22,268,378,835)
IV. Long-term assets in progress	240		18,914,542,980	18,122,461,073
1. Long-term construction in progress	242	15	18,914,542,980	18,122,461,073
V. Long-term financial investments	250	7	-	-
1. Equity investments in other entities	253		10,530,000,000	10,530,000,000
2. Provision for impairment of long-term financial investments	254		(10,530,000,000)	(10,530,000,000)
VI. Other long-term assets	260		429,627,187	215,007,170
1. Long-term prepayments	261		429,627,187	215,007,170
TOTAL ASSETS (270=100+200)	270		851,888,573,986	812,533,328,204

The accompanying notes set out on pages 7 to 28 are an integral part of these financial statements

SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANY

Floor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
Ba Ria - Vung Tau Province, S.R. VietnamFinancial Statements
For the year ended 31 December 2015BALANCE SHEET (Continued)
As at 31 December 2015FORM B 01-DN
Unit: VND

RESOURCES	Codes	Notes	31/12/2015	31/12/2014 (Restated)
C. LIABILITIES	300		293,074,416,158	253,719,183,386
I. Current liabilities	310		70,854,443,991	27,182,603,356
1. Short-term trade payables	311	16	50,012,889,927	6,888,499,668
2. Short-term advances from customers	312	17	4,526,265,565	6,570,777,440
3. Taxes and amounts payable to the State budget	313	18	33,391,727	2,497,991,717
4. Payables to employees	314		1,189,967,630	410,131,742
5. Short-term accrued expenses	315		3,484,853,261	1,289,251,685
6. Short-term unearned revenue	318	19	5,203,799,784	5,203,799,784
7. Other short-term payables	319	20	6,049,844,116	4,082,909,822
8. Bonus and welfare funds	322		353,431,981	239,241,498
II. Long-term liabilities	330		222,219,972,167	226,536,580,030
1. Long-term unearned revenue	336	19	217,090,962,416	222,294,762,200
2. Deferred tax liabilities	341	21	5,052,819,275	4,165,627,354
3. Scientific and technological development fund	343		76,190,476	76,190,476
D. EQUITY	400		558,814,157,828	558,814,144,818
I. Owners' equity	410	22	558,814,157,828	558,814,144,818
1. Owners' contributed capital	411		500,000,000,000	500,000,000,000
- Ordinary shares carrying voting rights	411a		500,000,000,000	500,000,000,000
2. Investment and development fund	418		44,060,622,692	43,571,756,884
3. Retained earnings	421		14,753,535,136	15,242,387,934
- Retained earnings accumulated to the prior year end	421a		14,608,183,643	13,921,128,994
- Retained earnings of the current year	421b		145,351,493	1,321,258,940
TOTAL RESOURCES (440 = 300+400)	440		851,888,573,986	812,533,328,204

Tran Thi Hong Lan
PreparerPham Minh Vi
Chief AccountantPhung Nhu Dung
Director
8 March 2016

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SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANY

Floor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
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Financial Statements

For the year ended 31 December 2015

INCOME STATEMENT

For the year ended 31 December 2015

FORM B 02-DN

Unit: VND

ITEMS	Codes	Notes	2015	2014
1. Gross revenue from goods sold and services rendered	01		200,778,064,230	56,118,700,910
2. Net revenue from goods sold and services rendered (10=01)	10	24	200,778,064,230	56,118,700,910
3. Cost of goods sold and services rendered	11	25	189,021,787,646	50,582,528,928
4. Gross profit (20=10-11)	20		11,756,276,584	5,536,171,982
5. Financial income	21	27	27,024,599,530	33,250,158,487
6. Financial expenses	22		103,660,783	-
7. Selling expenses	25		2,007,372,728	1,911,151,007
8. General and administration expenses	26	28	33,538,460,211	34,674,983,148
9. Operating profit (30=20+(21-22)-(25+26))	30		3,131,382,392	2,200,196,314
10. Other income	31		189,559,582	8,254,546
11. Other expenses	32	29	2,276,052,954	-
12. (Loss)/profit from other activities (40=31-32)	40		(2,086,493,372)	8,254,546
13. Accounting profit before tax (50=30+40)	50		1,044,889,020	2,208,450,860
14. Current corporate income tax expense	51	30	12,345,606	-
15. Deferred corporate income tax expense	52	21	887,191,921	887,191,920
16. Profit after tax (60=50-51-52)	60		145,351,493	1,321,258,940
17. Basic earnings per share	70	31	3	24

Tran Thi Hong Lan
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SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANY

Floor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
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Financial Statements

For the year ended 31 December 2015

CASH FLOW STATEMENT

For the year ended 31 December 2015

FORM B 03-DN

Unit: VND

ITEMS	Code	2015	2014
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	1,044,889,020	2,208,450,860
2. Adjustments for:			
Depreciation of fixed assets and investment properties	02	7,905,332,266	7,591,310,163
Foreign exchange gain arising from translating foreign currency items	04	(18,884,774)	(160,933,847)
Gain from investing activities	05	(27,024,599,530)	(32,980,429,663)
3. Operating loss before movements in working capital	08	(18,093,263,018)	(23,341,602,487)
Changes in receivables	09	(50,986,414,412)	2,516,742,714
Changes in inventories	10	(21,325,610,636)	(6,475,067,498)
Changes in account payables	11	29,089,591,439	(3,544,578,513)
Changes in prepaid expenses	12	(160,776,552)	241,188,596
Other cash outflows	17	(31,148,000)	(77,219,578)
Net cash used in operating activities	20	(61,507,621,179)	(30,680,536,766)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets	21	(6,391,223,815)	(604,884,731)
2. Proceeds from sale, disposal of fixed assets	22	-	2,800,000
3. Cash outflow for lending, buying debt instruments of other entities	23	(722,000,000,000)	(498,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	727,000,000,000	43,000,000,000
5. Interest earned	27	25,902,086,645	26,234,906,438
Net cash from/(used in) investing activities	30	24,510,862,830	(429,367,178,293)
Net decrease in cash (50=20+30)	50	(36,996,758,349)	(460,047,715,059)
Cash and cash equivalents at the beginning of the year	60	80,299,004,041	540,185,785,253
Effects of changes in foreign exchange rates	61	10,832,796	160,933,847
Cash and cash equivalents at the end of the year (70=50+60+61)	70	43,313,078,488	80,299,004,041

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8 March 2016

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SAO MAI - BEN DINH PETROLEUM INVESTMENT JOINT STOCK COMPANYFloor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
Ba Ria - Vung Tau Province, S.R. Vietnam**Financial Statements**

For the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the financial statements***1. GENERAL INFORMATION****Structure of ownership**

Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company (the "Company") was incorporated and operates in Vietnam as a joint stock company in accordance with the Investment Certificate No. 49121000147 dated 27 September 2012 issued by the People's Committee of Ba Ria - Vung Tau Province. This Investment Certificate replaces the Business Registration Certificate No. 4903000636 dated 07 May 2007 and its amendments.

The number of the Company's employees as at 31 December 2015 was 104 (as at 31 December 2014: 84).

Principal activities

The Company's principal activities as per the investment certificate include exploitation of Sao Mai - Ben Dinh economic area and container port; production, repair and lease of containers; construction for oil and gas industry; installation of oil rig and floating units; ship repair and ship building; trading of equipment, machinery for oil, gas and maritime industries, fertilizers, construction materials, chemicals; internal waterway and seaway transportation; lease of warehouses, transportation equipment.

Normal production and business cycle

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

Disclosure of information comparability in the financial statements

As stated in Note 4, since 1 January 2015, the Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014 ("Circular 200") guiding the accounting regime for enterprises. This Circular is effective for the financial year beginning on or after 1 January 2015. Circular 200 supersedes the regulations for accounting regime promulgated under Decision No. 15/2006/QĐ-BTC dated 20 March 2006 issued by the Ministry of Finance and Circular No. 244/2009/TT-BTC dated 31 December 2009 issued by the Ministry of Finance. However, the adoption of Circular 200 does not have significant impact on the comparability of the figures in the Company's financial statements.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**Accounting convention**

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

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

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For the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)**FORM B 09-DN***These notes are an integral part of and should be read in conjunction with the financial statements***3. RESTATEMENTS OF PRIOR YEAR'S ACCOUNT**

In year 2015, the Board of Directors decided to restate the financial statements for the year ended 31 December 2014 to adjust the foreign withholding tax payable incurred since year 2011 with an amount of VND 2,386,615,450. The Board of Directors believes that this retroactive adjustment gives a true and fair view of the financial position of the Company as at 31 December 2014. Accordingly, the Company restated some figures in the balance sheet as follows:

	Code	Previously reported amount VND	Restated amount VND	Difference VND
Value added tax deductibles	152	2,779,837,989	2,806,563,718	(26,725,729)
Taxes and amounts payable to the State budget	313	111,376,267	2,497,991,717	(2,386,615,450)
Retained earnings	421	17,602,277,655	15,242,387,934	2,359,889,721

4. ADOPTION OF NEW ACCOUNTING GUIDANCE

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

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

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

Financial instruments**Initial recognition**

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

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

Subsequent measurement after initial recognition

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

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

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

Financial investments**Held-to-maturity investments**

Held-to-maturity investments comprise investments that the Company has the positive intent or ability to hold to maturity, mainly including term deposits with the purpose maturity to earn periodic interest.

Interest income from term deposits is recognised in the income statement on accrual basis.

Equity investments in other entities

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

Equity investments in other entities are carried at cost less provision for impairment. Provision for doubtful debts relating to investments is made in accordance with prevailing accounting regulations.

Receivables

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

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

Inventories

Inventories mainly consist of work in progress related to projects and incurred expenses involving in project management consulting services.

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 price and any directly attributable costs of bringing the assets to their working condition and location for their intended use. Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Buildings and structures	6
Machinery, equipment	7
Motor vehicles	7
Office equipment	3 - 5
Others	10

Leasing

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.

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For the year ended 31 December 2015

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

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and allocated to the income statement on a straight-line basis over the lease term.

Intangible assets and amortization

Intangible assets represent accounting software that is stated at cost less accumulated amortisation. Accounting software is amortised using the straight-line method over the period of five (05) years.

Investment property

Investment properties, which are composed of infrastructures held by the Company to earn rentals are stated at cost less accumulated depreciation. The costs of self-constructed investment properties are the finally accounted construction or development costs of the properties.

Investment properties are depreciated using the straight-line method over the lease term.

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 directly attributable costs in accordance with the Company'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 investment 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.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods.

Long-term prepayments comprise costs of small tools, supplies and spare parts issued for consumption incurred which are expected to provide future economic benefits to the Company for one year or more. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line in accordance with the current prevailing accounting regulations.

Payable provisions

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

Revenue recognition

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

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

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Floor 16, Petro Hotel Building, 9-11 Hoang Dieu Street, Vung Tau City
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For the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

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 years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

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

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

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

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

Construction contracts

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

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

Foreign currencies

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates". Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences 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.

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 and it further excludes items that are never taxable or deductible.

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

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For the year ended 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

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

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

The determination of the tax currently payable and deferred tax 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.

6. CASH AND CASH EQUIVALENTS

	31/12/2015	31/12/2014
	VND	VND
Cash on hand	85,917,064	36,803,609
Demand deposits	33,227,161,424	65,262,200,432
Cash equivalents	10,000,000,000	15,000,000,000
	43,313,078,488	80,299,004,041

Cash equivalents represent deposits in commercial banks and entrusted investments at financial companies with terms of 3 months or less and interest rates of 5% per annum (for the year 2014: 6% per annum).

7. HELD-TO-MATURITY INVESTMENTS

	31/12/2015		31/12/2014	
	VND		VND	
	Cost	Carrying amount	Cost	Carrying amount
a. Held-to-maturity investments				
a1) Current investments				
- Term deposits (*)	450,000,000,000	450,000,000,000	455,000,000,000	455,000,000,000
	450,000,000,000	450,000,000,000	455,000,000,000	455,000,000,000
	Cost	Provision	Cost	Provision
b. Equity investments in other entities				
- Investments in others entities				
(**)	10,530,000,000	(10,530,000,000)	10,530,000,000	10,530,000,000
	10,530,000,000	10,530,000,000	10,530,000,000	10,530,000,000

(*) Held-to-maturity investments represent deposits with terms of more than 3 months to less than 1 year in commercial banks with interest rates ranging from 5.3% to 6.6% per annum (year 2014: from 6% to 7% per annum).

(**) The amount represents equity investment in Hightech Concrete Investment Company ("Sopewaco"), equivalent to 13.16% of charter capital of Sopewaco. Sopewaco incurred a loss that exceeded its Owner's contributed capital during previous years. Therefore, the Company's Board of Directors decided to make full provision for this investment. The Company has not determined fair value of its financial investments as at the balance sheet date since there are no comprehensive guidance of relevant prevailing regulations on determination of fair value of these financial investments.

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8. SHORT-TERM TRADE RECEIVABLES

	31/12/2015 VND	31/12/2014 VND
Petro Vietnam Marine Shipyard	716,234,257	1,676,911,362
Vietsoyepetro Joint Venture	3,374,930,002	2,989,679,333
Dung Quat Shipbuilding Industry Company Limited	18,028,096,130	5,681,641,198
PTSC Offshore Services Joint Stock Company	13,774,657,600	-
Petro Vietnam Marine Shipyard	17,056,338,159	-
Other customers	8,128,134,727	1,056,394,735
<i>In which:</i>		
<i>Receivables from related parties</i> <i>(presented in Note 35)</i>	38,542,928,877	2,371,099,362
	61,078,390,875	11,404,626,628

9. SHORT-TERM ADVANCES TO SUPPLIERS

	31/12/2015 VND	31/12/2014 VND
Advance to suppliers in relation to construction contract	101,530,000	4,245,067,500
Others	10,145,703,386	1,169,589,386
	10,247,233,386	5,414,656,886

10. OTHER SHORT-TERM RECEIVABLES

	31/12/2015 VND	31/12/2014 VND
Interest receivables from time deposits in banks	11,881,097,220	10,758,584,335
Others	153,800,599	712,046,927
	12,034,897,819	11,470,631,262

11. INVENTORIES

	31/12/2015 VND	31/12/2014 VND
Goods in transit	25,101,572,611	591,305,040
Raw materials	793,810,000	-
Merchandise	736,816,216	73,790,689
Work in progress	1,624,916,514	6,266,408,976
	28,257,115,341	6,931,504,705

As at 31 December 2015 and 31 December 2014, there was no slow-moving, damaged and sub-standard inventories to be made provision.

12. TAXES AND OTHER RECEIVABLES FROM THE STATE BUDGET

Taxes and other receivables from the State budget mainly relate to the overpaid corporate income tax in prior year.

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13. TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery, equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
COST						
As at 01/01/2015	-	1,369,100,000	4,479,393,486	496,896,705	19,701,982,009	26,047,372,200
Additions	4,524,258,234	-	-	35,280,000	5,773,303,410	10,332,841,644
As at 31/12/2015	4,524,258,234	1,369,100,000	4,479,393,486	532,176,705	25,475,285,419	36,380,213,844
ACCUMULATED DEPRECIATION						
As at 01/01/2015	-	823,879,102	3,661,850,630	419,464,599	8,203,181,803	13,108,376,134
Charge for the year	377,021,520	195,585,852	450,789,875	58,414,227	2,088,248,936	3,170,060,410
As at 31/12/2015	377,021,520	1,019,464,954	4,112,640,505	477,878,826	10,291,430,739	16,278,436,544
NET BOOK VALUE						
As at 31/12/2015	4,147,236,714	349,635,046	366,752,981	54,297,879	15,183,854,680	20,101,777,300
As at 31/12/2014	-	545,220,898	817,542,856	77,432,106	11,498,800,206	12,938,996,066

As at 31 December 2015, the cost of the Company's tangible fixed assets includes VND 2,894,942,463 (as at 31 December 2014: VND 1,243,368,944) of tangible fixed assets which have been fully depreciated but are still in use.

14. INVESTMENT PROPERTY

	Infrastructure VND
COST	
As at 01/01/2015 and 31/12/2015	229,280,786,454
ACCUMULATED AMORTISATION	
As at 01/01/2015	22,268,378,835
Charge for the year	4,735,271,856
As at 31/12/2015	27,003,650,691
NET BOOK VALUE	
As at 31/12/2015	202,277,135,763
As at 31/12/2014	207,012,407,619
Details of investment property cost are as follows:	
	31/12/2015 and 31/12/2014 VND
39.8 hectare - infrastructure project (i)	131,881,668,267
23 hectare - infrastructure project (ii)	97,399,118,187
	229,280,786,454

(i) Investment property represents 39.8 hectare land and infrastructure at Sao Mai - Ben Dinh Marine Service Base of Sao Mai Ben Dinh project which was completed in 2009 and then has been rented by Petrovietnam Marine Shipyard Joint Stock Company since 2010. This property is depreciated using the straight-line method over the lease term of 48 years.

(ii) Investment property represents 23 hectare land and infrastructure at Sao Mai - Ben Dinh Marine Service Base of Sao Mai Ben Dinh project rented by Petroleum Equipment Assembly & Metal Structure Joint Stock Company in 2010. This investment property is depreciated using the straight-line method over the lease term of 49 years.

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According to VAS No. 05 - Investment Properties, fair value of investment property as at 31 December 2015 and 31 December 2014 is required to be disclosed. However, the Company has not determined the fair value as at 31 December 2015. In order to determine the fair value, the Company would require an independent consultancy company to perform the revaluation. At present, the Company has not found a suitable consultancy company yet.

15. LONG-TERM CONSTRUCTION IN PROGRESS

	2015 VND	2014 VND
As at 01 January	18,122,461,073	17,672,056,342
Additions	792,081,907	450,404,731
As at 31 December	18,914,542,980	18,122,461,073

Details of long-term construction in progress are as follows:

	31/12/2015 VND	31/12/2014 VND
Sao Mai - Ben Dinh Marine services base construction project	15,258,780,716	15,235,749,832
Investment project for Petroleum services on land square of 35 hectare	2,718,983,969	2,718,983,969
Leveling construction project for Subdivision 1 - Phase 1 (7 ha)	815,349,005	-
Other construction in progress	121,429,290	167,727,272
	18,914,542,980	18,122,461,073

16. SHORT-TERM TRADE PAYABLES

	31/12/2015 VND	31/12/2014 VND
Hai Luu Co., Ltd.	5,787,293,719	2,039,215,750
Thuan Phat Production and Trading Co., Ltd.	283,841,547	770,409,640
S-One M&O Co., Ltd.	2,366,574,336	1,861,034,149
DME BURJ Pte Ltd	20,413,989,558	-
Others	21,161,190,767	2,217,840,129
<i>In which:</i>		
Trade payables to related parties (presented in Note 35)	3,061,824,317	328,648,067
	50,012,889,927	6,888,499,668

All trade payables are able to be paid off when fall due.

17. SHORT-TERM ADVANCES FROM CUSTOMERS

	31/12/2015 VND	31/12/2014 VND
Dung Quat Shipbuilding Industry Company Limited	3,984,009,865	-
Petrovietnam Marine Shipyard	542,255,700	1,921,821,440
PTSC Mechanical & Construction Services Limited Company	-	4,648,956,000
	4,526,265,565	1,921,821,440

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

	01/01/2015 VND	Additions VND	Deductions VND	31/12/2015 VND
a. Receivable				
Value added tax	2,806,563,718	18,667,693,829	(16,907,980,284)	4,566,277,263
b. Payables				
Value added tax	-	24,089,786,753	(24,089,786,753)	-
Withholding tax	2,386,615,450	-	(2,386,615,450)	-
Special consumption tax	-	171,850,793	(171,850,793)	-
Personal income tax	111,376,267	525,087,754	(603,072,294)	33,391,727
	2,497,991,717	24,786,725,300	(27,251,325,290)	33,391,727

19. UNEARNED REVENUE

Unearned revenue represents an amount prepaid to the Company on lease of infrastructures at Sao Mai Ben Dinh marine service base, Vung Tau City. The amount is recognized in the income statement annually over the period of 48 and 49 years.

Detailed balances of unearned revenue of the Company are as follows:

	31/12/2015 VND	31/12/2014 VND
a. Short-term unearned revenue		
- Received in advance from customers	5,203,799,784	5,203,799,784
b. Long-term unearned revenue		
- Received in advance from customers	217,090,962,416	222,294,762,200

20. OTHER SHORT-TERM PAYABLES

	31/12/2015 VND	31/12/2014 VND
Dividend payable	3,974,059,950	3,981,899,445
Others	2,075,784,166	101,010,377
	6,049,844,116	4,082,909,822

21. DEFERRED TAX LIABILITIES

Deferred tax liabilities are recognized as there are temporary differences between the carrying amount of investment property and the corresponding tax bases due to a difference in the allowed depreciation schedule of 25 years according to Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance and the depreciation schedule of 48 and 49 years applied by the Company. The Company is using tax rate at 20% that is expected to apply to the year when the assets are realised, based on current tax regulations that have been enacted at the end of the financial year.

Belows are the deferred tax liabilities recognized by the Company as at 31 December 2015:

	Accelerated tax depreciation VND
As at 01/01/2015	4,165,627,354
Charge for the year	887,191,921
As at 31/12/2015	5,052,819,275

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22. OWNERS' EQUITY

	Owners' contributed capital VND	Investment and Development Fund VND	Financial Reserve Fund VND	Retained earnings VND	Total VND
As at 01/01/2014	500,000,000,000	31,510,376,314	11,670,509,746	14,428,204,657	557,609,090,717
Profit for the year	-	-	-	1,321,258,940	1,321,258,940
Fund distribution	-	285,230,061	105,640,763	(507,075,663)	(116,204,839)
As at 31/12/2014	500,000,000,000	31,795,606,375	11,776,150,509	15,242,387,934	558,814,144,818
Reclassified (*)	-	11,776,150,509	(11,776,150,509)	-	-
As at 31/12/2014 (after reclassified)	500,000,000,000	43,571,756,884	-	15,242,387,934	558,814,144,818
Profit for the year	-	-	-	145,351,493	145,351,493
Fund distribution	-	488,865,808	-	(634,204,291)	(145,338,483)
As at 31/12/2015	500,000,000,000	44,060,622,692	-	14,753,535,136	558,814,157,828

(*)According to Circular 200, the Company reclassified the opening balance of Financial Reserve Fund into Investment and Development Fund.

Owners' contributed capital	31/12/2015 VND	31/12/2014 VND
Owners' contributed capital under Investment Certificate		
50 million shares, VND 10,000 per share	500,000,000,000	500,000,000,000
Shares issued and paid		
50 million shares, VND 10,000 per share	500,000,000,000	500,000,000,000

According to the Company's Investment Certificate, the Company's owners' contributed capital is VND 500 billion, which is divided into 50,000,000 shares at par value of VND 10,000 per share. The Company has one class of ordinary shares which carry no right to fixed dividend. The shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders' meetings. All shares rank equally with regard to the Company's net assets.

The share capital contributions by the shareholders as at 31 December 2015 and 31 December 2014 were as follows:

	Per Investment Certificate VND	%	Contributed capital 31/12/2015 VND	31/12/2014 VND
PetroVietnam Technical Services Joint Stock Corporation	210,250,000,000	42.05	255,000,000,000	210,230,500,000
Vietnam National Shipping Lines	50,924,000,000	10.18	-	-
Asia Commercial Bank	-	-	50,924,000,000	50,924,000,000
Other shareholders	238,826,000,000	47.77	194,076,000,000	238,845,500,000
	500,000,000,000	100	500,000,000,000	500,000,000,000

On 17 July 2015, PetroVietnam Technical Services Joint Stock Corporation has acquired more 4,476,950 of the Company's shares and increase the shareholding interest from 42.05% to 51% since then.

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23. BUSINESS AND GEOGRAPHICAL SEGMENTS

For management purposes, the Company is currently organised into two operating divisions, including Construction for oil and gas industry division and Container port business division. These divisions are the basis on which the Company reports its primary segment information.

Principal activities are as follows:

Construction for oil and gas industry division: Construction of works as per contracts.

Container port business division: Investment properties for lease.

Segment information about the Company's operations is presented below:

For the year ended 31 December 2015**Balance sheet**

As at 31/12/2015	Container port business division VND	Construction for oil and gas industry VND	Total VND
Segment assets	249,273,964,125	96,710,554,372	345,984,518,497
Unallocated assets			505,904,055,489
Total			851,888,573,986
Segment liabilities	232,642,085,302	53,919,472,556	286,561,557,858
Unallocated liabilities			6,512,858,300
Total			293,074,416,158

Income statement

2015	Container port business division VND	Construction for oil and gas industry VND	Total VND
Revenue			
External sales	20,684,663,644	180,093,400,586	200,778,064,230
Total revenue	20,684,663,644	180,093,400,586	200,778,064,230
Results of operations			
Results of operation	2,041,221,185	9,715,055,399	11,756,276,584
Unallocated expenses			(35,545,832,939)
Operating losses			(23,789,556,355)
Financial income			27,024,599,530
Other profit			(2,086,493,372)
Profit before tax			1,044,889,020
Current corporate income tax expense			(12,345,606)
Deferred corporate income tax expense			(887,191,921)
Profit for the year			145,351,493

Other information

Depreciation and amortisation

7,905,332,266

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Balance sheet

As at 31/12/2014 (Restated)	Container port business division VND	Construction for oil and gas industry VND	Total VND
Segment assets	220,627,758,028	26,167,674,383	246,795,432,411
Unallocated assets			565,737,895,793
Total			812,533,328,204
Segment liabilities	231,803,757,018	4,546,834,525	236,350,591,543
Unallocated liabilities			17,368,591,843
Total			253,719,183,386

Income statement

2014	Container port business division VND	Construction for oil and gas industry VND	Total VND
Revenue			
External sales	5,203,799,784	50,914,901,126	56,118,700,910
Total revenue	5,203,799,784	50,914,901,126	56,118,700,910

Results of operations

Segment result	468,527,928	5,067,644,054	5,536,171,982
Unallocated expenses			(36,586,134,155)
Operating losses			(31,049,962,173)
Financial income			33,250,158,487
Other profit			8,254,546
Profit before tax			2,208,450,860
Current corporate income tax expense			-
Deferred corporate income tax expense			(887,191,920)
Profit for the year			1,321,258,940

Other information

Depreciation and amortisation			7,591,310,163
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In geographical respect, the Company only operates in Vietnam, thus the Company did not prepare any geographical segment report.

24. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	2015 VND	2014 VND
Sales of leasing investment property	5,203,799,784	5,203,799,784
Sales of services	110,596,438,506	42,620,698,557
Sales of trading merchandises	84,977,825,940	8,294,202,569
	200,778,064,230	56,118,700,910

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25. COST OF GOODS SOLD AND SERVICES RENDERED

	2015 VND	2014 VND
Depreciation of investment property	4,735,271,856	4,735,271,856
Cost of services rendered	106,649,904,808	37,891,434,538
Cost of merchandises sold	77,636,610,982	7,955,822,534
	189,021,787,646	50,582,528,928

26. COST BY NATURE

	2015 VND	2014 VND
Raw materials and consumables	21,157,671,599	8,831,883,276
Labour	70,865,809,480	34,707,418,314
Depreciation and amortization	7,905,332,266	7,591,310,163
Out-sourced services	37,616,722,346	28,068,848,782
Other monetary expenses	7,466,372,420	7,512,765,341
	145,011,908,111	86,712,225,876

27. FINANCIAL INCOME

	2015 VND	2014 VND
Bank interest	27,024,599,530	32,977,629,663
Foreign exchange gain	-	272,528,824
	27,024,599,530	33,250,158,487

28. ADMINISTRATIVE EXPENSES

	2015 VND	2014 VND
Salary expenses	14,763,612,693	16,922,019,105
Compulsory insurance	2,706,558,720	2,323,184,040
Office accessories	1,819,268,341	2,354,577,417
Outsource service expenses	6,305,468,495	5,475,532,735
Other administrative expenses	7,943,551,962	7,599,669,851
	33,538,460,211	34,674,983,148

29. OTHER EXPENSES

Other expenses represent the late payment penalty from tax authority relating to the under-recorded withholding tax in 2011 (Note 3).

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30. CURRENT CORPORATE INCOME TAX EXPENSE

	2015 VND	2014 VND
Profit before tax	1,044,889,020	2,208,450,860
Adjustments for taxable income:		
Less: non-assessable income	(4,575,959,598)	(4,736,893,446)
Difference on depreciation	(4,435,959,598)	(4,435,959,599)
Others	(140,000,000)	(300,933,847)
Add back: non-deductible expenses	2,872,834,235	894,093,777
Assessable income	(658,236,343)	(1,634,348,809)
Tax rate	22%	22%
Corporate income tax expense	-	-
Additional corporate income tax in prior years	12,345,606	-
Current corporate income tax expenses	12,345,606	-

The Company is obliged to pay corporate income tax at the rate of 22% of its assessable income.

As at 31 December 2015, the Company has unused tax losses of VND 2,152,585,152 (as at 31 December 2014: VND 1,634,348,809) available for offset against future taxable income. No deferred tax asset has been recognized in respect of these unused tax losses due to the unpredictability of future taxable income. Tax losses may be carried forward over the period of five years, accordingly, the tax losses incurred in 2014 and 2015 will be carried forward up to 2019 and 2020, respectively.

The tax authorities have not yet performed any tax audit on the Company's corporate income tax records from year 2012. The Board of Directors acknowledged that tax amounts reported in the financial statements for the year ended 31 December 2015 might be subject to the examination and finalization by the tax authorities in the future. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts being reported in the financial statements is subject to changes upon final determination by the tax authorities.

31. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the ordinary shareholders of the Company is based on the following data:

	2015 VND	2014 (as restated) VND
Profit after tax	145,351,493	1,321,258,940
Less: profit distributed to bonus and welfare fund (*)	-	(145,338,483)
Earnings for the purposes of basic earnings per share	145,351,493	1,175,920,457
Weighted average number of ordinary shares for the purpose of basic earnings per share	50,000,000	50,000,000
Basic earnings per share	3	24

(*) According to Circular 200, profit for the purpose of basis earnings per share does not include the amount distributed to bonus and welfare fund. Accordingly, the basis earnings per share for the year ended 31 December 2014 was restated in accordance with the guidance in Circular 200. As at 31 December 2015, the Board of Directors decided not to distribute the bonus and welfare fund.

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32. OPERATING LEASE COMMITMENTS

	2015 VND	2014 VND
Minimum lease payments under operating leases recognised in the income statement for the year	6,486,484,734	4,280,830,188
At the balance sheet date, the Company had outstanding commitments under non-cancelable operating leases, which fall due as follows:		
	31/12/2015 VND	31/12/2014 VND
Within one year	5,689,152,897	3,642,226,819
In the second to fifth year inclusive	14,244,149,589	4,123,684,603
After five years	131,755,946,301	-
	151,689,248,787	7,765,911,422

Operating lease commitments represent payments for car rental and office rental with term of 1 to 2 years and the payment for the space rental at Sao Mai Ben Dinh Economic Zone for the period within 45 years.

33. OFF BALANCE SHEET ITEMS**Foreign currency items**

	31/12/2015		31/12/2014	
	Original	VND	Original	VND
United States Dollard (USD)	333,331	7,485,516,991	2,539,506	54,254,462,161
Euro (EUR)	-	-	101	2,222,269

34. FINANCIAL INSTRUMENTS**Capital risk management**

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

The capital structure of the Company consists only of shareholders' equity (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 assets and financial liabilities are disclosed in Note 5.

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	Carrying amounts	
	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>
Financial assets		
Cash and cash equivalents	43,313,078,488	80,299,004,041
Short-term financial investments	450,000,000,000	455,000,000,000
Trade accounts receivable	61,078,390,875	11,404,626,628
Other receivables	11,884,097,220	10,761,584,335
Total	566,275,566,583	557,465,215,004
Financial liabilities		
Trade accounts payable	50,012,889,927	6,888,499,668
Other payables	3,974,059,950	3,985,794,182
Accrued expenses	3,484,853,261	1,289,251,685
Total	57,471,803,138	12,163,545,535

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

Financial risk management objectives

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

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

Market risk

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

Foreign currency risk management

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

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

	Assets		Liabilities	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
United States Dollar (USD)	7,485,516,991	54,254,462,161	26,183,579,502	-
Euro (EUR)	-	2,222,269	-	-

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar.

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The following analysis details the Company's sensitivity to a 3% increase and decrease in the United States Dollar against Vietnam Dong. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the Board of Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 3% change in foreign currency rates. For a 3% increase/decrease of United States Dollar against Vietnam Dong, the profit before tax in the year would decrease/increase by VND 560,941,875 (2014: VND increase 1,627,633,865). Based on similar analysis for Euro, there would be no significant effect on the Company's results of operation.

Commodity price risk management

The Company purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Company 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 Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not have any significant credit risk exposure to any counterparty because receivables consist of a large number of customers which are the Company's related parties.

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 Company believes can generate within that year. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its shareholders to meet its liquidity requirements in the short and longer term.

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

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	Less than 1 year VND	From 1 - 5 years VND	Total VND
31/12/2015			
Cash and cash equivalents	43,313,078,488	-	43,313,078,488
Short-term financial investments	450,000,000,000	-	450,000,000,000
Trade accounts receivable	61,078,390,875	-	61,078,390,875
Other receivables	11,881,097,220	3,000,000	11,884,097,220
Total	566,272,566,583	3,000,000	566,275,566,583
Trade accounts payable	50,012,889,927	-	50,012,889,927
Other payables	3,974,059,950	-	3,974,059,950
Accrued expenses	3,484,853,261	-	3,484,853,261
Total	57,471,803,138	-	57,471,803,138
Net liquidity gap	508,800,763,445	3,000,000	508,803,763,445
31/12/2014			
Cash and cash equivalents	80,299,004,041	-	80,299,004,041
Short-term financial investments	455,000,000,000	-	455,000,000,000
Trade accounts receivable	11,404,626,628	-	11,404,626,628
Other receivables	10,758,584,335	3,000,000	10,761,584,335
Total	557,462,215,004	3,000,000	557,465,215,004
Trade accounts payable	6,888,499,668	-	6,888,499,668
Other payables	3,985,794,182	-	3,985,794,182
Accrued expenses	1,289,251,685	-	1,289,251,685
Total	12,163,545,535	-	12,163,545,535
Net liquidity gap	545,298,669,469	3,000,000	545,301,669,469

Based on the table above, the Company shows strong liquidity position as the net liquidity gap is positive.

35. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties

Related party	Relationship
PetroVietnam Technical Services Joint Stock Corporation – PTSC (“PTSC”)	Owners
Petroleum Equipment Assembly & Metal Structure Joint Stock Company	Related
PetroVietnam Marine Shipyard Joint Stock Company	PTSC’s member
PTSC Mechanical & Construction Services Company Ltd.	PTSC’s member
Petro Hotel Joint Stock Company	PTSC’s member
PTSC Supply Base	PTSC’s member
PTSC Offshore Services Joint Stock Company	PTSC’s member

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During the year, the Company entered into the following major transactions with related parties:

	2015 VND	2014 VND
Sales		
PetroVietnam Technical Services Corporation	1,133,677,274	-
PTSC Offshore Services Joint Stock Company	20,157,416,000	-
PTSC Quang Ngai Petroleum Services Enterprise	309,832,750	-
Petrovietnam Marine Shipyard Company	39,556,717,760	5,585,454,119
PTSC Mechanical & Construction Services Limited Company	33,624,382,158	26,113,028,946
Purchases		
Petrovietnam Marine Shipyard Joint Stock Company	8,026,862,135	1,477,944,941
Petro Hotel Joint Stock Company	3,115,945,575	2,737,008,132
PTSC Supply Base	1,028,637,050	1,029,927,500
PTSC Mechanical & Construction Services Limited Company	-	843,348,715
PetroVietnam Technical Services Corporation	91,335,606	-

Boards of Management and Directors' remuneration during the year was as follows:

	2015 VND	2014 VND
Salaries and bonuses	2,309,820,903	1,799,241,453

Related party balances as at the balance sheet date were as follows:

	31/12/2015 VND	31/12/2014 VND
Short-term trade receivables		
PetroVietnam Marine Shipyard Joint Stock Company	17,772,572,416	1,676,911,362
PTSC Mechanical & Construction Services Limited Company	5,407,837,834	694,188,000
PTSC Offshore Services Joint Stock Company	13,774,657,600	-
PTSC Quang Ngai Petroleum Services Enterprise	340,816,025	-
PetroVietnam Technical Services Corporation	1,247,045,002	-
Total	38,542,928,877	2,371,099,362

Short-term trade payables

PetroVietnam Marine Shipyard Joint Stock Company	2,832,545,047	325,918,252
PTSC Supply Base	229,279,270	2,729,815
Total	3,061,824,317	328,648,067

Advance from customers

PetroVietnam Marine Shipyard Joint Stock Company	542,255,700	1,921,821,440
PTSC Mechanical & Construction Services Limited Company	-	4,648,956,000

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Cash outflows for purchases of fixed assets and construction in progress during the year exclude an amount of VND 4,733,699,736 (2014: nil), representing an addition in fixed assets during the year that has not yet been paid. Consequently, changes in accounts payable have been adjusted by the same amount.

Cash inflows from deposit interest earned during the year exclude an amount of VND 11,881,097,220 (2014: VND 10,758,584,335), representing interest income during the year that has not yet been received as at 31 December 2015. Consequently, changes in accounts receivable have been adjusted by the same amount.

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

Items	According to Decision 15/2006/QĐ-BTC		According to Circular 200/2014/TT-BTC		Changes	
	Codes	31/12/2014	Codes	31/12/2014	Unit: VND	
I. Assets			I. Assets			
1. Short-term investments	121	455,000,000,000	1. Held-to-maturity investments	123	455,000,000,000	Reclassified and Name changed
2. Trade accounts receivable	131	11,404,626,628	2. Short-term trade receivables	131	11,404,626,628	Name changed
3. Other receivables	135	11,470,631,262	3. Other short-term receivables	136	11,470,631,262	Reclassified and Name changed
4. Other long-term investments	258	10,530,000,000	4. Equity investments in other entities	253	10,530,000,000	Reclassified and Name changed
5. Provision for diminution in value of long-term financial investments	259	(10,530,000,000)	5. Provision for impairment of long-term financial investments	254	(10,530,000,000)	Reclassified
II. Resources			II. Resources			
1. Trade accounts payable	312	6,888,499,668	1. Short-term trade payables	311	6,888,499,668	Name changed
2. Accrued expenses	316	1,289,251,685	2. Short-term accrued expenses	315	1,289,251,685	Name changed
3. Taxes and amounts payable to the State budget	313	111,376,267	3. Taxes and amounts payable to the State budget	313	2,497,991,717	Restated
4. Unearned revenue	338	227,498,561,984	4. Short-term unearned revenue	318	5,203,799,784	Reclassified and Name changed
No relevant items		-	5. Long-term unearned revenue	336	222,294,762,200	Reclassified and Name changed
5. Other current payables	319	4,082,909,822	6. Other current payables	319	4,082,909,822	Name changed
6. Charter capital	411	500,000,000,000	7. Owner's contributed capital	411	500,000,000,000	Name changed
7. Investment and development fund	417	31,795,606,375	8. Investment and development fund	418	43,571,756,884	Reclassified
8. Financial reverses fund	418	11,776,150,509	No relevant items			

Tran Thi Hong Lan
Preparer

Pham Minh Vi
Chief Accountant

Phung Nhu Dung
Director
8 March 2016
