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PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Business registration certificate	No. 4103005338 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the 18th amendment dated 23 May 2016.	
Board of Management	Mr. Phung Tuan Ha	Chairman
	Ms. Le Thi Chien	Member
	Mr. Vu Tien Duong	Member
	Mr. Kim Kang Ho	Member (appointed on 27 April 2018)
	Ms. Pham Thi Hong Diep	Member
Board of Supervision	Mr. Phan Khac Vinh	Chief Supervisor
	Mr. Le Anh Quoc	Member
	Ms. Nguyen Thi My Dung	Member
Board of Directors	Mr. Vu Tien Duong	General Director
	Mr. Ho Minh Viet	Deputy General Director
	Ms. Pham Thi Hong Diep	Deputy General Director
	Mr. Nguyen Thanh Tu	Deputy General Director
	Mr. Phan Quang Tuan Anh	Deputy General Director
	Mr. Bui Anh Dung	Deputy General Director (resigned on 1 January 2018)
Legal representative	Mr. Phung Tuan Ha	Chairman
Registered office	6th Floor, PetroVietnam Tower, No. 1 - 5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	
Auditor	PwC (Vietnam) Limited	

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

STATEMENT OF THE RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Chairman of the Board of Management ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Corporation") is responsible for preparing the separate financial statements of the Corporation which give a true and fair view of the financial position of the Corporation as at 31 December 2018, and the results of its operations and its cash flows for the year ended on that date. In preparing these separate financial statements, the Chairman is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the separate financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

The Chairman is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Corporation and which enable the separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Chairman is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 5 to 44 which give a true and fair view of the financial position of the Corporation as at 31 December 2018, and of the results of its operations and its cash flows for the year ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Corporation and its subsidiaries.

S.Đ.K.K.D: 0300452060-C.T.C.P
TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
QUẬN 1 TP. HỒ CHÍ MINH

Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
25 March 2019

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

We have audited the accompanying separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 31 December 2018 and approved by the Chairman on 25 March 2019. These separate financial statements comprise the separate balance sheet as at 31 December 2018, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements, as set out on pages 5 to 44.

The Chairman's Responsibility to the Separate Financial Statements

The Chairman is responsible for the preparation and the true and fair presentation of these separate financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements and for such internal control which the Chairman determines necessary to enable the preparation and fair presentation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the separate 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 standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the separate financial statements are free from material misstatement.

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

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

PwC (Vietnam) Limited
8th Floor, Saigon Tower, 29 Le Duan Street, District 1, Ho Chi Minh City, Vietnam
T: +84 (28) 3823 0796, www.pwc.com/vn

Auditor's Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2018, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Other Matter

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited

Mai Viet Hung Tran
Audit Practising Licence No. 0048-2018-006-1

Cao Thi Ngoc Loan
Audit Practising Licence No. 3030-2019-006-1

Report reference number: HCM7784
Ho Chi Minh City, 25 March 2019

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December 2018 VND	2017 VND
100	**CURRENT ASSETS**		**834,137,339,376**	**955,340,320,956**
110	**Cash and cash equivalents**	3	**259,274,365,156**	**305,246,630,772**
111	Cash		84,874,365,156	91,746,630,772
112	Cash equivalents		174,400,000,000	213,500,000,000
120	**Short-term investment**		**10,000,000,000**	**10,000,000,000**
123	Investments held-to-maturity	4(a)	10,000,000,000	10,000,000,000
130	**Short-term receivables**		**466,052,565,966**	**554,391,326,181**
131	Short-term trade accounts receivable	5	51,978,747,513	51,293,935,955
132	Short-term prepayments to suppliers	6	47,439,279,062	67,258,226,475
136	Other short-term receivables	7	396,634,539,391	435,839,163,751
137	Provision for doubtful debts – short-term	8	(30,000,000,000)	-
140	**Inventories**	9	**32,450,512,124**	**5,219,674,723**
141	Inventories		32,450,512,124	5,219,674,723
150	**Other current assets**		**66,359,896,130**	**80,482,689,280**
151	Short-term prepaid expenses		1,934,832,020	2,313,276,561
152	Value Added Tax ("VAT") to be reclaimed	16	64,249,069,880	77,993,418,489
153	Tax and other receivables from the State Budget		175,994,230	175,994,230
200	**LONG-TERM ASSETS**		**1,378,977,747,034**	**1,512,099,399,501**
210	**Long-term receivable**		**1,000,000,000**	**1,000,000,000**
216	Other long-term receivables		1,000,000,000	1,000,000,000
220	**Fixed assets**		**123,663,524,295**	**127,550,970,232**
221	Tangible fixed assets	10(a)	23,550,923,914	27,438,369,851
222	Historical cost		80,333,365,291	82,931,136,800
223	Accumulated depreciation		(56,782,441,377)	(55,492,766,949)
227	Intangible fixed assets	10(b)	100,112,600,381	100,112,600,381
228	Historical cost		101,191,223,281	101,191,223,281
229	Accumulated amortisation		(1,078,622,900)	(1,078,622,900)
230	**Investment properties**	11	**754,507,028,719**	**798,206,727,644**
231	Historical cost		852,074,158,578	855,878,984,242
232	Accumulated depreciation		(97,567,129,859)	(57,672,256,598)
240	**Long-term asset in progress**		**1,008,844,876**	**65,525,795,256**
242	Construction in progress	12	1,008,844,876	65,525,795,256
250	**Long-term investments**		**388,880,912,885**	**402,850,483,220**
251	Investments in subsidiaries	4(b)	400,311,972,126	444,163,734,876
252	Investment in associate	4(b)	14,359,957,249	14,359,957,249
253	Investments in other entity	4(b)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(b)	**(27,791,016,490)**	**(57,673,208,905)**
260	**Other long-term assets**		**109,917,436,259**	**116,965,423,149**
261	Long-term prepaid expenses	13	106,606,581,738	116,965,423,149
262	Deferred income tax assets	14	3,310,854,521	-
270	**TOTAL ASSETS**		**2,213,115,086,410**	**2,467,439,720,457**

The notes on pages 9 to 44 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December 2018 VND	2017 VND
300	**LIABILITIES**		**832,961,326,725**	**1,034,948,558,910**
310	**Short-term liabilities**		**497,866,001,918**	**673,834,627,732**
311	Short-term trade accounts payable	15	306,248,291,569	329,939,661,028
312	Short-term advances from customers		-	54,033,763,082
313	Tax and other payables to the State Budget	16	4,764,188,760	6,676,274,148
314	Payable to employees		13,222,392,084	13,711,259,260
315	Short-term accrued expenses		3,052,206,219	-
318	Short-term unearned revenue	17(a)	27,272,727,273	27,272,727,273
319	Other short-term payables	18(a)	62,290,912,731	174,001,951,846
320	Short-term borrowings	19(a)	28,572,727,562	21,787,573,927
322	Bonus and welfare fund	20	52,442,555,720	46,411,417,168
330	**Long-term liabilities**		**335,095,324,807**	**361,113,931,178**
336	Long-term unearned revenue	17(b)	47,727,272,747	75,000,000,011
337	Other long-term payables	18(b)	7,457,627,285	7,231,927,285
338	Long-term borrowings	19(b)	279,910,424,775	278,882,003,882
400	**OWNERS' EQUITY**		**1,380,153,759,685**	**1,432,491,161,547**
410	**Capital and reserves**		**1,380,153,759,685**	**1,432,491,161,547**
411	Owners' capital	21, 22	866,001,240,000	866,001,240,000
411a	*- Ordinary shares with voting rights*		*866,001,240,000*	*866,001,240,000*
412	Share premium	22	133,918,052,614	133,918,052,614
415	Treasury shares	22	(14,595,110,632)	-
418	Investment and development fund	22	159,111,461,673	159,111,461,673
421	Undistributed earnings	22	235,718,116,030	273,460,407,260
421a	*- Undistributed post-tax profits of previous years*		*160,532,283,908*	*164,198,966,680*
421b	*- Post-tax profit of current year*		*75,185,832,122*	*109,261,440,580*
440	**TOTAL RESOURCES**		**2,213,115,086,410**	**2,467,439,720,457**

S.Đ.K.K.D: 0300452060-C.T.C.P
TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
QUẬN 1 TP. HỒ CHÍ MINH

Pham Thi Ninh	Nguyen Thi Thanh	Phung Tuan Ha
Preparer	Chief Accountant	Chairman
		25 March 2019

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code		Note	Year ended 31 December 2018 VND	2017 VND
01	**Revenue from sales of goods and rendering of services**		**324,165,750,324**	**229,909,769,396**
02	Less deductions		-	-
10	**Net revenue from sales of goods and rendering of services**	25	**324,165,750,324**	**229,909,769,396**
11	**Cost of goods sold and services rendered**	26	**(263,334,737,186)**	**(151,877,410,152)**
20	**Gross profit from sales of goods and rendering of services**		**60,831,013,138**	**78,032,359,244**
21	Financial income	27	101,020,233,014	100,064,227,380
22	Financial expenses		(10,963,604)	(6,231,740,449)
23	*- Including: Interest expense*		-	*(5,657,611,477)*
25	Selling expenses	28	(3,486,629,998)	(2,684,889,163)
26	General and administration expenses	29	(78,433,755,988)	(50,658,597,059)
30	**Net operating profit**		**79,919,896,562**	**118,521,359,953**
31	Other income		1,677,274,736	48,651,109
32	Other expenses		(702,227,844)	-
40	**Net other income**		**975,046,892**	**48,651,109**
50	**Net accounting profit before tax**		**80,894,943,454**	**118,570,011,062**
51	**Business income tax - current**	30	**(9,019,965,853)**	**(9,308,570,482)**
52	**Business income tax - deferred**	14, 30	**3,310,854,521**	**-**
60	**Net profit after tax**		**75,185,832,122**	**109,261,440,580**

Pham Thi Ninh
Preparer

Nguyen Thi Thanh
Chief Accountant

S.Đ.K.K.D: 0300452060 - C.T.C.P
TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
QUẬN 1 TP. HỒ CHÍ MINH

Phung Tuan Ha
Chairman
25 March 2019

The notes on pages 9 to 44 are an integral part of these separate financial statements.

SEPARATE CASH FLOW STATEMENT
(Indirect method)

Code		Note	Year ended 31 December 2018 VND	2017 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit before tax**		**80,894,943,454**	**118,570,011,062**
	Adjustments for:			
02	Depreciation and amortisation		45,323,435,099	57,301,974,261
03	Provisions		30,000,000,000	572,715,063
04	Unrealised foreign exchange gains		-	(1,572,076)
05	Profits from investing activities		(101,019,565,353)	(90,607,138,664)
06	Interest expense		-	5,657,611,477
08	**Operating profit before changes in working capital**		**55,198,813,200**	**91,493,601,123**
09	Decrease/(increase) in receivables		124,970,201,147	(169,513,732,895)
10	Decrease/(increase) in inventories		37,315,905,755	(4,927,758,865)
11	(Decrease)/increase in payables		(210,463,927,860)	24,239,395,902
12	Decrease in prepaid expenses		10,737,285,952	4,391,063,784
15	Business income tax paid		(8,749,051,497)	(9,003,349,106)
17	Other payments on operating activities		(1,378,336,000)	(12,375,209,804)
20	**Net cash inflows/(outflows) from operating activities**		**7,630,890,697**	**(75,695,989,861)**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets		(864,436,955)	(27,280,242,949)
25	Investment in other entity		(748,237,250)	-
26	Proceeds from divestment in other entity		1,100,000,000	6,476,500,000
27	Dividends and interest received		55,215,961,566	59,006,656,998
30	**Net cash inflows from investing activities**		**54,703,287,361**	**38,202,914,049**
	CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share repurchases		(14,595,110,632)	-
33	Proceeds from borrowings		31,726,800,000	54,260,953,406
34	Repayments of borrowings		(23,913,225,472)	(21,793,173,523)
36	Dividends paid		(101,524,907,570)	(84,436,810,970)
40	**Net cash outflows from financing activities**		**(108,306,443,674)**	**(51,969,031,087)**
50	**Net decrease in cash and cash equivalents**		**(45,972,265,616)**	**(89,462,106,899)**
60	**Cash and cash equivalents at beginning of year**	3	**305,246,630,772**	**394,707,165,595**
61	Effect of foreign exchange differences		-	1,572,076
70	**Cash and cash equivalents at end of year**	3	**259,274,365,156**	**305,246,630,772**

Major non-cash transactions in the year were described in Note 32.

S.Đ.K.K.D: 0300452060 - C.T.C.P
TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
QUẬN 1 - TP. HỒ CHÍ MINH

Pham Thi Ninh	Nguyen Thi Thanh	Phung Tuan Ha
Preparer	Chief Accountant	Chairman
		25 March 2019

The notes on pages 9 to 44 are an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 GENERAL INFORMATION

PetroVietnam General Services Joint Stock Company ("the Corporation") was established in SR of Vietnam pursuant to Business registration certificate No. 4103005338 dated 29 September 2006 and the 18th amendment dated 23 May 2016 which were issued by the Department of Planning and Investment of Ho Chi Minh City. The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group (the "Group" or "PVN").

The Corporation's shares were officially listed on Ho Chi Minh City Stock Exchange ("HOSE") on 12 September 2007 with stock symbol "PET" pursuant to Decision No. 94/QD-SGDHCM issued by the General Director of the HOSE on 13 August 2007.

The principal activities of the Corporation include:

- support and management services, and human resources services;
- lease of warehouses, workshops, premises and office;
- real estate development trading and management; and
- sale of supplies, office equipment, and audio-visual equipment

The normal business cycle of the Corporation is within 12 months.

As at 31 December 2018, the Corporation had 11 direct subsidiaries, 3 indirect subsidiaries and 1 direct associate.

Details of 11 direct subsidiaries and 1 direct associate are presented in Note 4. Details of 3 indirect subsidiaries are presented as follows:

No	Name	Principal activities	Place of incorporation	Percentage of ownership	Percentage of voting right
1	Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Trading of electronic devices, refrigeration appliances, and electronic household appliances	Ho Chi Minh City	40.81%	51%
2	Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Wholesale of solid, liquid and gaseous fuels and related products	Nha Trang	99.79%	100%
3	Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	Providing heavy transportation and lifting services	Ho Chi Minh City	22.44%	51%

As at 31 December 2018, the Corporation had 43 employees (as at 31 December 2017: 51 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

The separate financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements. The separate financial statements have been prepared under the historical cost convention.

The accompanying separate financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

The separate financial statements in Vietnamese language are the official statutory separate financial statements of the Company. The separate financial statements in English language have been translated from the Vietnamese language separate financial statements.

Separately, the Corporation has also prepared consolidated financial statements for the Corporation and its subsidiaries in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the eliminated financial statements, subsidiary undertakings – which are those companies over which the Corporation has the power to govern the financial and operating policies – have been fully consolidated.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 2018 in order to obtain full information of the financial position and results of operations and cash flows of the Corporation and its subsidiaries.

2.2 Fiscal year

The Corporation's fiscal year is from 1 January to 31 December.

2.3 Currency

The separate financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the separate income statement.

Monetary assets and liabilities denominated in foreign currencies at the separate balance sheet date are respectively translated at the buying and selling exchange rates at the separate balance sheet date of the commercial banks where the Corporation regularly trades. Foreign currencies deposited in commercial banks at the separate balance sheet date are translated at the buying exchange rate of the commercial banks where the Corporation opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate income statement.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.5 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Chairman of all outstanding amounts at the year end. Bad debts are written off when identified.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Inventories

Inventories mostly are properties for sales being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation and other inventories. Inventories are stated at the lower of cost and net realisable value. Cost of properties for sales includes land costs and construction costs of infrastructure, other direct and overhead expenses incurred in bringing the inventories to their present location and condition. Cost of other inventories is determined by the specific dentification method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The Corporation applies the perpetual method for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease in operating expenses in the year.

2.7 Investments

(a) Investments held-to-maturity

Investments held-to-maturity are investments which the Chairman has positive intention and ability to hold until maturity.

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or the whole of the investments is uncollectible.

(b) Investments in subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity.

Investments in subsidiaries are accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investments.

(c) Investment in associate

Associate is the investment that the Corporation has significant influence but not control and would generally have from 20% to under 50% voting shares of the investee.

Investment in associate is accounted for at cost less provision for diminution in value. Provision for diminution in value is made when there is an impairment of the investment.

(d) Investment in other entity

Investment in other entity is investment in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. This investment is initially recorded at cost.

Regarding the investments in listed shares or the investments which its fair value can be determined reliably, the provision is made when the cost is higher than the market value. For other investments, provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets.

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates of each asset class are as follows:

Buildings and structures	2% - 20%
Machinery and equipment	14% - 50%
Motor vehicles	10% - 17%
Office equipment	20% - 33%
Computer software	12.5%

Land use rights with indefinite useful life are recorded at historical cost and are not amortised.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the separate income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Corporation's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.9 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

2.10 Investment properties

Cost of an investment property comprises the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Depreciation

Investment properties held for lease are depreciated on the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual rates used are as follows:

Buildings and structures	2% - 33%

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet and mainly comprise prepaid office rental and warehouse rental. Prepaid expenses are recorded at historical cost and allocated using the straight line method over estimated useful lives.

2.12 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables including non-trade payables, and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the separate balance sheet based on remaining period from the separate balance sheet date to the maturity date.

2.13 Borrowing

Borrowings include borrowings from banks and other entities.

Borrowings are classified into long-term and short-term based on remaining period from the separate balance sheet date to the maturity date.

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the year of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the separate income statement when incurred.

2.14 Accrued expenses

Accrued expenses include liabilities for goods and services received in the period but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2.15 Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.16 Unearned revenue

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Corporation records unearned revenue for the future obligations that the Corporation has to conduct.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Capital and reserves

(a) Owners' capital

Owners' capital is recorded according to actual amount contributed and are recorded according to par value of the share.

(b) Share premium

Share premium is the difference between the par value and the issue price of shares and the difference between the repurchase price and re-issuing price of treasury shares.

(c) Treasury shares

Treasury shares are shares issued by the Corporation and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on Securities.

(d) Undistributed earnings

Undistributed earnings record the Corporation's accumulated results after business income tax at the reporting date.

2.18 Appropriation of net profit after business income tax ("BIT")

Dividends are recognised as a liability in the separate financial statements in the year in which the dividends are approved by shareholders at the Annual General Meeting of Shareholders.

Net profit after BIT could be distributed to shareholders after approval at Annual General Meeting of Shareholders, and after appropriation to other funds in accordance with the Corporation's charter and Vietnamese regulations..

The Corporation's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from net profit of the Corporation and subject to shareholders' approval at the General Meeting. This fund is used for expanding and developing the business of the Corporation.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Corporation's net profit and subject to shareholders' approval at the General Meeting. This fund is used for rewarding and encouraging, enhancing the physical and mental well-being of the employees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition

(a) Revenue from sales of goods

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

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

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of "substance over form" and allocated to each sales obligation. In case that the Corporation gives promotional goods to customers associated with customers' purchase, the Corporation allocates total consideration received for goods sold and promotional goods. Cost of promotional goods is recognised as cost of sales in the seperate income statement.

(b) Revenue from sale of real estate

Revenue from sale of real estate is recognised in the separate income statement when the real estate has been completed and the Company has transferred significant risks and rewards of ownership to the buyer. Revenue from sale of real estate is recognised in the separate income statement when all five (5) following conditions are satisfied:

- The real estate has been completed, and the Company has transferred to the buyer the significant risks and rewards of ownership of the real estate;
- The Company no longer holds the right to manage the real estate as the real estate's owner nor the right to control the real estate;
- The amount of revenue can be measured reliably;
- The Company has received or entitled to receive economic benefits from the sale of the real estate; and
- The costs incurred or to be incurred in respect of the real estate can be measured reliably.

(c) Revenue from rendering of services

Revenue from rendering of services is recognised in the separate income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Revenue recognition (continued)

(d) Revenue from operating leases

Revenue from operating leases is recognised on a straight-line basis over the lease term.

(e) Interest income

Interest income is recognised on an earned basis.

(f) Dividend income

Income from dividend is recognised when the Corporation has established the receiving right from investees.

2.20 Sales deductions

Sales deductions include trade discounts, sales returns and allowances. Sales deductions incurred in the same period of the related sales of products, goods and services are recorded as deduction of revenue of that period.

Sales deductions for products, goods or services which are sold in the year but are incurred after the separate balance sheet date but before the issuance of the separate financial statements are recorded as deduction of revenue of the period.

2.21 Cost of goods sold and services rendered

Cost of goods sold and services rendered are cost of finished goods, merchandises, materials sold or services provided during the year, and recorded on the basis of matching with revenue and on prudent concept.

2.22 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities, expenses of lending and borrowing, provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies, and losses from foreign exchange differences.

2.23 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, maintenance charges, packaging, and transportation.

2.24 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff (salaries, wages, allowances, etc.); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials, tools and supplies, depreciation and amortisation of fixed assets used for administration; land rental, licence tax; provision for bad debts; outside services, and other expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the separate balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Corporation, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including Chairman, directors of the Corporation and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering the related party relationship, the Corporation considers the substance of the relationship not merely the legal form.

2.27 Segment reporting

A segment is a component which can be separated by the Corporation engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Corporation's business segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Corporation's separate financial statements in order to help users of separate financial statements understand and evaluate the Corporation's operations in a comprehensive way.

2.28 Accounting estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of the separate financial statements requires the Chairman to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the seperate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Chairman' best knowledge, actual results may differ from those estimates and assumptions.

3 CASH AND CASH EQUIVALENTS

	2018 VND	2017 VND
Cash on hand	603,512,941	401,792,891
Cash at bank	84,270,852,215	91,344,837,881
Cash equivalents (*)	174,400,000,000	213,500,000,000
	259,274,365,156	305,246,630,772

(*) Cash equivalents include term deposits with the original maturity of three months or less, and earn interest at the average rates ranging from 4.5% to 5.2% per annum (year 2017: 4.2% to 5.5% per annum).

As at 31 December 2018 and as at 31 December 2017, included in above cash equivalents are two term deposits amounting to VND29,600,000,000 and VND13,000,000,000 at a commercial bank which was pledged as a collateral asset for the deferred revenue advanced from Nghi Son Refinery and Petrochemical Limited Liability Company.

4 INVESTMENTS

(a) Investments held-to-maturity

	2018		2017	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000

Term deposits include bank deposits in VND with the remaining maturity of less than 12 months, and earn interest at the rate of 5.5% per annum (year 2017: 5.5% per annum).

As at 31 December 2018 and as at 31 December 2017, the above term deposits have been pledged as collateral assets for borrowings granted to Smart Convergence Joint Stock Company, a subsidiary of the Corporation (Note 32(b)).

4 INVESTMENTS (continued)

(b) Long-term investments

	2018			2017		
	Cost VND	Provision VND	Net book value VND	Cost VND	Provision VND	Net book value VND
Investments in subsidiaries (i)	400,311,972,126	(25,791,016,490)	374,520,955,636	444,163,734,876	(55,673,208,905)	388,490,525,971
Investment in associate (ii)	14,359,957,249	-	14,359,957,249	14,359,957,249	-	14,359,957,249
Investment in other entity (iii)	2,000,000,000	(2,000,000,000)	-	2,000,000,000	(2,000,000,000)	-
	416,671,929,375	(27,791,016,490)	388,880,912,885	460,523,692,125	(57,673,208,905)	402,850,483,220

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries

Details of investments in subsidiaries as at 31 December 2018 are as follows:

No	Company	Principal activities	Place of incorporation and operation	2018 Ownership %	2018 Voting right %	2018 Cost VND	2018 Fair value VND	2018 Provision VND	2017 Ownership %	2017 Voting right %	2017 Cost VND	2017 Fair value VND	2017 Provision VND
1	Petroleum General Distribution Services Joint Stock Company ("PSD") (i)	Distribution of telecommunication and electronic equipment	Ho Chi Minh City	80.02	80.02	113,600,000,000	308,764,800,000	-	80.02	80.02	113,600,000,000	306,720,000,000	-
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-
3	PetroVietnam Assets Management Joint Stock Company ("PSA") (ii)	Operating in property management and services	Ha Noi	78.61	78.61	58,962,908,969	(*)	-	78.61	78.61	58,962,908,969	(*)	-
4	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Vung Tau	70	70	64,341,999,232	(*)	-	70	70	64,341,999,232	(*)	-
5	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	31,681,662,678	(*)	-	60	60	31,681,662,678	(*)	-
6	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic, components, peripheral devices and software	Ho Chi Minh City	55	55	16,500,000,000	(*)	(16,500,000,000)	55	55	16,500,000,000	(*)	(16,500,000,000)
7	Petrosetco SSG Company Limited ("PSSSG") (iii)	Real estate business	Ho Chi Minh City	21,46	51	10,733,401,247	(*)	-	20,27	51	9,985,163,997	(*)	-
8	Petrosetco Retail Services Joint Stock Company ("PSR")	Mobile phones retailing	Ho Chi Minh City	72.75	75	7,650,000,000	(*)	(7,650,000,000)	72.75	75	7,650,000,000	(*)	(7,650,000,000)
9	Petroleum Logistics Service Joint Stock Company ("PSL") (iv)	Transportation service	Ho Chi Minh City	44	67	6,600,000,000	(*)	-	44	67	6,600,000,000	(*)	-
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-
11	Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale") (v)	Providing heavy transportation and lifting services	Ho Chi Minh City	-	-	-	-	-	51	51	5,100,000,000	(*)	-
12	Petroleum Trading Services Company Limited ("PST") (vi)	Liquidated	Ho Chi Minh City	-	-	-	-	-	100	100	39,500,000,000	(*)	(29,882,192,415)
13	Petroleum Saigon General Services Company Limited ("PSG") (vi)	Stopped operations and on liquidation process	Ho Chi Minh City	100	100	10,400,000,000	(*)	(1,641,016,490)	100	100	10,400,000,000	(*)	(1,641,016,490)
						400,311,972,126		(25,791,016,490)			444,163,734,876		(55,673,208,905.00)

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

(*) As at 31 December 2018 and 31 December 2017, the fair values of the investments in subsidiaries were not available as they are not listed on the Stock Exchange.

(i) The fair value of the investment in PSD as at 31 December 2018 was determined based on the closing price of the closest transaction date before 31 December 2018.

As at 31 December 2018, 20,448,000 shares of PSD, have been pledged as collateral assets for the deferred revenue advanced from Nghi Son Refinery and Petrochemical Limited Liability Company (Note 34(d)).

(ii) As at 31 December 2018, 5,345,200 shares of PSA has been pledged as collateral assets for the borrowings of the Corporation (Note 19).

(iii) As at 31 December 2018 and as at 31 December 2017, although the Corporation's ownership in PSSSG was only 21.46% and 20.27%, respectively, the Corporation still had the authority to exercise its power over the financial and operational policies of PSSSG through its representatives in the Board of Management of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.

(iv) As at 31 December 2018 and as at 31 December 2017, although the Corporation's ownership in PSL was only 44%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSL through its representatives in the Board of Management of PSL. Therefore, the Corporation controls PSL and PSL has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.

(v) According to Resolution No. 01/NQ-DVTHDK dated 3 January 2018 on the Corporation's restructuring plan and the Share Transfer Agreement No. 01/2018/PETROSETCO-ALE dated 2 February 2018, the Corporation transferred its entire share capital in Petrosetco - Ale amounting to VND5.1 billion to PSL at a transfer price of VND5.1 billion.

(vi) According to Decision No. 313/QD-DVTHDK-HDQT and 314/QD-DVTHDK-HDQT dated 26 December 2011, the Corporation's Board of Management decided to dissolve PST and PSG from 1 January 2012.

According to Notice No. 975037/18 dated 14 November 2018 of the Department of Planning and Investment of Ho Chi Minh City , the Business Registration Office of Ho Chi Minh City confirmed that PST had completed its liquidation process as required under current regulations.

Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. From 2013 until now, PSG has had no business activities incurred.

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(ii) Investment in associate

Details of the investment in associate are as follows:

Company	Principal activities	Place of incorporation and operation	2018 Ownership and voting right %	2018 Cost VND	2018 Fair value VND	2018 Provision VND	2017 Ownership and voting right %	2017 Cost VND	2017 Fair value VND	2017 Provision VND
Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau	24	14,359,957,249	(*)	-	24	14,359,957,249	(*)	-

(*) As at 31 December 2018 and 31 December 2017, the fair value of the investment in associate was not available as this entity is not listed on the Stock Exchange.

(iii) Investment in other entity

Details of the investment in other entity are as follows:

Company	2018 Ownership and voting rights %	2018 Cost VND	2018 Provision VND	2018 Net book value VND	2017 Ownership and voting rights %	2017 Cost VND	2017 Provision VND	2017 Net book value VND
PetroVietnam Central Biofules Joint Stock Company	2	2,000,000,000	(2,000,000,000)	-	2	2,000,000,000	(2,000,000,000)	-

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2018 VND	2017 VND
Third parties		
Human Resource Development Company Limited	*10,923,500,000*	*12,023,500,000*
Others	*5,654,011,851*	*577,663,258*
	16,577,511,851	12,601,163,258
Related parties (Note 33(b))	35,401,235,662	38,692,772,697
	51,978,747,513	51,293,935,955

As at 31 December 2018 and 31 December 2017, there was no balance of short-term trade accounts receivable that was past due or not past due but doubtful.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2018 VND	2017 VND
Third parties		
Tan Lien Phat Investment and Construction Joint Stock Company	*42,662,223,802*	*42,662,223,802*
Cuong Thinh Construction and Trading Joint Stock Company	-	*20,059,023,213*
Others	*4,777,055,260*	*4,536,979,460*
	47,439,279,062	67,258,226,475

7 OTHER SHORT-TERM RECEIVABLES

	2018		2017	
	Book value VND	Provision VND	Book value VND	Provision VND
Dividend receivables from related parties (Note 33(b))	24,394,350,028	-	25,074,000,000	-
Shares transfer receivable from a related party (Note 33(b))	5,100,000,000	-	-	-
Other receivables from related parties (Note 33(b))	331,986,276,275	(30,000,000,000)	373,565,503,854	-
Interest receivables	673,879,452	-	772,815,278	-
Others	34,480,033,636	-	36,426,844,619	-
	396,634,539,391	(30,000,000,000)	435,839,163,751	-

8 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

Provision for doubtful debts – short-term represents the provision made for other short-term receivables from a subsidiary relating to the working capital support.

9 INVENTORIES

	2018		2017	
	Cost VND	Provision VND	Cost VND	Provision VND
Real estate for sales (*)	32,450,512,124	-	-	-
Other merchandises	-	-	5,219,674,723	-
	32,450,512,124	-	5,219,674,723	-

(*) Real estate for sales represents the costs directly attributable to the residential areas of 41D Vung Tau Project at 41D, 30/4 Street, Ward 9, Vung Tau City (" the 41D Vung Tau Project") (Note 12).

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings, structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2018	61,822,169,589	7,509,514,795	9,193,787,843	4,405,664,573	**82,931,136,800**
New purchases	-	-	371,117,267	156,580,000	**527,697,267**
Disposals	(152,000,000)	-	(2,471,999,963)	(501,468,813)	**(3,125,468,776)**
As at 31 December 2018	61,670,169,589	7,509,514,795	7,092,905,147	4,060,775,760	**80,333,365,291**
Accumulated depreciation					
As at 1 January 2018	40,340,037,007	4,939,511,896	6,321,118,224	3,892,099,822	**55,492,766,949**
Charge for the year	2,629,864,176	702,897,041	772,166,797	310,215,190	**4,415,143,204**
Disposals	(152,000,000)	-	(2,471,999,963)	(501,468,813)	**(3,125,468,776)**
As at 31 December 2018	42,817,901,183	5,642,408,937	4,621,285,058	3,700,846,199	**56,782,441,377**
Net book value					
As at 1 January 2018	21,482,132,582	2,570,002,899	2,872,669,619	513,564,751	**27,438,369,851**
As at 31 December 2018	18,852,268,406	1,867,105,858	2,471,620,089	359,929,561	**23,550,923,914**

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2018 was VND18.17 billion (as at 31 December 2017: VND18.04 billion).

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2018 and as at 31 December 2018	100,112,600,381	1,078,622,900	**101,191,223,281**
Accumulated amortisation			
As at 1 January 2018 and as at 31 December 2018	-	1,078,622,900	**1,078,622,900**
Net book value			
As at 1 January 2018 and as at 31 December 2018	100,112,600,381	-	**100,112,600,381**

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2018 and 31 December 2017 was VND1,078,622,900.

11 INVESTMENT PROPERTIES

	Buildings, structures VND
Historical cost	
As at 1 January 2018	855,878,984,242
New purchase	699,257,155
Disposal	(4,504,082,819)
As at 31 December 2018	852,074,158,578
Accumulated depreciation	
As at 1 January 2018	57,672,256,598
Charge for the year	40,908,291,895
Disposals	(1,013,418,634)
As at 31 December 2018	97,567,129,859
Net book value	
As at 1 January 2018	798,206,727,644
As at 31 December 2018	754,507,028,719

11 INVESTMENT PROPERTIES (continued)

Investment properties represent the buildings of the Living Quarters of Nghi Son Refinery and Petrochemical Complex project ("Nghi Son Project") being constructed and held for lease.

As at 31 December 2018 and 31 December 2017, all investment properties have been pledged as collateral assets for the borrowings of the Corporation (Note 19).

In 2018, revenue from investment properties is VND116,376,984,794 (year 2017: VND129,971,620,487).

The Corporation was unable to collect sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 31 December 2018 has not been disclosed in the separate financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the separate balance sheet date.

12 CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	2018 VND	2017 VND
41D Vung Tau	-	64,546,743,156
Others	1,008,844,876	979,052,100
	1,008,844,876	65,525,795,256

Movements of construction in progress during the year are as follows:

	2018 VND	2017 VND
Beginning of year	65,525,795,256	41,785,181,670
Construction	29,792,776	23,740,613,586
Reclassification to inventories	(64,546,743,156)	-
End of year	1,008,844,876	65,525,795,256

13 LONG-TERM PREPAID EXPENSES

Details of long-term prepaid expenses are as follows:

	2018 VND	2017 VND
Office rental (*)	100,947,988,539	101,546,888,137
Tool and supplies	5,658,593,199	13,258,871,384
Warehouse rental	-	1,843,292,178
Others	-	316,371,450
	106,606,581,738	116,965,423,149

(*) This amount represents the prepayment to PVN for office leasing. This office rental prepaid expense is allocated to the separate income statement on a straight-line basis over a period of 50 years from 2010.

13 LONG-TERM PREPAID EXPENSES (continued)

Movements of long-term prepaid expenses during the year are as follows:

	2018 VND	2017 VND
Beginning of year	116,965,423,149	105,815,665,598
Increase	-	316,371,450
Allocation	(10,358,841,411)	(2,425,485,283)
Reclassification from investment properties	-	13,258,871,384
End of year	106,606,581,738	116,965,423,149

14 DEFERRED INCOME TAX ASSETS

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Details of deferred income tax assets are as follows:

	2018 VND	2017 VND
Deferred tax assets:		
Deferred tax assets to be recovered within 12 months	3,310,854,521	-

Movements of deferred income tax assets during the year are as follows:

	2018 VND	2017 VND
Beginning of year	-	-
Income statement credit (Note 30)	3,310,854,521	-
End of year	3,310,854,521	-

15 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2018		2017	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Industry Construction Joint Stock Company	-	-	*42,854,273,564*	*42,854,273,564*
Others	*9,487,692,247*	*9,487,692,247*	*3,483,379,911*	*3,483,379,911*
	9,487,692,247	9,487,692,247	46,337,653,475	46,337,653,475
Related parties (Note 33(b))	296,760,599,322	296,760,599,322	283,602,007,553	283,602,007,553
	306,248,291,569	306,248,291,569	329,939,661,028	329,939,661,028

As at 31 December 2018 and 31 December 2017, the Chairman believes that the Corporation is able to fully repay all short-term trade accounts payable as and when they fall due. There was no balance of short-term trade accounts payable which was past due.

16 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	2018 VND	2017 VND
Business income tax	4,415,290,984	4,144,376,628
Personal income tax	348,897,776	2,531,897,520
	4,764,188,760	6,676,274,148

16 TAX AND OTHER PAYABLES TO THE STATE BUDGET (continued)

Movements of taxes and other payables to the State Budget during the year are as follows:

	As at 1.1.2018 VND	Receivable/ payable during the year VND	Payment during the year VND	Net off between input and output VAT during the year VND	As at 31.12.2018 VND
(a) Tax receivables					
VAT to be reclaimed	77,993,418,489	12,736,823,209	-	(26,481,171,818)	64,249,069,880
(b) Tax payables					
Business income tax	4,144,376,628	9,019,965,853	(8,749,051,497)	-	4,415,290,984
VAT	-	27,705,599,964	(1,224,428,146)	(26,481,171,818)	-
Personal income tax	2,531,897,520	15,689,116,186	(17,872,115,930)	-	348,897,776
Land using fee	-	728,296,041	(728,296,041)	-	-
	6,676,274,148	53,142,978,044	(28,573,891,614)	(26,481,171,818)	4,764,188,760

17 UNEARNED REVENUE

(a) Short-term

	2018 VND	2017 VND
Advanced rental	27,272,727,273	27,272,727,273

(b) Long-term

	2018 VND	2017 VND
Advance rental	47,727,272,747	75,000,000,011

The balance represents the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and rendering of other services to Nghi Son Project (Note 11).

18 OTHER PAYABLES

(a) Short-term

	2018 VND	2017 VND
Payables to related parties for working capital support (Note 33(b))	37,048,237,344	164,525,862,781
Payable for usage funds business activity under requirement (Note 33(b))	3,621,071,804	4,075,406,016
Payable to a related parties for lease contract amendment (Note 33(b))	17,047,122,604	-
Dividends payables (Note 23)	2,045,179,600	1,762,348,200
Others	2,529,301,379	3,638,334,849
	62,290,912,731	174,001,951,846

(b) Long-term

	2018 VND	2017 VND
Payable to the State Budget of the Ba Ria - Vung Tau Province (*)	7,030,627,285	7,030,627,285
Others	427,000,000	201,300,000
	7,457,627,285	7,231,927,285

(*) The balance represents land rental payable to the State Budget of Ba Ria - Vung Tau Province relating to the Land Rental Contract No. 14/HDTD dated 25 January 1996 for lots No. 8 and No. 9 at Hoang Dieu Street, Vung Tau City. The annual rental payable is based on the notification of the State Budget of Ba Ria - Vung Tau Province.

19 BORROWINGS

(a) Short-term borrowings – Current portion of long-term borrowings

	As at 1.1.2018 VND	Increase during the year VND	Decrease during the year VND	Reclassification VND	As at 31.12.2018 VND
Asia Commercial Bank	21,787,573,927	-	(23,913,225,472)	30,698,379,107	28,572,727,562

(b) Long-term borrowings

	As at 1.1.2018 VND	Increase during the year VND	Decrease during the year VND	Reclassification VND	As at 31.12.2018 VND
Asia Commercial Bank	278,882,003,882	31,726,800,000	-	(30,698,379,107)	279,910,424,775

The borrowings with Asia Commercial Bank have credit limit of VND400 billion whose drawdowns will expire on 31 July 2018 and bear interest at the rates adjustable from time to time which are announced by this bank.

The purpose of borrowings are to finance the construction of Nghi Son Project. The term is 9 years from 2016 and the borrowings are secured by assets formed from Nghi Son Project; rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project and 5,345,200 shares of PSA owned by the Corporation (Note 4(b)).

Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project had been capitalised in the value of the investment properties. From 10 October 2016, since Nghi Son Project was put into operation, interest expense is reimbursed by Nghi Son Refinery and Petrochemical Company Limited (Note 31), the lessee of Nghi Son Project.

20 BONUS AND WELFARE FUND

	2018 VND	2017 VND
Beginning of year	46,411,417,168	42,702,789,247
Appropriation from undistributed earnings (Note 22)	9,007,974,552	7,940,578,038
Utilisation	(2,976,836,000)	(4,231,950,117)
End of year	52,442,555,720	46,411,417,168

21 OWNERS' CAPITAL

(a) Number of shares

	2018		2017	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	86,600,124	-	86,600,124	-
Number of shares repurchased (Note 22)	(1,590,310)	-	-	-
Number of existing shares in circulation	85,009,814	-	86,600,124	-

(b) Details of owners' shareholding

	2018		2017	
	Ordinary shares	%	Ordinary shares	%
PVN	20,973,851	24.63	20,973,851	24.22
Other shareholders	64,035,963	75.77	65,626,273	75.78
Number of shares	85,009,814	100	86,600,124	100

(c) Movements of share capital

	Number of shares	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2017	86,600,124	866,001,240,000	-	866,001,240,000
New shares issued	-	-	-	-
As at 31 December 2017	86,600,124	866,001,240,000	-	866,001,240,000
New shares issued	-	-	-	-
As at 31 December 2018	86,600,124	866,001,240,000	-	866,001,240,000

Par value per share: VND10,000.

22 MOVEMENTS IN OWNERS' EQUITY

	Share capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2017	866,001,240,000	133,918,052,614	-	159,111,461,673	258,739,668,718	**1,417,770,423,005**
Net profit for the year	-	-	-	-	109,261,440,580	**109,261,440,580**
Dividends paid	-	-	-	-	(86,600,124,000)	**(86,600,124,000)**
Appropriation to bonus and welfare fund	-	-	-	-	(7,940,578,038)	**(7,940,578,038)**
As at 31 December 2017	866,001,240,000	133,918,052,614	-	159,111,461,673	273,460,407,260	**1,432,491,161,547**
Repurchases of treasury shares (*)	-	-	(14,595,110,632)	-	-	**(14,595,110,632)**
Net profit for the year	-	-	-	-	75,185,832,122	**75,185,832,122**
Dividends paid (**)	-	-	-	-	(103,920,148,800)	**(103,920,148,800)**
Appropriation to bonus and welfare fund (***)	-	-	-	-	(9,007,974,552)	**(9,007,974,552)**
As at 31 December 2018	866,001,240,000	133,918,052,614	(14,595,110,632)	159,111,461,673	235,718,116,030	**1,380,153,759,685**

(*) According to the Resolution No.13/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2018, the Corporation's General Shareholders approved to repurchase a maximum number of 10% of the Corporation's existing shares in circulation as treasury shares. As at 31 December 2018, number of treasury shares registered was 3,000,000 shares and number of shares repurchased was 1,590,310 shares (Note 21(a)).

(**) According to the Resolution No.13/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2018, the Corporation's General Shareholders approved the 2017 dividend at the rate 12% of the par value of shares.

(***) According to the Resolution No.13/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2018, the Corporation's General Shareholders approved the 2017 bonus and welfare fund of of VND6,555,686,435 and the bonus for Board of Management, Board of Directors and Board of Supervisors of VND2,452,288,116.

23 DIVIDENDS PAYABLE

	2018 VND	2017 VND
Beginning of year	1,762,348,200	1,556,413,200
Dividends declared during the year (Note 22)	103,920,148,800	86,600,124,000
Dividends paid by cash	(101,524,907,570)	(84,436,810,970)
Other decreases	(2,462,237,830)	(1,957,378,030)
End of year (Note 18(a))	1,695,351,600	1,762,348,200

24 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

Included in cash and cash equivalents as at 31 December 2018 are balances held in foreign currency of US$2,887.37 (as at 31 December 2017: US$4,679).

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were presented in Note 34(a).

25 REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2018 VND	2017 VND
Revenue from sale of goods	5,470,688,182	-
Revenue from operating leases	151,677,430,524	171,163,055,239
Rendering of management services (Note 33(a))	26,516,033,387	33,195,815,974
Rendering of outsourcing services	34,402,882,666	25,550,898,183
Revenue from sale of properties	106,098,715,565	-
	324,165,750,324	229,909,769,396

26 COST OF GOODS SOLD AND SERVICE RENDERED

	2018 VND	2017 VND
Cost of merchandises sold	5,219,674,723	-
Cost of leasing services rendered	131,390,503,201	127,592,045,190
Cost of outsourcing services rendered	33,723,897,004	24,285,364,962
Cost of real estate sold	93,000,662,258	-
	263,334,737,186	151,877,410,152

27 FINANCIAL INCOME

	2018 VND	2017 VND
Income earned from working capital support (Note 33(a))	3,098,028,499	14,491,075,435
Interest income from deposits	12,247,371,205	13,136,292,882
Dividend income (Note 33(a)))	85,266,990,000	72,435,080,000
Others	407,843,310	1,779,063
	101,020,233,014	100,064,227,380

28 SELLING EXPENSES

	2018 VND	2017 VND
Depreciation	312,212,496	312,212,496
Others	3,174,417,502	2,372,676,667
	3,486,629,998	2,684,889,163

29 GENERAL AND ADMINISTRATION EXPENSES

	2018 VND	2017 VND
Salary expenses	19,475,990,469	15,824,909,887
Management fees	6,041,917,929	6,425,062,580
Office expenses	2,126,643,278	4,424,614,937
Depreciation	771,196,223	4,425,242,098
Tax, fee and legal fee	1,114,203,487	678,340,950
Provision for doutbful debts	30,000,000,000	-
Others	18,903,804,602	18,880,426,607
	78,433,755,988	50,658,597,059

30 BUSINESS INCOME TAX

BIT on the Corporation's accounting profit before tax differs from the theoretical amount that would arise by using the applicable tax rate of 20% as under current tax regulation as follows:

	2018 VND	2017 VND
Net accounting profit before tax	80,894,943,454	118,570,011,062
Tax calculated at a rate of 20%	16,178,988,691	23,714,002,212
Effect of:		
Income not subject to tax	(17,053,398,000)	(14,487,016,000)
Expenses not deductible for tax purposes	6,484,950,641	81,584,270
Other adjustments	98,570,200	-
BIT charge (*)	5,709,111,532	9,308,570,482
Charged to separate income statement:		
BIT - current	9,019,965,853	9,308,570,482
BIT - deferred (Note 14)	(3,310,854,521)	-
	5,709,111,332	9,308,570,482

(*) The BIT charge for financial year is based on the estimated taxable income and is subject to the review and possible adjustments by the tax authorities.

31 COST OF OPERATION BY FACTOR

	2018 VND	2017 VND
Cost of properties sold	93,000,662,258	-
Staff costs	53,658,761,307	40,505,512,699
Depreciation	45,323,435,099	57,301,974,261
Outside service expenses	29,398,403,799	28,469,322,360
Provision for doutbful debts	30,000,000,000	-
Interest expenses reimbursed from Nghi Son Project (Note 19)	29,256,661,676	30,898,152,769
Management fee payables to related parties (Note 33(a))	22,380,309,273	22,763,453,924
Tools and equipment	13,271,223,489	13,070,781,066
Office rental	2,126,643,278	4,424,614,937
Others	21,619,348,270	7,787,084,358
	340,035,448,449	205,220,896,374

32 ADDITIONAL INFORMATION FOR THE ITEMS OF THE SEPARATE STATEMENT OF CASH FLOWS

(a) Non-cash transactions affect the separate statement of cash flows

	2018 VND	2017 VND
Purchase and construction of fixed assets and long-term assets which have not been paid yet	362,517,467	-

(b) Moneys held by the Corporation but restricted to use

Cash equivalent of the Corporation was pledged as a collateral asset for the deferred revenue advanced from Nghi Son Refinery and Petrochemical Limited Liability Company (Note 3).

Investment held-to-maturity of the Corporation was pledged as collateral assets for borrowing contracts of a subsidiary as disclosed in Note 4(a).

(c) Amount of loan actually withdrawn during the year

	2018 VND	2017 VND
Proceeds from borrowings following normal borrowing contracts	31,726,800,000	54,260,953,406

(d) Amount of loan principal actually paid during the year

	2018 VND	2017 VND
Repayments for borrowings following normal borrowing contracts	23,913,225,472	21,793,173,523

33 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 24.6% of the Corporation's share capital (Note 21).

Accordingly, PVN, fellow PVN group subsidiaries, subsidiaries, and an associate of the Corporation are considered the Corporation's related parties.

(a) Related party transactions

During the year, the following significant transactions were carried out with related parties:

	2018 VND	2017 VND
i) Revenue from rendering of services		
Subsidiaries	31,836,591,871	36,552,561,116
Fellow PVN group subsidiaries	143,458,968,654	126,512,251,648
	175,295,560,525	163,064,812,764
ii) Purchases of services		
PVN	15,999,768,000	5,408,667,000
Subsidiaries	22,817,369,186	23,113,015,348
Fellow PVN group subsidiaries	1,329,548,085	446,914,797
	40,146,685,271	28,968,597,145
iii) Purchases of fixed assets		
Subsidiary	362,517,467	-
iv) Compensation of key management		
Gross salaries and other benefits	4,775,916,385	5,782,527,597
v) Management fees		
Fee charged by PVN (Note 31)	6,041,917,929	6,425,062,580
Fee charged by a subsidiary (Note 31)	16,338,391,344	16,338,391,344
Fee charged to subsidiaries (Note 25)	26,516,033,387	33,195,815,974
vi) Income from working capital support		
Fee charged by a subsidiary	-	5,657,611,477
Fee charged to subsidiaries (Note 27)	3,098,028,499	14,491,075,435

33 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2018 VND	2017 VND
vii) Dividend income (Note 27)		
Subsidiaries	85,266,990,000	72,435,080,000
viii) Dividend paid		
PVN	25,169,460,039	20,974,550,033
Subsidiaries	2,581,009,200	2,034,411,000
	27,750,469,239	23,008,961,033
ix) Working cash flow support		
Proceeds from working capital support	2,178,593,015,266	2,454,443,388,042
Repayments for working capital support	2,050,313,619,908	2,463,811,864,513

(b) Year-end balances with related parties

	2018 VND	2017 VND
i) Short-term trade accounts receivable (Note 5)		
Fellow PVN group subsidiaries	35,401,235,662	38,692,772,697
ii) Other short-term receivables (Note 7)		
Subsidiaries	356,380,626,303	398,639,503,854
iii) Short-term trade accounts payable (Note 15)		
Subsidiaries	-	202,473,000
PVN	296,760,599,322	281,314,617,200
Fellow PVN group subsidiaries	-	2,084,917,353
	296,760,599,322	283,602,007,553
iv) Short-term unearned revenue (Note 17(a))		
Fellow PVN group subsidiaries	27,272,727,273	27,272,727,273

33 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	2018 VND	2017 VND
v) Long-term unearned revenue (Note 17(b))		
Fellow PVN group subsidiaries	47,727,272,747	75,000,000,011
vi) Other short-term payables (Note 18(a))		
PVN	3,621,071,804	4,075,406,016
Subsidiaries	37,048,237,344	164,525,862,781
Fellow PVN group subsidiaries (*)	17,047,122,604	-
	57,716,431,752	168,601,268,797

(*) Other short-term payables to fellow group subsidiaries represent the adjustments to the revenue from operating leases in 2018.

34 COMMITMENTS

(a) Commitments under operating leases

(i) The Corporation as the lessee

The Corporation signed the operating land lease agreement over a period of 70 years from the year 2009 with the Management Board of Nghi Son Economic Zone. Accordingly, the Corporation is exempted from land use fee until 2022. As at 31 December 2018, the future minimum lease payments under operating leases were as follows:

	Land rental	
	2018 VND	2017 VND
Between one and five years	967,806,553	-
Over five years	53,229,360,415	54,197,166,968
Total minimum payments	54,197,166,968	54,197,166,968

(ii) The Corporation as the lessor

The Corporation signed the operating lease agreement for Nghi Son Project and for office sublease contracts, accordingly as at 31 December 2018, the future minimum lease receivables under operating leases were as follows:

	Operating leases	
	2018 VND	2017 VND
Within one year	109,586,723,729	89,933,899,546
Between one and five years	349,657,411,749	359,735,598,184
Over five years	223,083,637,210	337,252,123,298
Total minimum receipts	682,327,772,688	786,921,621,028

34 COMMITMENTS (continued)

(b) Capital contribution commitments

As at 31 December 2018, the progress of charter capital contribution commitments is as follows:

	As per Business Registration Certificate VND	The Corporation's ownership %	Capital contributed as at 31.12.2018 VND	Capital to be contributed as at 31.12.2018 VND
Petrosetco SSG Company Limited ("PSSSG")	229,500,000,000	51	10,733,401,247	218,766,598,753
Saigon Investment Trading Technology Joint Stock Company ("ITS") (*)	20,000,000,000	40	-	20,000,000,000
	249,500,000,000		10,733,401,247	238,766,598,753

(*) According to Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Management decided to invest in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. As at 31 December 2018, the shareholders of ITS have not yet contributed their capital obligations.

(c) Commitments of credit guarantees

As at 31 December 2018, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with total amount of VND3,812.6 billion and USD30 million; and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with total amount of USD7 million. Accordingly, the Corporation is liable to repayments of principals, interests, guarantee costs and other underwriting expenses to suppliers and bankers in case the Corporation's subsidiaries are not able to repay or repay on a timely manner.

(d) Other commitments

As at 31 December 2018, the Corporation had a guarantee contract amounting to VND150 billion with a commercial bank to guarantee the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited.

35 SEGMENT REPORTING

Geographical segment

The Corporation does not have any operation outside the territory of Vietnam. Therefore, no geographical business segment has been presented.

Business activity segment

Information of revenue and cost of sales by business activity segment based on the activities of the Corporation has been as follows:

	Year ended 31 December 2018				
	Operating leases VND	Outsourced services VND	Management services VND	Sales of real estate and goods VND	Total VND
Net revenue from sales of goods and rendering of services	151,677,430,524	34,402,882,666	26,516,033,387	111,569,403,747	**324,165,750,324**
Cost of goods sold and services rendered	(131,390,503,201)	(33,723,897,004)	-	(98,220,336,981)	**(263,334,737,186)**
Gross profit from sales of goods and rendering of services	20,286,927,323	678,985,662	26,516,033,387	13,349,066,766	**60,831,013,138**

	Year ended 31 December 2017				
	Operating leases VND	Outsourced services VND	Management services VND	Sales of real estate and goods VND	Total VND
Net revenue from sales of goods and rendering of services	**171,163,055,239**	**25,550,898,183**	**33,195,815,974**	**-**	**229,909,769,396**
Cost of goods sold and services rendered	**(127,549,785,060)**	**(24,327,625,092)**	**-**	**-**	**(151,877,410,152)**
Gross profit from sales of goods and rendering of services	**43,613,270,179**	**1,223,273,091**	**33,195,815,974**	**-**	**78,032,359,244**

36 CONTINGENT LIABILITIES

The Corporation signed land and office lease contracts with its suppliers to conduct the business activties. According to the Civil Law No. 91/2015/QH13 dated 24 Novemeber 2015, the Corporation has to return leased property in the same condition in which it was received, except for normal wear and tear, or in the agreed condition. If the value of the leased property decreases in comparison with its condition at the time it was received, the lessor has the right to ask for compensation for any damage, except for normal wear and tear.

According to Vietnamese Accounting Standard No. 18 – *Provision and Contingent assets and liabilities* and Circular No.200/2014/TT-BTC - *Providing guidance on Corporate Accounting System* issued by the Ministry of Finance on 24 December 2014, the Corporation is required to provide for dismantling and restoration costs of the Corporation's leased premises at the end of rental period. However, as at 31 December 2018, the Board of Directors has not yet come up with a reliable estimate for the dismantling and restoration costs relating to the aforementioned rental contracts. Therefore, the Corporation has not recorded a provision for dismantling costs in the separate financial statements.

37 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

The separate financial statements were approved by the Chairman on 25 March 2019.

TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ
S.Đ.K.K.D: 0300452060-C.T.C.P
QUẬN 1 TP. HỒ CHÍ MINH

Pham Thi Ninh	Nguyen Thi Thanh	Phung Tuan Ha
Preparer	Chief Accountant	Chairman