PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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FOR THE YEAR ENDED 31 DECEMBER 2020

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PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise registration certificate	No. 4103005338 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City with the latest 18th amended Enterprise registration certificate dated 23 May 2016	
Board of Directors	Mr. Phung Tuan Ha	Chairman
	Ms. Le Thi Chien	Member
	Mr. Vu Tien Duong	Member
	Ms. Pham Thi Hong Diep	Member
	Ms. Vu Viet Anh	Member (appointed from 26 June 2020)
	Mr. Kim Kang Ho	Member (resigned from 3 January 2020)
Board of Internal Audit	Ms. Nguyen Quynh Nhu	Head (appointed from 1 January 2020)
	Mr. Le Minh Kha	Member (appointed from 9 May 2020)
	Mr. Tran Cong Luan	Member (appointed from 20 June 2020)
	Mr. Hoang Dang Anh	Member (resigned from 5 January 2020)
Board of Management	Mr. Vu Tien Duong	General Director
	Mr. Ho Minh Viet	Deputy General Director
	Ms. Pham Thi Hong Diep	Deputy General Director
	Mr. Huynh Van Ngan	Deputy General Director (appointed from 1 January 2020)
	Mr. Dao Van Dai	Deputy General Director (appointed from 1 January 2020)
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 RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Board of Directors ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Parent Company") is responsible for preparing the consolidated financial statements of the parent Company and its subsidiaries (collectively referred to as "the Corporation") which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2020, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Chairman is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated 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 consolidated financial position of the Corporation and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated 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 or errors.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 5 to 62 which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2020, and of the consolidated results of its operations and its consolidated 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 consolidated financial statements.

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
31 March 2021

pwc

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

We have audited the accompanying consolidated financial statements of PetroVietnam General Services Joint Stock Company ("the Parent Company") and its subsidiaries ("the Corporation") which were prepared on 31 December 2020 and approved by the Chairman on 31 March 2021. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements, as set out on pages 5 to 62.

The Chairman's Responsibility

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Corporation's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal controls. 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2020, its consolidated financial performance and consolidated 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 consolidated 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 versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited

CÔNG TY TNHH PWC (VIỆT NAM)

Tran Thi Thanh Truc
Audit Practising Licence:
No. 3047-2019-006-1
Authorised signatory

Thai Van Cuong
Audit Practising Licence:
No. 3435-2020-006-1

Report reference number: HCM10684
Ho Chi Minh City, 31 March 2021

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Notes	As at 31 December 2020 VND	2019 VND
100	**CURRENT ASSETS**		**5,083,111,172,737**	**3,715,299,217,677**
110	**Cash and cash equivalents**	3	**1,808,197,263,570**	**816,407,457,540**
111	Cash		695,119,391,348	435,089,509,540
112	Cash equivalents		1,113,077,872,222	381,317,948,000
120	**Short-term investments**		**218,009,602,376**	**99,200,576,454**
121	Trading securities	4(a)	68,112,415,100	186,138
122	Provision for diminution in value of trading securities	4(a)	-	(152,538)
123	Investments held-to-maturity	4(b)	149,897,187,276	99,200,542,854
130	**Short-term receivables**		**2,086,126,253,579**	**1,451,095,996,327**
131	Short-term trade accounts receivable	5	1,654,532,686,040	1,335,173,232,707
132	Short-term prepayments to suppliers	6	444,352,143,117	164,176,048,240
135	Short-term lending		-	941,130,000
136	Other short-term receivables	7(a)	262,978,885,045	162,552,004,257
137	Provision for doubtful debts – short-term	8	(275,737,460,623)	(211,746,418,877)
140	**Inventories**	9	**783,792,091,015**	**1,121,577,450,141**
141	Inventories		811,313,791,115	1,144,702,735,496
149	Provision for decline in value of inventories		(27,521,700,100)	(23,125,285,355)
150	**Other current assets**		**186,985,962,197**	**227,017,737,215**
151	Short-term prepaid expenses		5,502,784,681	8,580,003,423
152	Value Added Tax ("VAT") to be reclaimed	10(a)	180,271,228,208	215,797,255,034
153	Tax and other receivables from the State	10(a)	1,211,949,308	2,640,478,758

The notes on pages 10 to 62 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS	Notes	As at 31 December 2020 VND	As at 31 December 2019 VND
200	**LONG-TERM ASSETS**		**1,237,645,367,371**	**1,251,035,283,681**
210	**Long-term receivable**		**31,495,682,041**	**31,380,277,552**
216	Other long-term receivables	7(b)	31,495,682,041	31,380,277,552
220	**Fixed assets**		**195,802,031,319**	**202,067,818,570**
221	Tangible fixed assets	11(a)	85,116,617,958	91,889,465,194
222	Historical cost		346,743,797,617	345,040,412,003
223	Accumulated depreciation		(261,627,179,659)	(253,150,946,809)
227	Intangible fixed assets	11(b)	**110,685,413,361**	**110,178,353,376**
228	Historical cost		118,634,392,179	117,766,092,179
229	Accumulated amortisation		(7,948,978,818)	(7,587,738,803)
230	**Investment properties**	12	**673,463,078,511**	**713,804,121,841**
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(178,611,080,067)	(138,270,036,737)
240	**Long-term asset in progress**		**38,316,282,184**	**39,476,191,275**
242	Construction in progress	13	38,316,282,184	39,476,191,275
250	**Long-term investments**		**40,862,648,702**	**42,427,175,256**
252	Investments in associates	4(c)	39,339,874,989	31,039,870,918
253	Investments in other entities	4(d)	22,465,000,000	30,006,800,000
254	Provision for long-term investments	4(d)	(22,213,301,287)	(22,640,229,299)
255	Investments held-to-maturity	4(b)	1,271,075,000	4,020,733,637
260	**Other long-term assets**		**257,705,644,614**	**221,879,699,187**
261	Long-term prepaid expenses	14	248,523,349,614	211,167,021,687
269	Goodwill	16	9,182,295,000	10,712,677,500
270	**TOTAL ASSETS**		**6,320,756,540,108**	**4,966,334,501,358**

The notes on pages 10 to 62 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS	Notes	As at 31 December 2020 VND	2019 VND
300	**LIABILITIES**		**4,657,590,544,086**	**3,326,016,900,969**
310	**Short-term liabilities**		**4,381,576,092,307**	**3,005,641,724,631**
311	Short-term trade accounts payable	17	1,352,897,675,155	1,305,855,552,459
312	Short-term advances from customers	18	133,596,850,713	85,920,901,592
313	Taxes and other payables to the State	10(b)	53,396,527,361	30,365,478,424
314	Payable to employees		124,929,306,684	109,761,766,691
315	Short-term accrued expenses	19	19,832,065,499	19,324,122,334
318	Short-term unearned revenue	20(a)	21,067,196,029	27,992,142,804
319	Other short-term payables	21(a)	132,625,664,131	121,096,238,181
320	Short-term borrowings	22(a)	2,507,845,798,049	1,270,668,669,493
321	Provision for short-term liabilities		854,856,756	600,000,000
322	Bonus and welfare fund	23	34,530,151,930	34,056,852,653
330	**Long-term liabilities**		**276,014,451,779**	**320,375,176,338**
336	Long-term unearned revenue	20(b)	-	20,454,545,483
337	Other long-term payables	21(b)	65,468,717,431	41,855,134,218
338	Long-term borrowings	22(b)	207,245,734,348	254,765,496,637
341	Deferred income tax liabilities	15	3,300,000,000	3,300,000,000
400	**OWNERS' EQUITY**		**1,663,165,996,022**	**1,640,317,600,389**
410	**Capital and reserves**		**1,663,165,996,022**	**1,640,317,600,389**
411	Owners' capital	24, 25	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	25	120,755,669,603	133,918,052,614
414	Owners' other capital	25	131,776,000,000	131,776,000,000
415	Treasury shares	25	(25,405,790,772)	(50,118,432,974)
418	Investment and development fund	25	272,167,291,300	272,167,291,300
421	Undistributed earnings	25	177,703,293,718	157,945,411,873
421a	*- Undistributed post-tax profits of previous years*	*25*	*47,715,906,230*	*43,234,500,487*
421b	*- Post-tax profit of this current period/year*	*25*	*129,987,387,488*	*114,710,911,386*
429	Non-controlling interests	25, 26	120,168,292,173	128,628,037,576
440	**TOTAL RESOURCES**		**6,320,756,540,108**	**4,966,334,501,358**

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

Tran Quang Huy	Nguyen Thi Thanh	Phung Tuan Ha
Preparer	Chief Accountant	Chairman
		31 March 2021

The notes on pages 10 to 62 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code		Note	For the year ended 31 December 2020 VND	2019 VND
01	**Revenue from sales of goods and rendering of services**		**13,666,409,601,103**	**10,148,628,566,350**
02	Less deductions		(213,160,898,776)	(140,139,720,157)
10	**Net revenue from sales of goods and rendering of services**	30	**13,453,248,702,327**	**10,008,488,846,193**
11	**Cost of goods sold and services rendered**	31	**(12,784,348,853,200)**	**(9,397,354,564,382)**
20	**Gross profit from sales of goods and rendering of services**		**668,899,849,127**	**611,134,281,811**
21	Financial income	32	48,562,109,000	37,650,314,756
22	Financial expenses	33	(83,735,953,962)	(73,059,815,421)
23	*- Including: Interest expense*		*(76,419,942,463)*	*(67,681,145,079)*
24	Losses sharing from investments in associates	4(c)	(699,995,929)	(434,418,350)
25	Selling expenses	34	(232,406,377,528)	(223,578,783,271)
26	General and administration expenses	35	(201,947,554,458)	(251,495,637,148)
30	**Net operating profit**		**198,672,076,250**	**100,215,942,377**
31	Other income	36	16,576,722,879	107,817,428,386
32	Other expenses	36	(8,305,734,215)	(22,888,312,445)
40	**Net other income**		**8,270,988,664**	**84,929,115,941**
50	**Net accounting profit before tax**		**206,943,064,914**	**185,145,058,318**
51	**Business income tax ("BIT") - current**	37	**(66,776,464,656)**	**(54,517,481,520)**
52	**BIT - deferred**	15, 37	**-**	**(3,310,854,521)**
60	**Net profit after tax**		**140,166,600,258**	**127,316,722,277**
	Attributable to:			
61	**Shareholders of the parent Company**		**137,251,749,288**	**122,071,092,323**
62	**Non-controlling interests**		**2,914,850,970**	**5,245,629,954**
71	**Basic earnings per share**	28(a)	**1,526**	**1,321**
72	**Diluted earnings per share**	28(b)	**1,526**	**1,321**

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

Tran Quang Huy	Nguyen Thi Thanh	Phung Tuan Ha
Preparer	Chief Accountant	Chairman
		31 March 2021

The notes on pages 10 to 62 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code		Note	For the year ended 31 December 2020 VND	2019 VND
	CASH FLOWS FROM OPERATING ACTIVITIES			
01	**Net accounting profit before tax**		**206,943,064,914**	**185,145,058,318**
	Adjustments for:			
02	Depreciation, amortisation and allocation of goodwill		64,236,075,691	66,293,238,394
03	Provisions		68,215,232,697	69,101,863,069
04	Unrealised foreign exchange losses/(gain)		1,051,018,847	24,077,643
05	Profits from investing activities		(28,058,889,659)	(86,912,262,909)
06	Interest expense		76,419,942,463	67,681,145,079
08	**Operating profit before changes in working capital**		**388,806,444,953**	**301,333,119,594**
09	(Increase)/decrease in receivables		(654,124,921,970)	470,297,540,391
10	(Decrease)/increase in inventories		333,388,944,381	(98,340,156,517)
11	Increase/(decrease) in payables		136,976,040,709	(207,474,302,083)
12	Increase in prepaid expenses		(34,279,109,185)	(12,617,298,851)
13	Increase in trading securities		(68,112,228,962)	-
14	Interest paid		(78,078,664,059)	(70,827,532,940)
15	BIT paid		(57,257,154,077)	(60,012,917,952)
17	Other payments on operating activities		(7,835,340,967)	(10,235,849,476)
20	**Net cash (outflows)/inflows from operating activities**		**(40,515,989,177)**	**312,122,602,166**
	CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases and construction of fixed assets		(16,064,425,659)	(42,232,200,388)
22	Proceeds from disposals of fixed assets		3,904,948,471	80,281,780,503
23	Term deposits placed at banks		(66,695,876,950)	(100,917,076,964)
24	Term deposits collected		11,200,000,000	14,421,552,053
25	Investments in other entities		(9,000,000,000)	(1,096,800,000)
26	Proceeds from divestment in other entities		7,541,800,000	-
27	Dividends and interests received		22,201,433,294	28,349,676,743
30	**Net cash outflows from investing activities**		**(46,912,120,844)**	**(21,193,068,053)**
	CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from reissuance of treasury shares and issuance of shares		17,260,387,300	3,400,000,000
32	Payments for share repurchases		(36,784,935,467)	-
33	Proceeds from borrowings		8,128,085,579,739	5,315,947,783,934
34	Repayments of borrowings		(6,938,428,213,472)	(5,718,933,919,835)
36	Dividends paid		(91,031,009,992)	(113,304,830,166)
40	**Net cash inflows/(outflows) from financing activities**		**1,079,101,808,108**	**(512,890,966,067)**
50	**Net decrease in cash and cash equivalents**		**991,673,698,087**	**(221,961,431,954)**
60	**Cash and cash equivalents at beginning of period**	3	**816,407,457,540**	**1,038,281,209,462**
61	Effect of foreign exchange differences		116,107,943	87,680,032
70	**Cash and cash equivalents at end of period**	3	**1,808,197,263,570**	**816,407,457,540**

Additional information relating to the consolidated cash flow statement is presented in Note 39.

Tran Quang Huy Preparer	Nguyen Thi Thanh Chief Accountant	Phung Tuan Ha Chairman 31 March 2021

TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ TỔNG HỢP DẦU KHÍ

The notes on pages 10 to 62 are an integral part of these consolidated financial statements.

1 GENERAL INFORMATION

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

The parent Company'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 shareholders of the Parent Company are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 24.

The Parent Company's business activities are providing services and trading of commodity.

The principal activities of the Parent Company and its subsidiaries (together, "the Corporation") include:

- Trading plastic resins, textile fibers, and cassava;
- Sale of supplies, office equipment, audio-visual equipment;
- Support and management services and human resources services;
- Lease of warehouse, workshops, premises and office;
- Real estate development trading and management;
- Trading fertilizers, pesticides and chemicals used in agricultural industry;
- Wholesale of computers and equipment;
- Trading of telecommunication equipment;
- Supply of specialised materials and equipment in oil and gas industry;
- Heavy transportation and lifting services;
- Catering services and commodities for oil and gas industry;
- LPG trading and distributing, gas filling;
- Real estate trading and management; and
- Property management (offices, hotels, residential, projects etc.).

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

As at 31 December 2020, the Corporation had 2,711 employees (as at 31 December 2019: 2,520 employees).

As at 31 December 2020, the parent Company had 11 direct subsidiaries, 4 indirect subsidiaries, 2 direct associates and 1 indirect associate. In addition, the Parent Company has 1 dependent accounting unit that does not have legal status. Details are presented on the following page.

1 GENERAL INFORMATION (continued)

Name	Place of incorporation	Principal activities	2020 Voting right %	2020 Ownership %	2019 Voting right %	2019 Ownership %
I - Direct subsidiaries						
Petroleum General Distribution Services Joint Stock Company ("PSD")	Ho Chi Minh City	Distribution of telecommunication and electronic equipment	80.68	80.68	80.04	80.04
Petroleum Offshore Trading and Services Company Limited ("POTS")	Ho Chi Minh City	Trading and rendering of services	60	60	60	60
Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Ba Ria – Vung Tau Province	Rendering of services	70	70	70	70
Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Quang Ngai Province	Trading and rendering of services	99.79	99.79	99.79	99.79
PetroVietnam Assets Management Joint Stock Company ("PSA")	Ha Noi City	Operating in property management and services	71.46	71.46	71.46	71.46
Petrosetco SSG Company Limited ("PSSSG") (i)	Ho Chi Minh City	Real estate business	51	21.46	51	21.46
Smart Convergence Joint Stock Company ("Smartcom")	Ho Chi Minh City	Distributing equipment, electronic, components, peripheral devices and software	55	55	55	55
Petrosetco Retail Services Joint Stock Company ("PSR")	Ho Chi Minh City	Retail of mobile phones	75	72.75	75	72.75
Petroleum Logistics Service Joint Stock Company ("PSL") (ii)	Ho Chi Minh City	Marine transportation service	67	44	67	44
Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Ho Chi Minh City	Distributing equipment, electronic components and peripheral devices	51	51	51	51
Petroleum Saigon General Services Company Limited ("PSG") (iii)	Ho Chi Minh City	Stopped operations and on liquidation process	100	100	100	100

1 GENERAL INFORMATION (continued)

Name	Place of incorporation	Principal activities	2020 Voting right %	2020 Ownership %	2019 Voting right %	2019 Ownership %
II – Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Ho Chi Minh City	Trading of electronic devices, refrigeration appliances and electronic household appliances	51	40.81	51	40.81
Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Khanh Hoa Province	Wholesale of solid, liquid and gaseous fuels and related products	100	99.79	100	99.79
Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale") (iii)	Ho Chi Minh City	Providing heavy transportation and lifting services	51	22.44	51	22.44
Green Technology Import Export Joint Stock Company ("Green Technology") (iv)	Ho Chi Minh City	Trading of medical equipment and supplies	50	40.02	50	40.02
III – Direct associates						
Petro Tower Limited Company	Ba Ria - Vung Tau Province	Office for lease	24	24	24	24
Vinh Hoa Emerald Bay International Hospitality Company Limited (v)	Phu Yen Province	Hospitality service	20	20	20	20
IV – Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (vi)	Ha Noi City	Trading of electronic components, information technology, technology transfer services and delivery services	20	16	20	16
Petro Environmental and Energy Services Joint Stock Company (vii)	Ho Chi Minh City	Manufacturing electricity	45	27	-	-
V – The dependent accounting unit that does not have legal status						
Petroleum Industrial Material Distribution Company ("PIMD")	Ho Chi Minh City	Trading solid, liquid, gas fuels and related products				

1 GENERAL INFORMATION (continued)

(i) As at 31 December 2020 and as at 31 December 2019, although the Corporation's ownership in PSSSG was only 21.46%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSSSG through its 51% representatives in the Board of Directors 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.

(ii) As at 31 December 2020 and as at 31 December 2019, 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 2/3 representatives in the Board of Directors 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.

(iii) 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.

(iv) According to Resolution No. 09/NQ-PSD-HDQT dated 8 May 2019, PSD, a subsidiary, agreed to buy the new shares issued by Green Technology, with the share capital of VND10 billion, accounting for 50% of the voting right and ownership, equivalent to 40.34% of the voting right of the Parent company. As at 31 December 2020, although the Corporation's ownership in Green Technology was only 40.02%, the Corporation still had the authority to exercise its power over the financial and operational policies of Green Technology through its 2/3 representatives in the Board of Directors of Green Technology. Therefore, the Corporation controls Green Technology and Green Technology has been classified and presented as a subsidiary of the Corporation for consolidation reporting purpose.

(v) According to Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 31 December 2020, the Corporation contributed VND16 billion.

(vi) Vietecom is in liquidation progress.

(vii) According to the Decision No. 125A/DVTHDK-KHĐT dated 12 June 2020, POTS, a subsidiary, agreed to contribute its capital to establish Petro Environmental and Energy Services Joint Stock Company ("Petro") with the share capital of VND9 billion, accounting for 45% of the voting right and ownership of Petro, equivalent to 27% of the ownership of the Parent company.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention, except for investments in associates and business combinations as presented in Note 2.5.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation of consolidated financial statements (continued)

The accompanying consolidated financial statements are not intended to present the consolidated financial position and consolidated results of operations and consolidated 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.

2.2 Fiscal year

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

2.3 Currency

The consolidated financial statements are measured and presented using Vietnamese Dong ("VND").

The Corporation determine their accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used to list selling prices and receive payments; which are mainly used in purchases of goods or services, which have a significant impact on costs of labor, materials, merchandises and other production or operating costs and normally used as payments for those costs.

Additionally, the Corporation also use these currencies to raise financial resources and/or regularly collect these currencies from business operation and savings.

2.4 Exchange rates

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 consolidated income statement.

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

2.5 Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies in order to gain future benefits from their activities 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Basis of consolidation (continued)

Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Corporation. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the cost of acquisition over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

Inter-company transactions, balances and unrealised gains and losses on transactions between Corporation companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

Non-controlling transactions and interests

The Corporation applies a policy of treating transactions with non-controlling interests ("NCI") as transactions with parties external to the Corporation.

NCI are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

Associates

Associates are all entities over which the Corporation has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. The Corporation's investment in associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Corporation's share of its associates' post-acquisition profits or losses is recognised in the consolidated income statement. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Corporation's share of losses in an associate equals or exceeds its interest in the associate, the Corporation does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Corporation.

Unrealised gains and losses on transactions between the Corporation and its associates are eliminated to the extent of the Corporation's interest in the associates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Corporation's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as an asset and is amortised on a straight-line basis over its estimated period of benefit but not exceed 10 years.

Goodwill on acquisitions of investments in associates is included in the carrying amount of the investments at the date of acquisition. The Corporation does not amortise this goodwill.

On disposal of the investments in subsidiaries or associates, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on the disposal.

Goodwill is tested annually for impairment and carried at cost less accumulated amortisation less accumulated impairment losses. If there is evidence that the impairment during the year is higher than the annual goodwill charge, the Corporation records the impairment immediately in the accounting year.

2.7 Cash and cash equivalents

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

2.8 Receivables

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the estimated loss that may arise. Bad debts are written off when identified.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Inventories

Inventories include merchandise 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. Cost of other inventories includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined by the specific dentification method for plastic resins and by the weighted average method for other inventories. 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 of cost of goods sold in the year.

2.10 Investments

(a) Investments held-to-maturity

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

Investments held-to-maturity include term deposits and other investments held-to-maturity. Those investments are initially accounted for at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

Investments held to maturity are classified short-term and long-term investments held to maturity on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the year end.

(c) Provision for investments in other entities

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. Regarding investments in listed shares or those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Chairman before the date of investment.

Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.11 Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation/amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

Depreciation and amortisation

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

Buildings and structures	2% - 20%
Machinery and equipment	7% - 33%
Motor vehicles	10% - 33%
Office equipment	10% - 33%
Software	12.5% - 33%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fixed assets (continued)

Land use rights are comprised of land use rights with an indefinite useful life, land use rights with a definite useful life, and prepayments for land rental contracts which are in effective before or in 2003 and are granted land use right certificates, in which:

- Land use rights with an indefinite useful life are recorded at historical cost and are not armortised;
- Land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use right certificates issued by Department of Natural Resources and Environmental of Ba Ria – Vung Tau province on 1 August 2019 and amortised using the straight-line method over 24 years in accordance with such land use right certificate; and
- Prepayments for land rental contracts, which became effective before or in 2003 and are granted lands use rights certificates, are recorded in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by Ministry of Finance and allocated using the straight-line method over 10 years in accordance with such land use right certificates.

Disposals

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

Construction in progress

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to newly construct, to repair and maintain, to upgrade, to renew, or to equip the projects with technologies as construction costs, costs of tools and equipments, compensation and resettlement costs, project management expenditure, construction consulting expenditure, and capitalised borrowing costs for qualifying assets in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.12 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 consolidated income statement on a straight-line basis over the term of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Investment properties

The historical cost of an investment property represents 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. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

Depreciation and amortisation

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

Land use rights	2%
Buildings	2% - 33%

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the consolidated income statement.

2.14 Prepaid expenses

Prepaid expenses include short-term or long-term prepayments on the consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated on the straight-line basis over the allocation period. In which, long-term prepaid expenses mainly comprise prepaid gas cylinders; office rental; tools and supplies already put into use.

The long-term prepayments of gas cylinders are allocated into the consolidated income statement on a straight-line basis over 10 years in accordance with Circular No. 118/2010/TT-BTC dated 10 August 2010 issued the Ministry of Finance – *Guidance on the financial and taxation regimes to entities trading liquefied petroleum gas.*

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Borrowing

Borrowings represent borrowings from banks and others.

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

Borrowing costs are recognised in the consolidated income statement when incurred.

2.17 Accrued expenses

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

2.18 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 a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.19 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have 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 fulfill. Once recognition criteria have been satisified, unearned revenue will be recognised as revenue in the consolidated income statement to the extent that it has met the recognition criteria.

2.20 Capital and reserves

(a) Owners' capital

Owners' capital is recorded according to the actual amounts contributed by shareholders at the 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Capital and reserves (continued)

(c) Owners' other capital

Owners' other capital reflects other capital of owners at the reporting date.

(d) Treasury shares

Treasury shares are shares issued by the parent Company and bought-back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on securities.

(e) Undistributed earnings

Undistributed earnings record the Corporation's consolidated results after BIT at the reporting date.

2.21 Appropriation of profit after BIT

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

The Corporation's dividends are recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the General Meeting of Shareholders.

The Corporation's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from profit after BIT of the Corporation and approved by shareholders at the Annual 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 profit after BIT and subject to shareholders' approval at the Annual General Meeting of Shareholders. 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)

2.22 Revenue recognition

(a) Revenue from sales of goods

Revenue from sale of goods is recognised in the consolidated 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 in accordance with the "substance over form" principle and allocated to each sale obligation. In cases where the Corporation gives promotional goods to customers associated with their purchases, the Corporation allocates the total considerations received between goods sold and promotional goods. The cost of promotional goods is recognised as cost of goods sold in the consolidated income statement.

(b) Revenue from real estate sale

Revenue from real estate sale is recognised in the consolidated income statement when all five (5) following conditions are satisfied:

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

(c) Revenue from rendering of services

Revenue from rendering of services is recognised in the consolidated 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 consolidated 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)

2.22 Revenue recognition (continued)

(d) Revenue from rendering of operating lease services

Revenue from rendering of operating lease services is recognised in the consolidated income statement on a straight-line basis over the lease term.

(e) Interest income

Interest income is recognised on an earned basis.

(f) Income from dividend paid/profit shared

Income from dividend paid/profit shared is recognised when the Corporation has established the receiving right from investees.

(g) Allocation of gas cylinders deposits

Gas cylinders deposits received from customers are allocated into the consolidated income statement on a straight-line basis over 10 years, which is in line with allocation of the long-term prepayments of gas cylinders (Note 2.14), following Circular No. 118/2010/TT-BTC dated 10 August 2010 issued by the Ministry of Finance – *Guidance on the financial and taxation regimes to entities trading liquefied petroleum gas.*

2.23 Sales deductions

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

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

2.24 Cost of goods sold and services rendered

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

2.25 Financial expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling goods, and providing services.

2.27 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.28 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 year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, 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 consolidated 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 consolidated 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.

2.29 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 its relationships with each related party, the Corporation considers the substance of the relationships, not merely the legal form.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Segment reporting

A segment is a component which can be separated by the Corporation engaged in sales of goods or rendering of services ("business segment"), or sales of goods or redering of 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 consolidated financial statements in order to help users of consolidated financial statements to understand and evaluate the situation the operations of the Corporation in a comprehensive way.

2.31 Accounting estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the financial year.

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Corporation and that are believed to be reasonable under the circumstances by the Chairman.

3 CASH AND CASH EQUIVALENTS

	2020 VND	2019 VND
Cash on hand	11,638,412,191	9,700,810,391
Cash at banks (*)	683,480,979,157	425,388,699,149
Cash equivalents (**)	1,113,077,872,222	381,317,948,000
	1,808,197,263,570	816,407,457,540

(*) As at 31 December 2020 and 31 December 2019, included in cash at bank was VND1 billion which was transferred by PetroVietnam Assets Management Joint Stock Company ("PSA") to the bank account of the Parent company from the assets recovered from Ha Noi Oil and Gas Trading Services One Member Company Limited upon the liquidation of this company. Currently, the Corporation is working with the relevant parties to determine the right and obligations of this amount.

(**) Cash equivalents represent bank term deposits with an original maturity of three months or less at commercial banks and earn interest at the average rates from 3.5% per annum to 4.95% per annum (year 2019: from 4.5% per annum to 7.6% per annum).

4 INVESTMENTS

(a) Trading securities

	2020			
	Cost VND	Book value VND	Fair Value VND	Provision VND
Capital contribution in An Lac Nhon Trach Joint Stock Company ("An Lac Nhon Trach") (*)	68,112,415,100	68,112,415,100	(**)	-

	2019			
	Cost VND	Book value VND	Fair Value VND	Provision VND
Listed shares	186,138	186,138	(**)	(152,538)

(*) An Lac Nhon Trach Joint Stock Company ("An Lac Nhon Trach") was established on 8 April 2013 in Dong Nai Province. Its principal activities are to provide packaging services for paper products. As at 31 December 2020, the Corporation completed procedures for acquiring 100% ownership in An Lac Nhon Trach with the value of VND68,112,415,100. According to the Minutes of Board of Directors' Meeting No. 07/BB-PSD-HĐQT dated 20 May 2020 and the Decision of the Chairman at the date of these consolidated financial statements, the purpose of this acquistion is helding for sales within 12 months from the date of its capital contribution. Therefore, the Corporation does not classify An Lac Nhon Trach as a subsidiary and does not consolidate this company. As at 31 December 2020, the Corporation has not determined the fair value of this investment to disclose on the consolidated financial statements because it does not have listed price and Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements do not have the detail guidance about the fair value. The fair value of this investment can be different with the book value.

(**) As at 31 December 2020 and 31 December 2019, the Corporation has not determined the fair value of this investment to disclose on the consolidated financial statements because it does not have listed price.

4 INVESTMENTS (continued)

(b) Investments held-to-maturity

	2020		2019	
	Cost VND	Book Value VND	Cost VND	Book Value VND
Short-term				
Term deposits (*)	149,897,187,276	149,897,187,276	99,200,542,854	99,200,542,854
Long-term				
Term deposits (**)	1,271,075,000	1,271,075,000	4,020,733,637	4,020,733,637

(*) Term deposits represent bank deposits in VND with the remaining maturity of less than 12 months, earning interest at the average rates from 3.1% per annum to 7.5% per annum (year 2019: from 5.3% per annum to 8.4% per annum).

As at 31 December 2020 and 31 December 2019, included in term deposits was a term deposit of VND10 billion which was pledged as collateral assets for the Corporation's borrowings (Note 22).

(**)Term deposits represent bank deposits in VND with the remaining maturity from 12 months and more, earning interest at the average rates from 4.3% per annum to 7.3% per annum (year 2019: from 6.7% per annum to 7.0% per annum).

4 INVESTMENTS (continued)

(c) Investments in associates

Details of investments in associates are presented as follows:

	2020				2019			
	Cost VND	Book value VND	Fair value VND	Provision VND	Cost VND	Book value VND	Fair value VND	Provision VND
Petro Tower Limited Company	14,359,957,249	14,339,874,989	(*)	-	14,359,957,249	15,039,870,918	(*)	-
Vietecom Digital Trade and Investment Joint Stock Company	853,268,080	-	(*)	-	853,268,080	-	(*)	-
Vinh Hoa Emerald Bay International Hospitality Company Limited	16,000,000,000	16,000,000,000	(*)	-	16,000,000,000	16,000,000,000	(*)	-
Petro Environmental and Energy Services Joint Stock Company	9,000,000,000	9,000,000,000	(*)	-	-	-	(*)	-
	40,213,225,329	39,339,874,989		-	31,213,225,329	31,039,870,918		-

(*) As at 31 December 2020 and 31 December 2019, the Company has not have enough information about the fair value of these investments to disclose on the consolidated financial statements because the subsidiaries do not have the listed prices.

Movements in investments in associates during the year are as follows:

	2020 VND	2019 VND
Beginning of year	31,039,870,918	15,474,289,268
New investment	9,000,000,000	16,000,000,000
Losses sharing	(699,995,929)	(434,418,350)
End of year	39,339,874,989	31,039,870,918

4 INVESTMENTS (continued)

(d) Investments in other entities

Details of investments in other entities are presented as follows:

	2020			2019		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	(2,000,000,000)	2,000,000,000	(*)	(2,000,000,000)
Vietnam Coolpad Co., Ltd	20,160,000,000	(*)	(20,160,000,000)	20,160,000,000	(*)	(20,160,000,000)
Vietnam - Korea Petroleum Industrial Gas Joint Stock Company	305,000,000	(*)	(53,301,287)	7,846,800,000	(*)	(480,229,299)
	22,465,000,000		(22,213,301,287)	30,006,800,000		(22,640,229,299)

Movements in investments in associates during the year are as follows:

	2020 VND	2019 VND
Beginning of year	22,640,229,299	22,160,000,000
Increase	-	480,229,299
Reversal	(426,928,012)	-
End of year	22,213,301,287	22,640,229,299

(*) As at 31 December 2020 and 31 December 2019, the Corporation has not determined the fair value of these investments to disclose on the consolidated financial statements because they do not have listed prices.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2020 VND	2019 VND
Third parties		
HTV Trading General Company Limited	*83,128,471,237*	-
Vietnam Ipadshop Company	*80,588,807,500*	-
Icool Technology Company Limited (*)	*73,657,133,467*	*73,657,133,467*
Coolpad Viet Nam Company Limited (*)	*42,965,708,261*	*42,965,708,261*
Mobile World Joint Stock Company	*140,007,466,411*	*141,155,766,676*
Others	*1,040,644,725,647*	*935,363,789,535*
	1,460,992,312,523	1,193,142,397,939
Related parties (Note 40(b))	193,540,373,517	142,030,834,768
	1,654,532,686,040	1,335,173,232,707

(*) In 2020, a subsidiary of the Corporation carried out legal proceedings against the business partners relating to short-term trade accounts receivable from Icool Technology Company Limited and Coolpad Viet Nam Company Limited. At the date of these consolidated financial statements, this subsidiary is collecting required legal documents of this lawsuit.

As at 31 December 2020 and 31 December 2019, the balances of short-term trade accounts receivable which were past due were made provision for doubtful debts (Note 8).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2020 VND	2019 VND
Third parties		
Apple Vietnam Limited Company	*226,017,849,772*	-
Global Consulting and Mechanical Services LLC	*98,411,021,448*	*127,977,681,191*
Others (*)	*119,923,271,897*	*36,198,367,049*
	444,352,143,117	164,176,048,240

(*) As at 31 December 2020, the balance includes the prepayment of VND20.1 billion to an individual for the purchase of a land use right in Tan Thanh Town, Phu My District, Ba Ria – Vung Tau Province.

7 OTHER SHORT-TERM RECEIVABLES

(a) Short-term

	2020 VND	2019 VND
Supporting receivable from suppliers	101,913,300,013	105,684,171,405
Interest income receivable	5,151,760,178	1,062,888,302
Deposits	37,302,086,926	262,098,949
Advances for share purchase (*)	61,155,370,000	-
Others (**)	57,456,367,928	55,542,845,601
	262,978,885,045	162,552,004,257

(*) As at 31 December 2020, the balance represented the advance to an individual for the transfer of 48.5% shares of Pedaco Green Environment Joint Stock Company ("Pedaco") under the Share Transfer Agreement No. 02/2020-QĐ dated 24 April 2020. At the date of these consolidated financial statements, the Corporation and that individual are in the process of completing the share transfer procedures.

(**) As at 31 December 2020, the balance represented the advance for the capital contribution to Pedaco according to the Announcement No. 09/NQ-PDC-DHCD dated 28 December 2020 issued by Pedaco and that advance will become an additional investment into Pedaco when the Corporation and the individual complete the procedures for 48.5% share transfer of Padeco.

(**) As at 31 December 2020, included in other short-term receivables are VND11,689,195,735 relating to the receivables of land use right at No. 274, Xo Viet Nghe Tinh Street, Ward 25, Binh Thanh District, Ho Chi Minh City. This land use right is pledged for the borrowing of the Corporation (Note 22).

(b) Long-term

	2020 VND	2019 VND
Deposits	29,616,479,319	29,647,597,006
Others	1,879,202,722	1,732,680,546
	31,495,682,041	31,380,277,552

As at 31 December 2020 and 31 December 2019, the balances of other receivables which were past due were made provision for doubtful debts (Note 8).

8 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

	2020			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
Total accounts receivable that are past due	705,473,662,766	429,736,202,143	(275,737,460,623)	Over 6 months

	2019			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
Total accounts receivable that are past due	260,510,116,941	51,762,030,633	(211,746,418,877)	Over 6 months

9 INVENTORIES

	2020		2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Real estate for sales	3,111,210,072	-	3,111,210,072	-
Goods in transit	334,493,883,707	-	47,250,746,363	-
Raw materials	557,421,262	-	4,960,325,176	-
Tools and supplies	1,564,803,024	-	2,922,569,926	-
Merchandise	445,165,295,772	(27,521,700,100)	1,006,017,927,506	(23,125,285,355)
Goods on consignment	26,421,177,278	-	80,439,956,453	-
	811,313,791,115	(27,521,700,100)	1,144,702,735,496	(23,125,285,355)

Provision for decline in value of inventories is to represent the net realisable value of merchandise. Movements in the provision for decline in value of inventories during the year are as follows:

	2020 VND	2019 VND
Beginning of year	23,125,285,355	28,320,748,915
Increase/(reversal) (Note 31)	4,396,414,745	(5,195,463,560)
End of year	27,521,700,100	23,125,285,355

10 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

	2020 VND	2019 VND
(a) Tax receivable		
VAT to be reclaimed	180,271,228,208	215,797,255,034
BIT	320,871,086	827,221,764
Personal income tax	697,751,430	661,654,700
Others	193,326,792	1,151,602,294
	181,483,177,516	218,437,733,792
(b) Tax payables		
VAT	27,527,939,106	7,788,853,223
BIT	23,677,061,029	14,166,165,851
Personal income tax	2,066,541,662	7,967,486,758
Others	124,985,564	442,972,592
	53,396,527,361	30,365,478,424

10 TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE (continued)

Movements of taxes and other receivables from/payables to the State are as follows:

	As at 1.1.2020 VND	Receivables/payables during the year VND	Amount refunded/ paid during the year VND	Net off amount during the year VND	Reclassification VND	As at 31.12.2020 VND
(a) Receivables						
VAT to be reclaimed (*)	215,797,255,034	1,576,052,675,173	-	(1,794,276,182,820)	182,697,480,821	180,271,228,208
Overpaid BIT	827,221,764	-	-	-	(506,350,678)	320,871,086
Overpaid personal income tax	661,654,700	-	-	(661,654,700)	697,751,430	697,751,430
Others	1,151,602,294	-	-	(1,151,602,294)	193,326,792	193,326,792
	218,437,733,792	1,576,052,675,173	-	(1,796,089,439,814)	183,082,208,365	181,483,177,516
(b) Payables						
BIT (**)	14,166,165,851	67,274,399,933	(57,257,154,077)	-	(506,350,678)	23,677,061,029
Personal income tax	7,967,486,758	33,790,904,138	(39,727,945,964)	(661,654,700)	697,751,430	2,066,541,662
VAT	7,788,853,223	1,925,146,849,072	(111,131,580,369)	(1,794,276,182,820)	-	27,527,939,106
Others	442,972,592	(127,330,955,151)	127,970,683,625	(1,151,042,294)	193,326,792	124,985,564
	30,365,478,424	1,898,881,197,992	(80,145,996,785)	(1,796,088,879,814)	384,727,544	53,396,527,361

(*) As at 31 December 2020, included in VAT to be reclaimed is the amount of VAT that the Corporation has submitted the refund applications amounting to VND 67.6 billion (as at 31 December 2019: VND 67.6billion) and is awaiting for the results from tax authorities.

(**) Included in tax payables during the year is a tax penalty of a subsidiary with an amount of VND497,935,277 recorded as a deduction directly into undistributed earning of this year.

11 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At as 1 January 2020	90,848,863,873	95,678,602,772	145,116,884,820	13,396,060,538	**345,040,412,003**
New purchases	-	3,903,482,027	11,385,003,636	329,445,000	**15,617,930,663**
Transfer from construction in progress (Note 13)	-	-	1,049,000,000	-	**1,049,000,000**
Disposals	-	(4,011,687,456)	(10,951,857,593)	-	**(14,963,545,049)**
As at 31 December 2020	90,848,863,873	95,570,397,343	146,599,030,863	13,725,505,538	**346,743,797,617**
Accumulated depreciation					
At as 1 January 2020	62,717,568,317	76,486,966,395	101,448,367,240	12,498,044,857	**253,150,946,809**
Charge for the year	3,315,217,947	5,323,284,333	12,819,029,829	545,877,737	**22,003,409,846**
Disposals	-	(3,180,360,132)	(10,346,816,864)	-	**(13,527,176,996)**
As at 31 December 2020	66,032,786,264	78,629,890,596	103,920,580,205	13,043,922,594	**261,627,179,659**
Net book value					
At as 1 January 2020	28,131,295,556	19,191,636,377	43,668,517,580	898,015,681	**91,889,465,194**
As at 31 December 2020	24,816,077,609	16,940,506,747	42,678,450,658	681,582,944	**85,116,617,958**

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND169.9 billion (as at 31 December 2019: VND118.9 billion).

As at 31 December 2020, tangible fixed assets with net book value of VND8,312,943,654 (as at 31 December 2019: VND10,035,392,141) were pledged with banks as collateral assets for borrowings granted to the Corporation (Note 22).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
At as 1 January 2020	112,658,109,381	5,107,982,798	**117,766,092,179**
New purchases	-	868,300,000	**868,300,000**
As at 31 December 2020	112,658,109,381	5,976,282,798	**118,634,392,179**
Accumulated amortisation			
At as 1 January 2020	2,952,588,790	4,635,150,013	**7,587,738,803**
Charge for the year	118,660,344	242,579,671	**361,240,015**
As at 31 December 2020	3,071,249,134	4,877,729,684	**7,948,978,818**
Net book value			
At as 1 January 2020	109,705,520,591	472,832,785	**110,178,353,376**
As at 31 December 2020	109,586,860,247	1,098,553,114	**110,685,413,361**

The historial cost of fully amortised intangible fixed assets but still in use as at 31 December 2020 was VND4.49 billion (as at 31 December 2019: VND2.96 billion).

12 INVESTMENT PROPERTIES

	Buildings and structures VND
Historical cost	
At as 1 January 2020 and 31 December 2020	852,074,158,578
Accumulated depreciation	
At as 1 January 2020	138,270,036,737
Charge for the year	40,341,043,330
As at 31 December 2020	178,611,080,067
Net book value	
At as 1 January 2020	713,804,121,841
As at 31 December 2020	673,463,078,511

Investment properties mainly include the buildings and structures related to the living quarters of Nghi Son Refinery and Petrochemical Complex project ("Nghi Son Project") being constructed and held for lease by the Parent company.

As at 31 December 2020 and 31 December 2019, all investment properties have been pledged as collateral assets for the Corporation's borrowings (Note 22(b)).

In 2020, revenue incurred from investment properties was VND111,423,609,677 (year 2019: VND121,543,652,838). Direct expenses (including tools and supplies, utilities and management fee) incurred from investment properties relating to revenue from leasing from the year 2020 were VND22,944,551,030 (year 2019: VND34,873,788,406).

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 2020 has not been disclosed in the consolidated 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 year end.

13 CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	2020 VND	2019 VND
Cape Pearl Project (formerly known as Petrosetco SSG Tower)	37,509,649,278	37,509,649,278
Others	806,632,906	1,966,541,997
	38,316,282,184	39,476,191,275

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

	2020 VND	2019 VND
Beginning of year	39,476,191,275	38,512,494,154
Additions	-	1,165,909,091
Transfer to construction in progress (Note 11(a))	(1,049,000,000)	-
Others	(110,909,091)	(202,211,970)
End of year	38,316,282,184	39,476,191,275

14 LONG-TERM PREPAID EXPENSES

Details of long-term prepaid expenses are as follows:

	2020 VND	2019 VND
Prepaid operating lease (*)	139,116,003,048	96,796,156,531
Prepaid gas cylinders	102,062,912,593	79,965,942,521
Tools and supplies	2,171,693,787	313,170,657
Others	5,172,740,186	34,091,751,978
	248,523,349,614	211,167,021,687

(*) Included in prepaid operating lease mainly are:

- The prepayment to PVN for office leasing with the remaining amount of VND94,420,790,731 being allocated to the consolidated income statement on a straight-line basis over a period of 50 years from 2010; and

- The prepayment for land rental with the remaining amount of VND15,921,797,264 being allocated to the consolidated income statement on a straight-line basis over a period of 36 years from 2020.

14 LONG-TERM PREPAID EXPENSES (continued)

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

	2020 VND	2019 VND
Beginning of the year	211,167,021,687	198,530,067,519
Addition	68,867,344,299	39,838,606,914
Allocation	(28,003,421,655)	(27,201,652,746)
Reclassification	(3,507,594,717)	-
End of year	248,523,349,614	211,167,021,687

15 DEFERRED INCOME TAX

Deferred income tax assets and deferred income tax liabilities are offseting 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 were as follows:

	2020 VND	2019 VND
Deferred income tax assets:		
Deferred income tax assets to be recovered within 12 months	-	3,310,854,521
Deferred tax income liabilities:		
Deferred income tax liabilities to be repaid within 12 months	3,300,000,000	3,300,000,000

The gross movements in deferred income tax during the year are as follows:

	2019 VND	2018 VND
Deferred income tax assets	-	3,310,854,521
Deferred income tax liabilities	(3,300,000,000)	(3,300,000,000)
Beginning of year	(3,300,000,000)	10,854,521
Consolidated income statement (charged)/credited (Note 37)	-	(3,310,854,521)
End of year	(3,300,000,000)	(3,300,000,000)
In which:		
Deferred income tax liabilities	(3,300,000,000)	(3,300,000,000)

15 DEFERRED INCOME TAX (continued)

Deferred income tax assets and deferred income tax liabilities are mainly arisen from the temporary differences relating provisions made by the Parent Company and its subsidiaries in consolidation.

The Corporation uses tax rate of 20% to determine deferred income tax assets and deferred income tax liabilities.

Tax losses of the Corporation's subsidiaries can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented.

The Corporation has not recognised deferred income tax assets relating to the above tax losses carried forward as the realisation of the related tax benefit through future taxable income profit of its subsidiaries currently cannot be assessed as probable.

16 GOODWILL

	2020 VND	2019 VND
Beginning of year	10,712,677,500	12,243,060,000
Allocation (Note 35)	(1,530,382,500)	(1,530,382,500)
End of year	9,182,295,000	10,712,677,500

As at 31 December 2020 and 31 December 2019, goodwill arises from the acquisition of Binh Minh Electronics Refrigeration Joint Stock Company.

17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2020 VND	2019 VND
Third parties		
Samsung Electronics Vietnam Thai Nguyen Company Limited	*227,666,117,195*	*323,507,897,900*
Apple Vietnam Limited Liability Company	*133,460,196,872*	-
Dell Global B.V. (Singapore Branch)	*69,741,867,373*	*16,038,541,620*
Microsoft Regional Sales Corporation	*57,197,975,259*	*52,951,579,956*
Lenovo (Singapore) Pte Ltd.,	*61,527,852,035*	*109,861,227,180*
Others	*314,366,791,957*	*360,622,683,490*
	863,960,800,691	862,981,930,146
Related parties (Note 40(b))	488,936,874,464	442,873,622,313
	1,352,897,675,155	1,305,855,552,459

As at 31 December 2020 and 31 December 2019, the Chairman believes that the Corporation has no doubt on its ability to fully repay the short-term trade accounts payable as and when they fall due and there was no balance of short-term trade accounts payable which was past due.

18 SHORT-TERM ADVANCES FROM CUSTOMERS

	2020 VND	2019 VND
Third parties	10,654,722,797	11,855,255,385
Related parties (Note 40(b))	122,942,127,916	74,065,646,207
	133,596,850,713	85,920,901,592

19 SHORT-TERM ACCRUED EXPENSES

	2020 VND	2019 VND
Allowances for employees	4,595,581,350	4,813,930,494
Interest expense	3,685,282,625	5,344,004,221
Others	11,551,201,524	9,166,187,619
	19,832,065,499	19,324,122,334

20 UNEARNED REVENUE

(a) Short-term

	2020 VND	2019 VND
Rental advance received (*)	20,454,545,492	27,272,727,273
Others	612,650,537	719,415,531
	21,067,196,029	27,992,142,804

(b) Long-term

	2020 VND	2019 VND
Rental advance received (*)	-	20,454,545,483

(*) The balance represents the advance payment received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and provision of other services to Nghi Son Project (Notes 12 and 40(b)).

21 OTHER PAYABLES

(a) Short-term

	2020 VND	2019 VND
Trade discount payable to customers	50,846,988,454	39,394,453,530
Dividends payable (Note 27)	25,093,118,026	32,282,864,484
Others	56,685,557,651	49,418,920,167
	132,625,664,131	121,096,238,181

(b) Long-term

	2020 VND	2019 VND
Gas cylinders deposits (*)	46,739,712,350	29,001,185,411
Other deposits	13,232,488,228	7,490,188,553
Payable to the Ba Ria - Vung Tau Province State Treasury (**)	3,121,841,484	4,481,270,945
Others	2,374,675,369	882,489,309
	65,468,717,431	41,855,134,218

(*) Gas cylinders deposits received from customers are allocated into the consolidated income statement on a straight-line basis over 10 years, which is in line with allocation of the long-term prepayments of gas cylinders (Note 2.14), following the guidance of Circular No. 118/2010/TT-BTC dated 10 August 2010 issued the Ministry of Finance – *Guidance on the financial and taxation regimes to entities trading liquefied petroleum gas.*

(**) 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.

22 BORROWINGS

(a) Short-term

Short-term borrowings represent outstanding borrowings from banks and from individuals. Details are as follows:

	As at 1.1.2020 VND	Drawdowns VND	Repayments VND	Reclassification VND	As at 31.12.2020 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	387,416,063,853	1,958,449,722,718	(1,459,153,106,598)	-	886,712,679,973
Military Commercial Joint Stock Bank	80,575,524,037	1,802,002,733,232	(1,441,036,648,690)	-	441,541,608,579
Vietnam Joint Stock Commercial Bank for Industry and Trade	459,946,239,135	2,555,387,418,318	(2,293,637,765,656)	-	721,695,891,797
HSBC Bank Vietnam Limited	289,550,368,658	1,514,492,663,995	(1,459,467,427,479)	-	344,575,605,174
Vietnam Technological and Commercial Joint Stock Bank	-	208,000,000,000	(175,000,000,000)	-	33,000,000,000
Asia Commercial Joint Stock Bank (*)	29,494,928,134	-	(29,494,928,169)	45,119,762,289	45,119,762,254
Vietnam International Joint Stock Commercial Bank	-	64,634,215,052	(29,433,964,780)	-	35,200,250,272
Vietnam Public Joint Stock Commercial Bank	19,347,095,676	21,991,275,314	(41,338,370,990)	-	-
An Binh Commercial Joint Stock Bank	-	3,127,551,110	(3,127,551,110)	-	
Individual	4,338,450,000	-	(4,338,450,000)	-	-
	1,270,668,669,493	8,128,085,579,739	(6,936,028,213,472)	45,119,762,289	2,507,845,798,049

Borrowings from banks were made in the forms of credit limit contracts or letters of credit.

As at 31 December 2020, collateral assets of these borrowings are as follows:

- Guarantee commitments of the Parent Company for its subsidiaries' borrowings with the value of VND3,370 billion (as at 31 December 2019: VND3,430.2 billion).
- Land use rights at No. 274, Xo Viet Nghe Tinh Street, Ward 25, Binh Thanh District, Ho Chi Minh city (Note 7(a)).
- A part of term deposits (Note 4(a)).

The interest rates are announced by the banks at drawndown dates or adjusted from time to time which are announced by the banks.

Short-term borrowings are to finance for the working capital of the Corporation's business operations.

22 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2020 VND	Repayments VND	Reclassification VND	As at 31.12.2020 VND
Asia Commercial Joint Stock Bank (*)	250,415,496,637	-	(45,119,762,289)	205,295,734,348
Southeast Asia Commercial Joint Stock Bank (**)	4,350,000,000	(2,400,000,000)	-	1,950,000,000
	254,765,496,637	(2,400,000,000)	(45,119,762,289)	207,245,734,348

(*) The borrowings with Asia Joint Stock Commercial Bank have credit limit of VND400 billion and bear interest at the rates adjustable from time to time which are announced by this bank.

The purpose of borrowings is 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 (Note 12); 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.

Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project had been capitalised to 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, the lessee of Nghi Son Project (Note 31).

(**) The borrowing with Southeast Asia Commercial Joint Stock Bank is comprised of 2 credit agreements in VND with the maturity of 2 years since October 2019 and December 2019, respectively, is secured by the assets formed by these borrowings, and bear interest at the rates adjustable from time to time which are announced by this bank (Note 11(a)).

23 BONUS AND WELFARE FUND

	For the year ended 2020 VND	For the year ended 2019 VND
Beginning of year	34,056,852,653	74,486,291,576
Appropriation from undistributed earnings of previous years	4,624,816,244	4,511,149,927
Appropriation from undistributed earnings of current year	7,264,361,800	7,218,580,968
Increase from acquisition of a subsidiary	-	236,340,501
Utilisation	(7,835,340,967)	(10,235,849,476)
Transferred to its subsidiaries	(3,585,288,887)	(2,084,700,000)
Other decreases	4,751,087	(40,074,960,843)
End of year	34,530,151,930	34,056,852,653

24 OWNERS' CAPITAL

(a) Number of shares

	2020		2019	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	86,600,124	-	86,600,124	-
Number of shares issued	86,600,124	-	86,600,124	-
Number of shares repurchased	(3,029,600)	-	(1,590,310)	-
Number of existing shares in circulation	83,570,524	-	85,009,814	-

(b) Details of owners' shareholding

	2020		2019	
	VND	%	VND	%
PVN	209,738,510,000	25.1	209,738,510,000	24.7
Other shareholders	625,966,730,000	74.9	641,667,619,368	75.3
	835,705,240,000	100	851,406,129,368	100

24 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2019	866,001,240,000	-	**866,001,240,000**
As at 31 December 2019	866,001,240,000	-	**866,001,240,000**
As at 31 December 2020	866,001,240,000	-	**866,001,240,000**

Par value per share: VND10,000.

25 MOVEMENTS IN OWNERS' EQUITY

	Share capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND	Non-controlling interests VND	Total capital and reserves VND
As at 1 January 2019	866,001,240,000	133,918,052,614	90,820,087,775	(50,118,432,974)	172,453,174,126	264,287,335,590	1,477,361,457,131	143,048,092,376	**1,620,409,549,507**
Capital increased during the year	-	-	-	-	-	-	-	3,400,000,000	**3,400,000,000**
Net profit for the year	-	-	-	-	-	122,071,092,323	122,071,092,323	5,245,629,954	**127,316,722,277**
Appropriation to bonus and walfare fund	-	-	-	-	-	(9,620,490,808)	(9,620,490,808)	(2,109,240,087)	**(11,729,730,895)**
Appropriation to investment and development funds	-	-	-	-	100,000,000,000	(100,000,000,000)	-	-	**-**
Dividends paid	-	-	40,896,000,000	-	-	(113,340,103,168)	(72,444,103,168)	(38,630,837,332)	**(111,074,940,500)**
Increase from acquisition of a subsidiary	-	-	-	-	-	-	-	11,996,000,000	**11,996,000,000**
Change in ownership	-	-	59,912,225	-	(285,882,826)	(5,452,422,064)	(5,678,392,665)	5,678,392,665	**-**
As at 1 January 2020	866,001,240,000	133,918,052,614	131,776,000,000	(50,118,432,974)	272,167,291,300	157,945,411,873	1,511,689,562,813	128,628,037,576	**1,640,317,600,389**
Net profit for the year	-	-	-	-	-	137,251,749,288	137,251,749,288	2,914,850,970	**140,166,600,258**
Appropriation to bonus and welfare fund (*)	-	-	-	-	-	(9,703,160,473)	(9,703,160,473)	(2,186,017,571)	**(11,889,178,044)**
Dividends paid (**)	-	-	-	-	-	(83,570,524,000)	(83,570,524,000)	(2,333,954,414)	**(85,904,478,414)**
(Repurchase)/Reissuance of treasury shares	-	(13,162,383,011)	-	24,712,642,202	-	(24,540,998,659)	(12,990,739,468)	(6,533,808,699)	**(19,524,548,167)**
Change in ownership	-	-	-	-	-	320,815,689	320,815,689	(320,815,689)	**-**
As at 31 December 2020	866,001,240,000	120,755,669,603	131,776,000,000	(25,405,790,772)	272,167,291,300	177,703,293,718	1,542,997,703,849	120,168,292,173	**1,663,165,996,022**

(*) Bonus and welfare fund are appropriated from the 2019 net profit after tax or 2020 planned profit after tax upon approval of shareholders at the Annual General Meeting according to the Resolution No.23/NQ-DVTHDK-ĐHĐCĐ dated 26 June 2020.

(**) According to the Resolution No.23/NQ-DVTHDK-ĐHĐCĐ dated 26 June 2020, the Corporation's General Shareholders approved the 2019 dividend at the rate 10% of the par value of share in circulation.

26 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	2020 VND	2019 VND
Owners' capital	181,244,598,000	181,244,598,000
Owners' other capital	36,223,230,000	36,223,230,000
Share premium	(3,152,534,384)	-
Treasury shares	(4,551,274,315)	(1,170,000,000)
Investment and development fund	-	7,366,690,987
Undistributed earnings	(89,595,727,128)	(95,036,481,411)
	120,168,292,173	128,628,037,576

Movements of non-controlling interests during the year are as follows:

	2020 VND	2019 VND
Beginning of year	128,628,037,576	143,048,092,376
Increase of owners' capital	-	3,400,000,000
Increase of owners' other capital from dividends paid by share	-	10,137,070,000
Net profit	2,914,850,970	5,245,629,954
Reissuance treasury shares	(6,533,808,699)	-
Appropriation to bonus and welfare fund	(2,186,017,571)	(2,109,240,087)
Dividends paid	(2,333,954,414)	(48,767,907,332)
Increase from acquisition of a subsidiary	-	11,996,000,000
Change in ownership	(320,815,689)	5,678,392,665
End of year	120,168,292,173	128,628,037,576

27 DIVIDENDS

	2020 VND	2019 VND
Beginning of year	32,282,864,484	37,683,689,120
Dividends payable during the year (Note 25)	85,904,478,414	162,108,010,500
Stock dividends	-	(51,033,070,000)
Dividends paid by cash during the year	(91,031,009,992)	(113,304,830,166)
Others	(2,063,214,880)	(3,170,934,970)
End of year (Note 21(a))	25,093,118,026	32,282,864,484

28 BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares repurchased by the Parent company and held as treasury shares. Details are as follows:

	2020 VND	2019 VND
Net profit after tax attributable to the shareholders (VND)	137,251,749,288	122,071,092,323
Less appropriation to bonus and walfare fund (VND) (*)	(9,703,160,473)	(9,734,157,125)
Net profit for the year attributable to the shareholders (VND)	127,548,588,815	112,336,935,198
Weighted average number of ordinary share in issue (shares)	83,570,524	85,009,814
Basic earning per share (VND)	1,526	1,321

(*) The appropriation to bonus and welfare fund for the year ended 31 December 2019 was adjusted by the 2019 actual appropriation from undistributed earnings approved by shareholders at the Annual General Meeting which is attributable to the parent Company.

For the year ended 31 December 2020, the Corporation has provisionally appropriated the net profit to bonus and welfare fund based on the 2020 plan approved by shareholders at the Annual General Meeting.

Basic earnings per share of the year ended 31 December 2019 were recalculated as follows:

	For the year ended 31.12.2019		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	122,071,092,323	-	122,071,092,323
Actual appropriation to bonus and welfare fund (VND) (*)	(9,620,490,808)	(113,666,317)	(9,734,157,125)
Net profit attributable to shareholders (VND)	112,450,601,515	(113,666,317)	112,336,935,198
Weighted average number of ordinary shares in issue (shares)	85,009,814	-	85,009,814
Basic earnings per share (VND)	1,323	-	1,321

28 BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year and the ordinary shares expected to be issued. The Parent companny has no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

29 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 31 December 2020, included in cash and cash equivalents as at 31 December 2020 are balances held in foreign currency of USD1,794,379, EUR1,007 and GBP6,612 (as at 31 December 2019: USD1,893,098.52 and EUR250.96).

(b) Operating lease assets

The future minimum lease receipts under non-cancellable operating leases were presented in Note 41(a)(ii).

30 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	2020 VND	2019 VND
Revenue		
Sales from sales of goods	12,059,214,880,045	8,547,695,744,167
Sales from rendering of services	1,607,194,721,058	1,600,932,822,183
	13,666,409,601,103	10,148,628,566,350
Sales deductions		
Trade discounts	(132,446,873,227)	(75,984,445,226)
Sales allowances	(8,408,458,280)	(15,928,334,551)
Sales returns	(72,305,567,269)	(48,226,940,380)
	(213,160,898,776)	(140,139,720,157)
Net revenue		
Net sales from sales of goods	11,846,053,981,269	8,407,556,024,010
Net sales from rendering of services	1,607,194,721,058	1,600,932,822,183
	13,453,248,702,327	10,008,488,846,193

31 COST OF GOODS SOLD AND SERVICES RENDERED

	2020 VND	2019 VND
Cost of merchandises sold	11,746,103,871,785	8,245,282,399,533
Cost of services rendered (*)	1,033,848,566,670	1,157,267,628,409
Provision/(reversal of provision) for decline in value of inventories	4,396,414,745	(5,195,463,560)
	12,784,348,853,200	9,397,354,564,382

(*) Included in the cost of services rendered is the interest expense relating to Nghi Son Project, amounting to VND26.6 billion (2019: VND28.3 billion) being refunded by Nghi Son Refinery and Petrochemical Company Limited (Note 22), the leasor of Nghi Son Project, after this project was put into operation.

32 FINANCIAL INCOME

	2020 VND	2019 VND
Interest income from deposits	26,290,305,170	26,896,128,366
Realised foreign exchange gains	9,219,676,936	6,463,225,105
Others	13,052,126,894	4,290,961,285
	48,562,109,000	37,650,314,756

33 FINANCIAL EXPENSES

	2020 VND	2019 VND
Interest expense	76,419,942,463	67,681,145,079
Realised foreign exchange losses	1,541,782,789	-
Provision for diminution in value of investments	(427,080,550)	480,229,299
Net loss from foreign currency translation at year end	1,051,018,847	24,077,643
Others	5,150,290,413	4,874,363,400
	83,735,953,962	73,059,815,421

34 SELLING EXPENSES

	2020 VND	2019 VND
Staff costs	94,696,776,674	88,949,879,878
Transportation	32,820,177,899	36,106,697,947
Advertising and marketing	5,011,448,961	9,708,349,011
Depreciation	1,867,389,925	1,820,158,042
Warehouse rentals	19,306,675,864	21,560,539,685
Commission	5,563,546,350	14,036,097,485
Outside servies	9,801,331,020	4,560,645,456
Tool and supplies	278,413,334	1,905,398,963
Insurance	4,842,106,013	6,299,379,108
Others	58,218,511,488	38,631,637,696
	232,406,377,528	223,578,783,271

35 GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 VND
Staff costs	86,654,012,460	86,551,126,492
Depreciation and amortisation	6,521,592,143	5,196,567,745
Provision for doubtful debts	63,991,041,746	75,199,081,694
Outside services	27,863,978,102	29,543,634,881
Goodwill allocation (Note 16)	1,530,382,500	1,530,382,500
Others	15,386,547,507	53,474,843,836
	201,947,554,458	251,495,637,148

36 OTHER INCOME AND OTHER EXPENSES

	2020 VND	2019 VND
Other income		
Allocation of gas cylinders deposits	7,372,544,061	6,174,203,143
Contractual fines received	1,069,815,051	27,626,828,676
Net gains on disposal of fixed assets	3,904,948,471	71,170,091,999
Others	4,229,415,296	2,846,304,568
	16,576,722,879	107,817,428,386
Other expenses		
Contractual fines	3,203,686,782	15,958,743,655
Others	5,102,047,433	6,929,568,790
	8,305,734,215	22,888,312,445

37 BIT

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

	2020 VND	2019 VND
Net accounting profit before tax	206,943,064,914	185,145,058,318
Tax calculated at a rate of 20%	41,388,612,983	37,029,011,664
Effect of:		
Expenses not deductible for tax purposes	16,212,898,533	11,492,730,907
Tax losses for which no deferred income tax asset was recognised	6,712,559,937	7,320,926,404
Under-provision in previous years	3,339,669,106	2,070,356,589
Tax deduction	(738,524,420)	-
Utilisation of tax losses	(138,751,483)	(84,689,523)
BIT charge (*)	66,776,464,656	57,828,336,041
Charged to consolidated income statement:		
BIT – current	66,776,464,656	54,517,481,520
BIT – deferred (Note 15)	-	3,310,854,521
	66,776,464,656	57,828,336,041

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

38 COST OF OPERATION BY FACTOR

Costs of operation by factor represents all costs incurred during the year, excluding cost of merchandises for trading activities. The details are as follows:

	2020 VND	2019 VND
Cost of real estate properties sold	-	29,339,302,052
Raw materials	592,388,587,214	514,641,428,795
Staff costs	557,818,944,461	567,610,090,246
Depreciation and amortisation	62,705,693,191	64,600,145,754
Goodwill allocation	1,530,382,500	1,530,382,500
Provision/(reversal of provision) for decline in value of inventories	4,396,414,745	(5,195,463,560)
Provision for doubtful debts	63,991,041,746	75,199,081,694
Outside services	359,647,251,508	395,774,757,112
Interest expenses refunded (Note 31)	26,630,014,610	28,368,774,772
Transportation	14,328,427,040	8,686,420,190
Repair and maintenance	30,390,111,618	23,743,430,217
Management fee payable to related parties (Note 40(a))	-	995,988,167
Tool and supplies	6,400,536,956	18,284,003,662
Rental	18,657,030,699	16,731,789,278
Cleaning	70,195,660,230	69,131,363,987
Others	71,332,591,386	120,317,651,051
	1,880,412,687,904	1,929,759,145,917

39 ADDITIONAL INFORMATION ON CERTAIN THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions affecting the consolidated statement of cash flows

	2020 VND	2019 VND
Purchase and construction of fixed assets and other long-term assets which have not been paid yet	421,805,004	82,943,600
Investment in other entity by offsetting with other receivables	-	16,000,000,000

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

Investments held-to-maturity of the Corporation which were pledged as collateral assets for the Corporation's borrowing contracts as disclosed in Note 4(b) are held by the Corporation but restricted to use.

38 COST OF OPERATION BY FACTOR

Costs of operation by factor represents all costs incurred during the year, excluding cost of merchandises for trading activities. The details are as follows:

	2020 VND	2019 VND
Cost of real estate properties sold	-	29,339,302,052
Raw materials	592,388,587,214	514,641,428,795
Staff costs	557,818,944,461	567,610,090,246
Depreciation and amortisation	62,705,693,191	64,600,145,754
Goodwill allocation	1,530,382,500	1,530,382,500
Provision/(reversal of provision) for decline in value of inventories	4,396,414,745	(5,195,463,560)
Provision for doubtful debts	63,991,041,746	75,199,081,694
Outside services	359,647,251,508	395,774,757,112
Interest expenses refunded (Note 31)	26,630,014,610	28,368,774,772
Transportation	14,328,427,040	8,686,420,190
Repair and maintenance	30,390,111,618	23,743,430,217
Management fee payable to related parties (Note 40(a))	-	995,988,167
Tool and supplies	6,400,536,956	18,284,003,662
Rental	18,657,030,699	16,731,789,278
Cleaning	70,195,660,230	69,131,363,987
Others	71,586,982,295	120,317,651,051
	1,880,667,078,813	1,929,759,145,917

39 ADDITIONAL INFORMATION ON CERTAIN THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions affecting the consolidated statement of cash flows

	2020 VND	2019 VND
Purchase and construction of fixed assets and other long-term assets which have not been paid yet	421,805,004	82,943,600
Investment in other entity by offsetting with other receivables	-	16,000,000,000

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

Investments held-to-maturity of the Corporation which were pledged as collateral assets for the Corporation's borrowing contracts as disclosed in Note 4(b) are held by the Corporation but restricted to use.

39 ADDITIONAL INFORMATION ON CERTAIN THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	2020 VND	2019 VND
(c) Amount of borrowings actually drawdown during the year		
Proceeds from borrowings following normal borrowing contracts	8,128,085,579,739	5,315,947,783,934
Borrowings from acquisition of a subsidiary	-	34,219,119,536
	8,128,085,579,739	5,350,166,903,470
(d) Amount of borrowings principal actually repaid during the year		
Repayments of borrowings following normal borrowing contracts	6,938,428,213,472	5,718,933,919,835

40 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN, who owns 25.1% of share capital of the Corporation (Note 24).

Accordingly, PVN, fellow PVN group subsidiaries, and associates 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:

	2020 VND	2019 VND
i) Revenue from sale of goods and rendering of services		
PVN	65,201,453,672	102,587,769,064
Affiliate companies in PVN	522,896,478,150	682,686,218,682
	588,097,931,822	785,273,987,746
ii) Purchases of goods and services		
PVN	19,302,860,007	23,280,883,112
Affiliate companies in PVN	535,264,015,124	749,081,248,835
	554,566,875,131	772,362,131,947
iii) Compensation of key management		
Gross salaries and other benefits	3,767,849,635	4,706,346,507

40 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2020 VND	2019 VND
iv) Other transactions		
Dividend paid	20,973,851,000	20,973,851,000
Management fee (Note 38)	-	995,988,167

(b) Year-end balances with related parties

	2020 VND	2019 VND
Short-term trade accounts receivable (Note 5)		
PVN	28,832,523,190	15,588,778,033
Affiliate companies in PVN	164,707,850,327	126,442,056,735
	193,540,373,517	142,030,834,768
Other short-term receivables		
PVN	4,882,973,475	-
Key managements	2,829,397,774	2,824,646,687
	7,712,371,249	2,824,646,687
Short-term trade accounts payable (Note 17)		
PVN	253,866,498,728	267,091,684,091
Affiliate companies in PVN	235,070,375,736	175,781,938,222
	488,936,874,464	442,873,622,313
Short-term advances from customers (Note 18)		
Affiliate companies in PVN	122,942,127,916	74,065,646,207
Short-term unearned revenue (Note 20(a))		
Affiliate companies in PVN	20,454,545,492	27,272,727,273

40 RELATED PARTY DISCLOSURES (continued)

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

	2020 VND	2019 VND
Long-term unearned revenue (Note 20(b))		
Affiliate companies in PVN	-	20,454,545,483
Other short-term payables		
PVN	6,219,587,094	2,967,817,630
Affiliate companies in PVN	6,085,904,269	6,162,107,710
	12,305,491,363	9,129,925,340
Other long-term payables		
PVN	-	1,108,248,372
Affiliate companies in PVN	3,837,035,007	412,290,726
	3,837,035,007	1,520,539,098

41 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. Additionally, the Corporation also signed office and warehouse lease contracts with suppliers to conduct its business activities. As at 31 December 2020, the future minimum lease payments under these operating lease contracts were as follows:

	2020 VND	2019 VND
Below 1 year	101,418,564,287	54,676,289,807
From 1 to 5 years	101,665,101,392	43,597,970,137
Above 5 years	65,366,342,826	63,963,103,508
Total minimum payments	268,450,008,505	162,237,363,452

41 COMMITMENTS (continued)

(a) Commitments under operating leases (continued)

(ii) The Corporation as the lessor

The Corporation signed the operating lease contract related to Nghi Son Project and land lease contract. Accordingly, the future minimum lease receipts under non-cancellable operating leases are as follows:

	2020 VND	2019 VND
Below 1 year	115,765,746,224	144,559,684,006
From 1 to 5 years	443,235,585,804	375,620,829,970
Above 5 years	89,752,093,869	194,358,846,690
Total minimum receipts	648,753,425,897	714,539,360,666

41 COMMITMENTS (continued)

(b) Capital contribution commitments

As at 31 December 2020, the progress of charter capital contribution commitments is as follows:

	As per business registration certificates VND	The Corporation's ownership (%)	Capital contributed as at 31.12.2020 VND	Capital to be contributed as at 31.12.2019 VND
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
Vinh Hoa Emerald Bay International Hospitality Company Limited (***)	111,200,000,000	20	16,000,000,000	95,200,000,000
	360,700,000,000		26,733,401,247	333,966,598,753

(*) In December 2010, the Corporation agreed to contribute its capital obligation into PSSSG with the charter capital of VND229.5 billion, accounting for 51% of the ownership. As at 31 December 2020, the Corporation contributed VND10.7 billion.

(**) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Board of Directors decided to invest in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. As at 31 December 2020, the shareholders of ITS have not yet contributed their capital obligations.

(***) According to the Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 31 December 2020, the Corporation contributed VND16 billion.

(c) Other commitments

As at 31 December 2020, 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.

42 SEGMENT REPORTING

Geographical segments

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

Business activity segments

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

	2020				
	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other goods and services VND	Total VND
Net revenue from sale of goods and rendering of services	10,102,468,139,044	298,525,424,295	1,318,956,309,376	1,733,298,829,612	**13,453,248,702,327**
Cost of goods sold and service rendered	(9,727,659,622,967)	(231,944,466,032)	(1,255,799,531,271)	(1,568,945,232,930)	**(12,784,348,853,200)**
Gross profit from sale of goods and rendering of services	374,808,516,077	66,580,958,263	63,156,778,105	164,353,596,682	**668,899,849,127**

	2019				
	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other goods and services VND	Total VND
Net revenue from sale of goods and rendering of services	6,255,802,830,435	389,134,464,024	1,711,719,666,643	1,651,831,885,091	**10,008,488,846,193**
Cost of goods sold and service rendered	(5,929,596,797,790)	(312,580,781,913)	(1,645,730,762,945)	(1,509,446,221,734)	**(9,397,354,564,382)**
Gross profit from sale of goods and rendering of services	326,206,032,645	76,553,682,111	65,988,903,698	142,385,663,357	**611,134,281,811**

43 CONTINGENT LIABILITIES

The Corporation signed land, warehouse 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 2020, the Chairman 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 consolidated financial statements.

The consolidated financial statements were approved by the Chairman on 31 March 2021.

Tran Quang Huy	Nguyen Thi Thanh	Phung Tuan Ha
Preparer	Chief Accountant	Chairman