

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 amendment dated 23 May 2016

### Board of Management

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	Chief Supervisor (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 Directors

Mr. Vu Tien Duong	General Director
Mr. Ho Minh Viet	Deputy General Director
Ms. Pham Thi Hong Diep	Deputy General Director (appointed from 1 January 2020)
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
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### Registered office

6th Floor, PetroVietnam Tower, No. 1 - 5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

### Auditor

PwC (Vietnam) Limited

## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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

The Chairman of the Board of Management (“the Chairman”) of PetroVietnam General Services Joint Stock Company (“the Corporation”) is responsible for preparing the interim separate financial statements of the Corporation which give a true and fair view of the separate financial position of the Corporation as at 30 June 2020, the separate results of its operations, and its separate cash flows for the six-month period then ended. In preparing these interim separate 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 interim separate financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

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

### APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying interim separate financial statements as set out on pages 5 to 49 which give a true and fair view of the separate financial position of the Corporation as at 30 June 2020, of the separate results of its operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements.

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2020 in order to obtain full information of the consolidated financial position, consolidated results of operations, and consolidated cash flows of the Corporation and its subsidiaries.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
28 August 2020





## REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

We have reviewed the accompanying interim separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 29 July 2020 and approved by the Chairman on 28 August 2020. These interim separate financial statements comprise the interim separate balance sheet as at 30 June 2020, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements, as set out on pages 5 to 49.

### **The Chairman's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on this interim separate financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*.

A review of interim separate financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements does not present fairly, in all material respects, the separate financial position as at 30 June 2020, its separate financial performance and separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim separate financial statements.

## Other Matter

The report on review of interim separate financial information 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**



Trần Thị Thanh Trúc  
Audit Practising Licence No. 3047-2019-006-1

Report reference number: HCM9833  
Ho Chi Minh City, 28 August 2020

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN

INTERIM SEPARATE BALANCE SHEET

		As at	
Code	ASSETS	30.6.2020 VND	31.12.2019 VND
<b>100</b>	<b>CURRENT ASSETS</b>	<b>783,699,690,779</b>	<b>806,081,668,872</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>127,464,449,323</b>	<b>337,129,718,726</b>
111	Cash	107,464,449,323	124,529,718,726
112	Cash equivalents	20,000,000,000	212,600,000,000
<b>120</b>	<b>Short-term investments</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
123	Provision for diminution in value of trading securities	10,000,000,000	10,000,000,000
<b>130</b>	<b>Short-term receivables</b>	<b>571,145,567,543</b>	<b>403,317,944,713</b>
131	Short-term trade accounts receivable	147,348,463,497	44,956,898,852
132	Short-term prepayments to suppliers	963,727,736	822,227,736
136	Other short-term receivables	490,458,141,100	425,163,582,915
137	Provision for doubtful debts – short-term	(67,624,764,790)	(67,624,764,790)
<b>140</b>	<b>Inventories</b>	<b>26,425,263,341</b>	<b>4,911,735,036</b>
141	Inventories	26,425,263,341	4,911,735,036
<b>150</b>	<b>Other current assets</b>	<b>48,664,410,572</b>	<b>50,722,270,397</b>
151	Short-term prepaid expenses	1,109,361,935	321,075,033
152	Value Added Tax ("VAT") to be reclaimed	47,317,364,977	50,225,201,134
153	Tax and other receivables from the State	237,683,660	175,994,230
<b>200</b>	<b>LONG-TERM ASSETS</b>	<b>1,354,882,090,394</b>	<b>1,361,734,581,735</b>
<b>210</b>	<b>Long-term receivable</b>	<b>24,965,000,000</b>	<b>24,965,000,000</b>
216	Other long-term receivables	24,965,000,000	24,965,000,000
<b>220</b>	<b>Fixed assets</b>	<b>117,998,491,554</b>	<b>119,224,518,946</b>
221	Tangible fixed assets	19,661,182,173	20,887,209,565
222	Historical cost	79,548,575,275	78,905,754,366
223	Accumulated depreciation	(59,887,393,102)	(58,018,544,801)
227	Intangible fixed assets	98,337,309,381	98,337,309,381
228	Historical cost	99,415,932,281	99,415,932,281
229	Accumulated amortisation	(1,078,622,900)	(1,078,622,900)
<b>230</b>	<b>Investment properties</b>	<b>693,626,831,156</b>	<b>713,804,121,841</b>
231	Historical cost	852,074,158,578	852,074,158,578
232	Accumulated depreciation	(158,447,327,422)	(138,270,036,737)
<b>240</b>	<b>Long-term asset in progress</b>	<b>806,632,906</b>	<b>806,632,906</b>
242	Construction in progress	806,632,906	806,632,906
<b>250</b>	<b>Long-term investments</b>	<b>404,055,963,369</b>	<b>404,428,511,277</b>
251	Investments in subsidiaries	400,311,972,126	400,311,972,126
252	Investments in associates	30,359,957,249	30,359,957,249
253	Investments in other entities	2,000,000,000	2,000,000,000
254	Provision for long-term investments	(28,615,966,006)	(28,243,418,098)
<b>260</b>	<b>Other long-term assets</b>	<b>113,429,171,409</b>	<b>98,505,796,765</b>
261	Long-term prepaid expenses	113,429,171,409	98,505,796,765
<b>270</b>	<b>TOTAL ASSETS</b>	<b>2,138,581,781,173</b>	<b>2,167,816,250,607</b>

The notes on pages 9 to 49 are an integral part of these interim separate financial statements.



INTERIM SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			30.6.2020 VND	31.12.2019 VND
<b>300</b>	<b>LIABILITIES</b>		<b>860,432,529,738</b>	<b>800,103,184,110</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>619,561,859,546</b>	<b>524,324,871,045</b>
311	Short-term trade accounts payable	12	351,037,102,199	269,835,196,477
313	Tax and other payables to the State	13	73,372,768	10,709,839,341
314	Payable to employees		20,980,663,619	24,398,905,975
315	Short-term accrued expenses		2,365,684,372	2,587,902,411
318	Short-term unearned revenue	14(a)	27,272,727,273	27,272,727,273
319	Other short-term payables	15(a)	166,909,765,045	148,953,959,963
320	Short-term borrowings	16(a)	36,889,354,356	29,494,928,134
322	Bonus and welfare fund	17	14,033,189,914	11,071,411,471
<b>330</b>	<b>Long-term liabilities</b>		<b>240,870,670,192</b>	<b>275,778,313,065</b>
336	Long-term unearned revenue	14(b)	6,818,181,851	20,454,545,483
337	Other long-term payables	15(b)	4,458,804,720	4,908,270,945
338	Long-term borrowings	16(b)	229,593,683,621	250,415,496,637
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,278,149,251,435</b>	<b>1,367,713,066,497</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,278,149,251,435</b>	<b>1,367,713,066,497</b>
411	Owners' capital	18, 19	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	19	133,918,052,614	133,918,052,614
415	Treasury shares	19	(26,839,047,440)	(14,595,110,632)
418	Investment and development fund	19	259,111,461,673	259,111,461,673
421	Undistributed earnings	19	45,957,544,588	123,277,422,842
421a	- Undistributed post-tax profits of previous years		33,642,792,598	46,197,152,103
421b	- Post-tax profit of current period/year		12,314,751,990	77,080,270,739
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>2,138,581,781,173</b>	<b>2,167,816,250,607</b>



Pham Thi Ninh  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman  
28 August 2020






**INTERIM SEPARATE CASH FLOW STATEMENT  
(Indirect method)**

Code	Note	For the six-month period ended 30 June	
		2020 VND	2019 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01		<b>14,300,325,080</b>	<b>15,027,302,736</b>
	Adjustments for:		
02	Depreciation and amortisation	22,046,138,986	22,285,235,537
03	Provisions	372,547,908	2,201,155,955
05	Profits from investing activities	(11,897,640,584)	(9,309,292,994)
08	<b>Operating profit before changes in working capital</b>	<b>24,821,371,390</b>	<b>30,204,401,234</b>
09	(Increase)/decrease in receivables	(183,605,247,986)	24,827,364,173
10	(Increase)/decrease in inventories	(21,513,528,305)	9,376,611,679
11	Decrease in payables	(4,787,271,588)	(10,937,631,726)
12	(Increase)/decrease in prepaid expenses	(15,711,661,546)	4,647,080,515
15	BIT paid	(12,687,499,324)	(4,415,290,984)
17	Other payments on operating activities	(388,700,000)	(1,312,800,000)
20	<b>Net cash (outflows)/inflows from operating activities</b>	<b>(213,872,537,359)</b>	<b>52,389,734,891</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(642,820,909)	(1,186,654,546)
22	Proceeds from disposals of fixed assets and long-term assets	-	465,000,000
25	Investments in other entities	-	(15,000,000,000)
27	Dividends and interest received	30,521,412,467	9,095,737,063
30	<b>Net cash inflows/(outflows) from investing activities</b>	<b>29,878,591,558</b>	<b>(6,625,917,483)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	Payments for share repurchases	(12,243,936,808)	-
33	Proceeds from borrowings	1,083,068,000	-
34	Repayments of borrowings	(14,510,454,794)	(14,961,326,740)
36	Dividends paid	-	(85,227,887,900)
40	<b>Net cash outflows from financing activities</b>	<b>(25,671,323,602)</b>	<b>(100,189,214,640)</b>
50	<b>Net decrease in cash and cash equivalents</b>	<b>(209,665,269,403)</b>	<b>(54,425,397,232)</b>
60	<b>Cash and cash equivalents at beginning of period</b>	<b>337,129,718,726</b>	<b>259,274,365,156</b>
61	Effect of foreign exchange differences	-	-
70	<b>Cash and cash equivalents at end of period</b>	<b>127,464,449,323</b>	<b>204,848,967,924</b>

Additional information about the interim separate cash flow statement was described in Note 30.

  
\_\_\_\_\_  
Pham Thi Ninh  
Preparer

  
\_\_\_\_\_  
Nguyen Thi Thanh  
Chief Accountant

  
\_\_\_\_\_  
Phung Tuan Ha  
Chairman  
28 August 2020

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

**1 GENERAL INFORMATION**

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

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

The shareholders of the Corporation are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 18.

The Corporation’s business activities are providing services and trading of commodity.

The principal activities of the Corporation include:

- support and management services;
- sale of supplies, office equipment, audio-visual equipment;
- lease of warehouses, workshops, premises and office;
- real estate development, trading and management;
- trading of telecommunication equipment; and
- trading fertilizers, pesticides and chemicals used in agricultural industry.

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

As at 30 June 2020, the Corporation had 11 direct subsidiaries, 4 indirect subsidiaries, 2 direct associates, 2 indirect associates, and 1 dependent accounting unit that does not have legal status.

Details of 11 direct subsidiaries and 2 direct associates are presented in Note 4 – Investments. Details of 4 indirect subsidiaries, 2 indirect associates and 1 dependent accounting unit are in the following page.



**1 GENERAL INFORMATION (continued)**

No.	Name	Principal activities	Place of incorporation and operation	Ownership %	Voting right %
<b>Subsidiaries</b>					
1	Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Trading of electronic devices, refrigeration appliances, and electronic household appliances	Ho Chi Minh City	40.81	51
2	Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Wholesale of solid, liquid and gaseous fuels and related products	Nha Trang	99.79	100
3	Petrosetco - ALE Heavy Transportation and Lifting Joint-Stock Company ("Petrosetco - Ale")	Providing heavy transportation and lifting services	Ho Chi Minh City	22.44	51
4	Green Technology Import Export Joint Stock Company	Trading of medical equipment and supplies	Ho Chi Minh City	40.02	50
<b>Associates</b>					
1	Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom")	Trading of electronic components, information technology, technology transfer services and delivery services	Ha Noi	20	16
2	Petro Environmental and Energy Services Joint Stock Company	Manufacturing electricity	Ho Chi Minh	45	27
<b>The dependent accounting unit that does not have legal status</b>					
1	Petroleum Industrial Material Distribution Company ("PIMD")	Trading solid, liquid, gas fuels and related products	Ho Chi Minh City	100	100

As at 30 June 2020, the Corporation had 60 employees (as at 31 December 2019: 51 employees).

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of preparation of interim separate financial statements**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.1 Basis of preparation of interim separate financial statements (continued)**

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

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

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

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2020 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Corporation and its subsidiaries.

**2.2 Fiscal year**

The Corporation's fiscal year is from 1 January to 31 December. The interim separate financial statements are prepared for the six-month period from 1 January to 30 June.

**2.3 Currency**

The interim separate financial statements are measured and presented in Vietnamese Dong ("VND"). The Corporation determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used to list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labor, materials, merchandise, and other production or operating costs and normally used as payments of those costs.

In addition, the Corporation also uses this currency to raise financial resources and/or regularly collects this currency 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 interim separate income statement.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.4 Exchange rates (continued)**

Monetary assets and liabilities denominated in foreign currencies at the interim separate balance sheet date are respectively translated at the buying and selling exchange rates at the interim separate balance sheet date of the commercial bank(s) where the Corporation regularly trades. Foreign currencies deposited in commercial bank(s) at the interim separate 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 interim separate income statement.

**2.5 Cash and cash equivalents**

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

**2.6 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 expected loss that may arise. Bad debts are written off when identified.

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

**2.7 Inventories**

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

The Corporation applies the perpetual system for inventories.

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

**2.8 Investments****(a) Investments held-to-maturity**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.8 Investments (continued)**

**(a) Investments held-to-maturity (continued)**

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. 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 period 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 accounting period 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.

**(b) Investments in 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.

Investments in subsidiaries are initially recorded at cost of acquisition including capital contribution value plus other expenditure directly attributable to the investment. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the period end.

**(c) Investments in associates**

Associates are the investments that the Corporation has significant influence but not control and would generally have from 20% to under 50% of the voting rights of the investee.

Investments in associates are accounted for at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the period end.

**(d) Investment in other entity**

Investment in other entity is investment in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. This investment is initially recorded at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the period end.

**(e) Provision for investments in subsidiaries, associates, and other entity**

Provision for investments in subsidiaries, associates, and other entity is made when there is a diminution in value of the investments at the period 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.8 Investments (continued)**

**(e) Provision for investments in subsidiaries, associates, and other entity (continued)**

Changes in the provision balance during the accounting period 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.

**2.9 Fixed assets**

*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their 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, they are charged to the interim separate 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 asset class are as follows:

Buildings and structures	2% - 20%
Machinery and equipment	5% - 14%
Motor vehicles	10% - 17%
Office equipment	17% - 33%
Software	33% - 50%

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

*Disposals*

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount of the fixed assets and are recognised as income or expense in the interim separate 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, including construction costs, costs of tools and equipment, construction consulting expenditures, and capitalised borrowing costs for qualifying assets in accordance with the Corporation's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

**2.10 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 interim separate income statement on a straight-line basis over the term of the lease.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 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, they are charged to the interim separate income statement when incurred.

*Depreciation*

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

Buildings and structures	2% - 33%
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*Disposals*

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

**2.12 Prepaid expenses**

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

**2.13 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 interim separate balance sheet based on remaining period from the interim separate balance sheet date to the maturity date.

**2.14 Borrowing**

Borrowings include borrowings from banks.

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

Borrowing costs are charged to the interim separate income statement when incurred.

**2.15 Accrued expenses**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.16 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 accounting period are recorded as an increase or decrease in operating expenses.

**2.17 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for asset leases. The Corporation records unearned revenue for the future obligations that the Corporation has to fulfill. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the interim separate income statement to the extent that it has met the recognition criteria.

**2.18 Capital and reserves****(a) Owners' capital**

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

**(b) Share premium**

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

**(c) Treasury shares**

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

**(d) Undistributed earnings**

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

**2.19 Appropriation of profit after BIT**

The Corporation's dividends are recognised as a liability in the interim separate financial statements in the period in which the dividends are approved by shareholders at the Annual General Meeting of Shareholders.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.19 Appropriation of profit after BIT (continued)**

The Corporation's funds are as below:

**(a) Investment and development fund**

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

**(b) Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Corporation's net profit after BIT and subject to shareholders' approval at the General Meeting. This fund is presented as a liability on the interim separate balance sheet. This fund is used for rewarding and encouraging, enhancing the physical and mental well-being of the employees.

**2.20 Revenue recognition**

**(a) Revenue from sales of goods**

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

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

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

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation.

**(b) Revenue from real estate sale**

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

- The real estate properties has been completed, and the Corporation 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.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.20 Revenue recognition (continued)****(c) Revenue from rendering of services**

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

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The percentage of completion of the transaction at the interim separate 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.

**(d) Revenue from operating leases**

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

**(e) Interest income**

Interest income is recognised on an earned basis.

**(f) Dividend income**

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

**2.21 Cost of goods sold and services rendered**

Cost of goods sold and services rendered are cost of merchandises sold or services rendered provided during the period, and recorded on the basis of matching with revenue and on a prudence basis.

**2.22 Financial expenses**

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

**2.23 Selling expenses**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.24 General and administration expenses**

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

**2.25 Current and deferred income tax**

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

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

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

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

**2.26 Related parties**

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2.27 Segment reporting**

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

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

**2.28 Accounting estimates**

The preparation of interim separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements requires the Chairman to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim separate financial statements and the reported amounts of revenues and expenses during the accounting period.

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**

	<b>30.6.2020</b>	<b>31.12.2019</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	473,802,468	311,402,493
Cash at bank (*)	106,990,646,855	124,218,316,233
Cash equivalents (**)	20,000,000,000	212,600,000,000
	<u>127,464,449,323</u>	<u>337,129,718,726</u>

(\*) As at 30 June 2020 and as at 31 December 2019, included in cash at bank is VND1 billion which was transferred by PetroVietnam Assets Management Joint Stock Company (“PSA”) into the bank account of the Corporation from the assets recovered of 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 in determining the right and obligations of this amount.

(\*\*) Cash equivalents include term deposits in VND with the original maturity of three months or less, and earn interest at the average rates 4.3% per annum (as at 31 December 2019: 4.3% to 5.0% per annum).

**4 INVESTMENTS**

**(a) Investment held-to-maturity**

	30.6.2020		31.12.2019	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000

Term deposits include bank deposits in VND with the remaining maturity of less than 12 months, and earn interest at the rate of 5.3% per annum (as at 31 December 2019: 5.5% per annum).

As at 30 June 2020 and as at 31 December 2019, the above term deposits were pledged as collateral assets for borrowings granted to Smart Convergence Joint Stock Company, a subsidiary of the Corporation.

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4 INVESTMENTS (continued)

(b) Long-term investments

	30.6.2020			31.12.2019		
	Cost VND	Provision VND	Net book value VND	Cost VND	Provision VND	Net book value VND
Investments in subsidiaries (i)	400,311,972,126	(25,791,016,490)	374,520,955,636	400,311,972,126	(25,791,016,490)	374,520,955,636
Investments in associates (ii)	30,359,957,249	(824,949,516)	29,535,007,733	30,359,957,249	(452,401,608)	29,907,555,641
Investment in other entity (iii)	2,000,000,000	(2,000,000,000)	-	2,000,000,000	(2,000,000,000)	-
	<u>432,671,929,375</u>	<u>(28,615,966,006)</u>	<u>404,055,963,369</u>	<u>432,671,929,375</u>	<u>(28,243,418,098)</u>	<u>404,428,511,277</u>

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**4 INVESTMENTS (continued)**  
**(b) Long-term investments (continued)**  
*(i) Investments in subsidiaries*

Details of investments in subsidiaries are as follows:

No	Company	Principal activities	Place of incorporation and operation	30.6.2020				31.12.2019					
				Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND
1	Petroleum General Distribution Services Joint Stock Company ("PSD") (i)	Distribution of telecommunication and electronic equipment	Ho Chi Minh City	80.04	80.04	113,600,000,000	233,107,200,000	-	80.04	80.04	113,600,000,000	308,764,800,000	-
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-
3	PetroVietnam Assets Management Joint Stock Company ("PSA") (ii)	Operating in property management and services	Ha Noi	71.46	71.46	58,962,908,969	(*)	-	71.46	71.46	58,962,908,969	(*)	-
4	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Vung Tau	70	70	64,341,999,232	(*)	-	70	70	64,341,999,232	(*)	-
5	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	31,681,662,678	(*)	-	60	60	31,681,662,678	(*)	-
6	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic, components, peripheral devices and software	Ho Chi Minh City	55	55	16,500,000,000	(*)	(16,500,000,000)	55.00	55.00	16,500,000,000	(*)	(16,500,000,000)
7	Petrosetco SSG Company Limited ("PSSSG") (iii)	Real estate business	Ho Chi Minh City	21.46	21.46	10,733,401,247	(*)	-	21.46	51	10,733,401,247	(*)	-
8	Petrosetco Retail Services Joint Stock Company ("PSR")	Mobile phones retailing	Ho Chi Minh City	72.75	75	7,650,000,000	(*)	(7,650,000,000)	72.75	75	7,650,000,000	(*)	(7,650,000,000)
9	Petroleum Logistics Service Joint Stock Company ("PSL") (iv)	Transportation service	Ho Chi Minh City	44	44	6,600,000,000	(*)	-	44	44	6,600,000,000	(*)	-
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTO")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-
11	Petroleum Saigon General Services Company Limited ("PSG") (v)	Stopped operations and on liquidation process	Ho Chi Minh City	100	100	10,400,000,000	(*)	(1,641,016,490)	100	100	10,400,000,000	(*)	(1,641,016,490)
						<u>400,311,972,126</u>	<u>(25,791,016,490)</u>				<u>400,311,972,126</u>	<u>(25,791,016,490)</u>	

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**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

*(i) Investments in subsidiaries (continued)*

- (\*) As at 30 June 2020 and 31 December 2019, the Corporation has not determined the fair value of these investments to disclose on the interim separate financial statements because they do not have listed prices.
- (i) The fair value of the investment in PSD was determined based on the closing price of the closest transaction date before 30 June 2020 and 31 December 2019.

As at 30 June 2020, 24,537,600 shares of PSD were pledged as collateral assets for the unearned revenue advanced from Nghi Son Refinery and Petrochemical Limited Liability Company.
- (ii) As at 30 June 2020, 5,345,200 shares of PSA were pledged as collateral assets for the borrowings of the Corporation (Note 16).
- (iii) As at 30 June 2020 and 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 representatives in the Board of Management of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iv) As at 30 June 2020 and 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 representatives in the Board of Management of PSL. Therefore, the Corporation controls PSL and PSL has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (v) 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.



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- 4 INVESTMENTS (continued)**  
**(b) Long-term investments (continued)**  
 (ii) *Investment in associates*

Details of investments in associates are as follows:

Company	Principal activities	Place of incorporation and operation	Ownership and voting right %	30.6.2020			31.12.2019		
				Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau	24	14,359,957,249	(*)	(824,949,516)	14,359,957,249	(*)	(452,401,608)
Vinh Hoa Emerald Bay International Hospitality Company Limited (**)	Hospitality service	Phu Yen	20	16,000,000,000	(*)	-	16,000,000,000	(*)	-
				<u>30,359,957,249</u>		<u>(824,949,516)</u>	<u>30,359,957,249</u>		<u>(452,401,608)</u>

(\*) As at 30 June 2020 and 31 December 2019, the Corporation has not determined the fair value of these investments to disclose on the interim separate financial statements because they do not have listed prices.

(\*\*) According to Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with the total contribution of VND11.2 billion, accounting for 20% of the voting right and ownership. As at 30 June 2020, the Corporation has contributed VND16 billion.

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**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

*(iii) Investment in other entity*

Details of investment in other entity are as follows:

Company	30.6.2020			31.12.2019			Net book value VND
	Ownership and voting rights %	Cost VND	Provision VND	Ownership and voting rights %	Cost VND	Provision VND	
PetroVietnam Central Biofuels Joint Stock Company	0.20	2,000,000,000	(2,000,000,000)	0.2	2,000,000,000	(2,000,000,000)	-
							=

As at 30 June 2020 and 31 December 2019, the Company has not determined the fair value of this investment to disclose on the interim separate financial statements because it does not have listed prices.

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5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2020 VND	31.12.2019 VND
Third parties		
<i>Human Resource Development     Company Limited</i>	10,923,500,000	10,923,500,000
<i>Others</i>	7,705,165,296	7,827,455,496
Related parties (Note 29(b))	128,719,798,201	26,205,943,356
	<u>147,348,463,497</u>	<u>44,956,898,852</u>

As at 30 June 2020, the balances of short-term trade accounts receivable which were past due were considered for provision of doubtful debts as presented in Note 7 (as at 31 December 2019: VND9,127,764,790).

6 OTHER RECEIVABLES

a) Short-term

	30.6.2020		31.12.2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Dividend receivables from related parties (Note 29(b))	9,329,715,290	-	31,140,195,290	-
Other receivables from related parties (Note 29(b))	381,892,420,258	(58,500,000,000)	371,573,421,306	(58,500,000,000)
Interest receivables	11,616,438	-	702,235,616	-
Other receivables from payment guarantee (*)	80,000,000,000	-	-	-
Others	19,224,389,114	-	21,747,730,703	-
	<u>490,458,141,100</u>	<u>(58,500,000,000)</u>	<u>425,163,582,915</u>	<u>(58,500,000,000)</u>

(\*) Other receivables from payment guarantee represent the payment guarantee placed at a commercial bank according to the terms and conditions indicated in the irrevocable letter of credit with one strategic business partner for the distribution of products and accessories under the brand of this partner.

As at 30 June 2020 and 31 December 2019, the balances of other short-term receivables which were past due were considered for provision of doubtful debts as presented in Note 7.

**6 OTHER RECEIVABLES (continued)**

**b) Long-term**

	30.6.2020		31.12.2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits (*)	23,655,000,000	-	23,655,000,000	-
Others	1,310,000,000	-	1,310,000,000	-
	<u>24,965,000,000</u>	<u>-</u>	<u>24,965,000,000</u>	<u>-</u>

(\*) Deposits represent deposits for the project invested in Phu Yen Province whose the expected investment period was assessed by the Chairman to be more than 12 months from the interim separate balance sheet date.

**7 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM**

Provision for doubtful debts – short-term represents the provision made for overdue short-term trade accounts receivable with an amount of VND9,127,764,790 (Note 5) and other short-term receivables from a subsidiary relating to the working capital supports (Note 6).

**8 INVENTORIES**

	30.6.2020		31.12.2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Real estate property (*)	3,111,210,072	-	3,111,210,072	-
Other merchandise (**)	23,314,053,269	-	1,800,524,964	-
	<u>26,425,263,341</u>	<u>-</u>	<u>4,911,735,036</u>	<u>-</u>

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

(\*\*) Other merchandise represents the value of fertilizers imported and distributed exclusively by the Corporation.

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9	FIXED ASSETS	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
(a)	Tangible fixed assets					
	<b>Historical cost</b>					
	As at 1 January 2020	61,670,169,589	7,509,514,795	6,758,440,602	2,967,629,380	78,905,754,366
	New purchases	-	-	642,820,909	-	642,820,909
	As at 30 June 2020	<u>61,670,169,589</u>	<u>7,509,514,795</u>	<u>7,401,261,511</u>	<u>2,967,629,380</u>	<u>79,548,575,275</u>
	<b>Accumulated depreciation</b>					
	As at 1 January 2020	45,058,242,857	6,097,633,356	4,242,859,571	2,619,809,017	58,018,544,801
	Charge for the period	1,120,170,834	227,612,196	416,499,022	104,566,249	1,868,848,301
	As at 30 June 2020	<u>46,178,413,691</u>	<u>6,325,245,552</u>	<u>4,659,358,593</u>	<u>2,724,375,266</u>	<u>59,887,393,102</u>
	<b>Net book value</b>					
	As at 1 January 2020	16,611,926,732	1,411,881,439	2,515,581,031	347,820,363	20,887,209,565
	As at 30 June 2020	<u>15,491,755,898</u>	<u>1,184,269,243</u>	<u>2,741,902,918</u>	<u>243,254,114</u>	<u>19,661,182,173</u>

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2020 was VND22.309 billion (as at 31 December 2019: VND22.161 billion).

9 **FIXED ASSETS (continued)**

(b) **Intangible fixed assets**

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2019 and as at 30 June 2020	98,337,309,381	1,078,622,900	<u>99,415,932,281</u>
<b>Accumulated amortisation</b>			
As at 1 January 2019 and as at 30 June 2020	-	1,078,622,900	<u>1,078,622,900</u>
<b>Net book value</b>			
As at 1 January 2020	<u>98,337,309,381</u>	-	<u>98,337,309,381</u>
As at 30 June 2020	<u>98,337,309,381</u>	-	<u>98,337,309,381</u>

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2020 and 31 December 2019 was VND1,078,622,900.

10 **INVESTMENT PROPERTIES**

	Buildings VND
<b>Historical cost</b>	
As at 1 January 2020 and as at 30 June 2020	<u>852,074,158,578</u>
<b>Accumulated depreciation</b>	
As at 1 January 2020	138,270,036,737
Charge for the period	20,177,290,685
As at 30 June 2020	<u>158,447,327,422</u>
<b>Net book value</b>	
As at 1 January 2020	<u>713,804,121,841</u>
As at 30 June 2020	<u>693,626,831,156</u>

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

As at 30 June 2020, all investment properties have been pledged as collateral assets for the borrowings of the Corporation (Note 16).



**10 INVESTMENT PROPERTIES (continued)**

In the first 6 months of 2020, revenue from investment properties is VND56,691,412,529 (in the first 6 months of 2019: VND59,465,838,792). Direct expenses (including tools and supplies, utilities and management fee) incurred from investment properties relating to revenue from leasing in the first 6 months of 2020 are VND9,755,461,892 (in the first 6 months of 2019: VND18,962,815,610).

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 30 June 2020 has not been disclosed in the interim separate financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the interim separate balance sheet date.

**11 LONG-TERM PREPAID EXPENSES**

Details of long-term prepaid expenses are as follows:

	<b>30.6.2020</b> <b>VND</b>	<b>31.12.2019</b> <b>VND</b>
Prepaid operating lease (*)	111,752,944,161	96,796,156,531
Tools and supplies	1,676,227,248	1,709,640,234
	<u>113,429,171,409</u>	<u>98,505,796,765</u>

(\*) Included in prepaid operating lease mainly are:

- The prepayment to PVN for office leasing with the remaining amount of VND95,608,473,631 is allocated to the interim separate 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 VND16,144,470,530 is allocated to the interim separate income statement on a straight-line basis over a period of 36 years from 2020.

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

	<b>For the six-month</b> <b>period ended</b> <b>30.6.2020</b> <b>VND</b>	<b>For the year ended</b> <b>31.12.2019</b> <b>VND</b>
Beginning of period/year	98,505,796,765	106,606,581,738
Increase	16,366,484,999	-
Allocation	(1,443,110,355)	(8,100,784,973)
End of period/year	<u>113,429,171,409</u>	<u>98,505,796,765</u>

12 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2020		31.12.2019	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
<i>Apple Vietnam     Limited Liability     Company</i>	75,475,700,000	75,475,700,000	-	-
Others	1,182,833,833	1,182,833,833	2,746,509,111	2,746,509,111
	<u>76,658,533,833</u>	<u>76,658,533,833</u>	<u>2,746,509,111</u>	<u>2,746,509,111</u>
Related parties (Note 29(b))	274,378,568,366	274,378,568,366	267,088,687,366	267,088,687,366
	<u>351,037,102,199</u>	<u>351,037,102,199</u>	<u>269,835,196,477</u>	<u>269,835,196,477</u>

As at 30 June 2020 and 31 December 2019, the Chairman believes that the Corporation is able to fully repay all short-term trade accounts payable as and when they fall due. There was no balance of short-term trade accounts payable which was past due.

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**13 TAX AND OTHER PAYABLES TO THE STATE**

	30.6.2020 VND	31.12.2019 VND
BIT	-	2,262,091,521
Personal income tax	73,372,768	8,447,747,820
	<u>73,372,768</u>	<u>10,709,839,341</u>

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

	As at 1.1.2020 VND	Receivable/payable during the period VND	Payment during the period VND	Net off between VAT to be reclaimed and output VAT during the period VND	Others VND	As at 30.6.2020 VND
<b>a) Tax receivables</b>						
VAT to be reclaimed	50,225,201,134	10,601,424,039	-	(13,509,260,196)	-	47,317,364,977
<b>b) Tax payables</b>						
BIT	8,447,747,820	1,985,573,090	(12,687,499,324)	-	2,254,178,414	-
VAT	-	14,301,148,696	(791,888,500)	(13,509,260,196)	-	-
Personal income tax	2,262,091,521	898,287,279	(3,087,006,032)	-	-	73,372,768
Land using fee	-	1,248,888,272	(1,248,888,272)	-	-	-
	<u>10,709,839,341</u>	<u>18,433,897,337</u>	<u>(17,815,282,128)</u>	<u>(13,509,260,196)</u>	<u>2,254,178,414</u>	<u>73,372,768</u>

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**14 UNEARNED REVENUE**

**(a) Short-term**

	<b>30.6.2020</b> VND	<b>31.12.2019</b> VND
Advanced rental (*)	<u>27,272,727,273</u>	<u>27,272,727,273</u>

**(b) Long-term**

	<b>30.6.2020</b> VND	<b>31.12.2019</b> VND
Advanced rental (*)	<u>6,818,181,851</u>	<u>20,454,545,483</u>

(\*) The balance represents the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and rendering of other services to Nghi Son Project (Note 10 and Note 29(b)).

**15 OTHER PAYABLES**

**(a) Short-term**

	<b>30.6.2020</b> VND	<b>31.12.2019</b> VND
Payables to related parties for working capital support (Note 29(b))	69,420,078,557	136,382,878,736
Payable for the usage of funds appropriated for business activity under requirement of the industry (Note 29(b))	3,411,071,804	3,411,071,804
Dividends payables (Note 20)	86,829,859,100	1,820,045,100
Other payables to related parties (Note 29(b))	2,967,817,630	2,967,817,630
Others	4,280,937,954	4,372,146,693
	<u>166,909,765,045</u>	<u>148,953,959,963</u>

**(b) Long-term**

	<b>30.6.2020</b> VND	<b>31.12.2019</b> VND
Payable to the State Budget of the Ba Ria - Vung Tau Province (*)	4,031,804,720	4,481,270,945
Others	427,000,000	427,000,000
	<u>4,458,804,720</u>	<u>4,908,270,945</u>

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**15 OTHER PAYABLES (continued)**

**(b) Long-term (continued)**

(\*) 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.

**16 BORROWINGS**

**(a) Short-term**

	As at 1.1.2020 VND	Increase during the period VND	Decrease during the period VND	Reclassification VND	As at 30.6.2020 VND
Asia Commercial Joint Stock Bank ("ACB") (*)	29,494,928,134	-	(14,510,454,794)	20,821,813,016	35,806,286,356
Vietnam Joint Stock Company for Industry and Trade ("Vietin Bank") (**)	-	1,083,068,000	-	-	1,083,068,000
	<u>29,494,928,134</u>	<u>1,083,068,000</u>	<u>(14,510,454,794)</u>	<u>20,821,813,016</u>	<u>36,889,354,356</u>

(\*) The borrowing from ACB represents the value of current portion of long-term borrowing with this bank (Note 16(b)).

(\*\*) The unsecured borrowing with Vietinbank has credit limit of VND40 billion and bears interest at the rates adjustable from time to time which are announced by this bank for the purpose to support working capital for trading fertilizers of the Corporation.

**(b) Long-term**

	As at 1.1.2020 VND	Increase during the period VND	Decrease during the period VND	Reclassification VND	As at 30.6.2020 VND
ACB	250,415,496,637	-	-	(20,821,813,016)	229,593,683,621
	<u>250,415,496,637</u>	<u>-</u>	<u>-</u>	<u>(20,821,813,016)</u>	<u>229,593,683,621</u>

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

The purpose of borrowings are to finance the construction of Nghi Son Project. The term is 9 years from 2016 and the borrowings are secured by assets formed from Nghi Son Project (Note 10); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project and 5,345,200 shares of PSA owned by the Corporation (Note 4(b)).

Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project was capitalised in the value of the investment properties. From 10 October 2016, since Nghi Son Project was put into operation, interest expense is reimbursed by Nghi Son Refinery and Petrochemical Company Limited (Note 23), the lessee of Nghi Son.



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17 BONUS AND WELFARE FUND

	For the six-month period ended 30.6.2020 VND	For the year ended 31.12.2019 VND
Beginning of period/year	11,071,411,471	52,442,555,720
Appropriation from undistributed earnings (Note 19)	4,624,816,244	4,511,149,927
Utilisation	(388,700,000)	(3,722,633,333)
Transferred to subsidiaries	(1,274,337,801)	(2,084,700,000)
Other decreases	-	(40,074,960,843)
End of period/year	<u>14,033,189,914</u>	<u>11,071,411,471</u>

18 OWNERS' CAPITAL

(a) Number of shares

	<u>30.6.2020</u>		<u>31.12.2019</u>	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>86,600,124</u>	-	<u>86,600,124</u>	-
Number of shares repurchased	<u>(3,029,600)</u>	-	<u>(1,590,310)</u>	-
Number of existing shares in circulation	<u>83,570,524</u>	-	<u>85,009,814</u>	-

(b) Details of owners' shareholding

	<u>30.6.2020</u>		<u>31.12.2019</u>	
	Ordinary shares	%	Ordinary shares	%
PVN	20,973,851	25.1	20,973,851	24.7
Other shareholders	62,596,673	74.9	64,035,963	75.3
Number of shares	<u>83,570,524</u>	<u>100</u>	<u>85,009,814</u>	<u>100</u>

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**18 OWNERS' CAPITAL (continued)**

**(c) Movements of share capital**

	Number of shares	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2019	86,600,124	866,001,240,000	-	<b>866,001,240,000</b>
New shares issued	-	-	-	-
As at 31 December 2019	86,600,124	866,001,240,000	-	<b>866,001,240,000</b>
New shares issued	-	-	-	-
As at 30 June 2020	86,600,124	866,001,240,000	-	<b>866,001,240,000</b>

Par value per share: VND10,000.

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**19 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2019	866,001,240,000	133,918,052,614	(14,595,110,632)	159,111,461,673	235,718,116,030	1,380,153,759,685
Net profit for the year	-	-	-	-	77,080,270,739	77,080,270,739
Dividends paid	-	-	-	-	(85,009,814,000)	(85,009,814,000)
Appropriation to investment and development funds	-	-	-	100,000,000,000	(100,000,000,000)	-
Appropriation to bonus and welfare fund	-	-	-	-	(4,511,149,927)	(4,511,149,927)
As at 31 December 2019	866,001,240,000	133,918,052,614	(14,595,110,632)	259,111,461,673	123,277,422,842	1,367,713,066,497
Repurchases of treasury shares	-	-	(12,243,936,808)	-	-	(12,243,936,808)
Net profit for the period	-	-	-	-	12,314,751,990	12,314,751,990
Dividends paid (*)	-	-	-	-	(85,009,814,000)	(85,009,814,000)
Appropriation to bonus and welfare fund (**)	-	-	-	-	(4,624,816,244)	(4,624,816,244)
As at 30 June 2020	866,001,240,000	133,918,052,614	(26,839,047,440)	259,111,461,673	45,957,544,588	1,278,149,251,435

(\*) 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.

(\*\*) According to the Resolution No.23/NQ-DVTHDK-ĐHĐCĐ dated 26 June 2020, the Corporation's General Shareholders approved the appropriation of the 2019 bonus and welfare fund of VND4,624,816,244.

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**20 DIVIDENDS PAYABLE**

	<b>For the six-month period ended 30.6.2020 VND</b>	<b>For the year ended 31.12.2019 VND</b>
Beginning of period/year	1,820,045,100	2,045,179,600
Dividends payable during the period/year (Note 19)	85,009,814,000	85,009,814,000
Dividends paid in cash	-	(84,887,791,430)
Other decreases	-	(347,157,070)
End of period/year	<u>86,829,859,100</u>	<u>1,820,045,100</u>

**21 OFF INTERIM SEPARATE BALANCE SHEET ITEMS**

**(a) Foreign currencies**

As at 30 June 2020, included in cash and cash equivalents are balances held in foreign currency of US\$3,975.81 (as at 31 December 2019: US\$4,633.51).

**(b) Operating lease assets**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 31(a).

**22 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	<b>For the six-month period ended 30 June</b>	
	<b>2020 VND</b>	<b>2019 VND</b>
Net revenue from sale of merchandise	76,893,120,360	-
Net revenue from rendering of operating lease services	71,102,831,892	76,507,379,896
Net revenue from sale of real estate properties	-	11,197,974,532
Net revenue from rendering of management services to related parties (Note 29(a))	9,495,344,250	15,312,890,256
	<u>157,491,296,502</u>	<u>103,018,244,684</u>

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**23 COST OF GOODS SOLD AND SERVICE RENDERED**

	<u>For the six-month period ended 30 June</u>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Cost of merchandises sold	75,939,791,461	-
Cost of leasing services rendered	39,910,500,368	46,226,390,826
Interest expense refunded from Nghi Son Project (Note 16)	13,529,151,413	14,295,734,681
Cost of real estate sold	-	9,434,847,679
Cost of management service rendered	-	2,163,687,707
	<u>129,379,443,242</u>	<u>72,120,660,893</u>

**24 FINANCIAL INCOME**

	<u>For the six-month period ended 30 June</u>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Interest income from deposits	3,313,410,192	5,371,193,635
Dividend income (Note 29(a))	4,707,120,000	2,138,080,000
Income earned from working capital support (Note 29(a))	3,877,110,392	1,532,871,647
	<u>11,897,640,584</u>	<u>9,042,145,282</u>

**25 SELLING EXPENSES**

	<u>For the six-month period ended 30 June</u>	
	<b>2020</b>	<b>2019</b>
	<b>VND</b>	<b>VND</b>
Staff costs	998,011,145	-
Depreciation expenses	24,105,784	-
Others	1,712,745,925	99,212,289
	<u>2,734,862,854</u>	<u>99,212,289</u>

26 GENERAL AND ADMINISTRATION EXPENSES

	<u>For the six-month period ended 30 June</u>	
	2020 VND	2019 VND
Salary expenses	8,735,754,225	9,042,673,285
Management fees	-	1,032,300,460
Tax, fee and legal fee	3,597,704,427	966,741,193
Office expenses	1,345,545,000	1,547,478,000
Professional fee	599,530,925	344,221,000
Depreciation and amortisation	463,340,359	483,121,651
Others	7,294,060,261	11,278,985,094
	<u>22,035,935,197</u>	<u>24,695,520,683</u>

27 BIT

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

	<u>For the six-month period ended 30 June</u>	
	2020 VND	2019 VND
Net accounting profit before tax	14,300,325,080	15,027,302,736
Tax calculated at a rate of 20%	2,860,065,016	3,005,460,547
Effect of:		
Income not subject to tax	(941,424,000)	(427,616,000)
Expenses not deductible for tax purposes	66,932,074	1,085,635,345
BIT charge (*)	<u>1,985,573,090</u>	<u>3,663,479,892</u>
Charged to the interim separate income statement:		
BIT – current	1,985,573,090	352,625,371
BIT – deferred	-	3,310,854,521
	<u>1,985,573,090</u>	<u>3,663,479,892</u>

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

**28 COSTS OF OPERATION BY FACTOR**

Costs of operation by factor represent all costs incurred during the period, excluding cost of merchandise for trading activities. Details are as follows:

	<u>For the six-month period ended 30 June</u>	
	2020 VND	2019 VND
Cost of properties sold	-	9,434,847,679
Staff costs	9,733,765,370	9,042,673,285
Depreciation and amortisation	22,046,138,986	22,285,235,537
Outside service expenses	9,850,145,686	12,497,625,663
Provision for doubtful debts	-	1,834,890,149
Interest expense reimbursed from Nghi Son Project (Note 16)	13,529,151,413	14,295,734,681
Management fee payables to related parties (Note 29(a))	8,169,195,672	11,365,183,839
Tools and equipment	1,214,055,554	6,026,482,374
Office rental	9,187,566,900	9,187,566,902
Others	4,415,914,920	945,153,756
	<u>78,145,934,501</u>	<u>96,915,393,865</u>

**29 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is PVN which owns 25.1% of the Corporation's share capital (Note 18) in 2020.

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

**(a) Related party transactions**

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

	<u>For the six-month period ended 30 June</u>	
	2020	2019
<b><i>i) Revenue from rendering of services</i></b>		
Subsidiaries	90,163,431,241	15,080,768,680
Fellow PVN group subsidiaries	53,621,333,805	57,403,824,152
	<u>143,784,765,046</u>	<u>72,484,592,832</u>
<b><i>ii) Purchases of goods and services</i></b>		
PVN	7,999,884,000	9,187,566,902
Subsidiaries	4,710,710,293	3,015,150,905
Fellow PVN group subsidiaries	510,946,130	469,905,245
	<u>13,221,540,423</u>	<u>12,672,623,052</u>



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29 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	<u>For the six-month period ended 30 June</u>	
	2020	2019
<b>iii) Compensation of key management</b>		
Gross salaries and other benefits	2,315,638,136	2,539,394,368
<b>iv) Management fee</b>		
Fee charged by PVN (Note 28)	-	3,195,988,167
Fee charged by a subsidiary (Note 28)	8,169,195,672	8,169,195,672
Fee charged to subsidiaries (Note 22)	9,495,344,250	15,312,890,256
	<u>17,664,539,922</u>	<u>26,678,074,095</u>
<b>v) Interest income from working capital support (Note 24)</b>		
Subsidiaries	3,877,110,392	1,532,871,647
<b>vi) Dividend income (Note 24)</b>		
Subsidiaries	4,707,120,000	2,138,080,000
<b>vii) Dividend paid</b>		
PVN		20,973,851,000
Subsidiaries		2,150,841,000
	-	-
	-	<u>23,124,692,000</u>
<b>viii) Working capital support</b>		
Proceeds from working capital support	1,868,275,816,948	1,358,861,656,718
Repayments for working capital support	1,926,613,802,177	1,319,705,863,933
	<u>3,794,889,619,125</u>	<u>2,678,567,520,651</u>

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29 RELATED PARTY DISCLOSURES (continued)

(b) Period/Year-end balances with related parties

	30.6.2020 VND	31.12.2019 VND
<b><i>i) Short-term trade accounts receivable (Note 5)</i></b>		
Subsidiaries	83,050,224,136	-
Fellow PVN group subsidiaries	45,669,574,065	26,205,943,356
	<u>128,719,798,201</u>	<u>26,205,943,356</u>
<b><i>ii) Other short-term receivables after provision (Note 6)</i></b>		
Subsidiaries	<u>332,722,135,548</u>	<u>344,213,616,596</u>
<b><i>iii) Short-term trade accounts payable (Note 12)</i></b>		
PVN	273,611,060,566	266,811,188,166
Subsidiaries	547,507,800	57,499,200
Fellow PVN group subsidiaries	220,000,000	220,000,000
	<u>274,378,568,366</u>	<u>267,088,687,366</u>
<b><i>iv) Short-term unearned revenue (Note 14(a))</i></b>		
Fellow PVN group subsidiaries	<u>27,272,727,273</u>	<u>27,272,727,273</u>
<b><i>v) Long-term unearned revenue (Note 14(b))</i></b>		
Fellow PVN group subsidiaries	<u>6,818,181,851</u>	<u>20,454,545,483</u>
<b><i>vi) Other short-term payables (Note 15(a))</i></b>		
PVN	6,378,889,434	6,378,889,434
Subsidiaries	69,420,078,557	136,382,878,736
	<u>75,798,967,991</u>	<u>142,761,768,170</u>

**30 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE INTERIM SEPARATE STATEMENT OF CASH FLOWS**

**(a) Cash held by the Corporation but restricted to use**

Cash held by the Corporation but restricted to use is investments held-to-maturity of the Corporation which were pledged as collateral assets for borrowing contracts of a subsidiary as disclosed in Note 4(a).

**(b) Amount of borrowings actually drawdown during the period**

	<u>For the six-month period ended 30 June</u>	
	2020 VND	2019 VND
Proceeds from borrowings following normal borrowing contracts (Note 16(a))	1,083,068,000	-

**(c) Amount of borrowings actually repaid during the period**

	<u>For the six-month period ended 30 June</u>	
	2020 VND	2019 VND
Repayments for borrowings following normal borrowing contracts (Note 16(b))	14,510,454,794	14,961,326,740

**31 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 lease contracts with suppliers to conduct its business activities. As at 30 June 2020, the future minimum lease payments under non-cancellable operating leases were as follows:

	<u>Land and office rental</u>	
	30.6.2020 VND	31.12.2019 VND
Between one and five years	2,371,126,055	1,881,846,075
Over five years	51,826,040,913	52,315,320,893
Total minimum payments	<u>54,197,166,968</u>	<u>54,197,166,968</u>

**31 COMMITMENTS (continued)**

**(a) Commitments under operating leases (continued)**

*(ii) The Corporation as the lessor*

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

	30.6.2020 VND	31.12.2019 VND
Within one year	101,404,724,207	109,586,723,729
Between one and five years	343,313,354,214	349,657,411,749
Over five years	132,649,497,604	223,083,637,210
Total minimum receipts	<u>577,367,576,025</u>	<u>682,327,772,688</u>

**(b) Capital contribution commitments**

As at 30 June 2020, the progress of charter capital contribution commitments is as follows:

	As per business registration certificate VND	The Corporation's ownership %	Capital contributed as at 30.6.2020 VND	Capital to be contributed as at 30.6.2020 VND
Petrosetco SSG Company Limited ("PSSSG") (*)	229,500,000,000	51	10,733,401,247	218,766,598,753
Saigon Investment Trading Technology Joint Stock Company ("ITS") (**)	20,000,000,000	40	-	20,000,000,000
Vinh Hoa Emerald Bay International Hospitality Company Limited (***)	111,200,000,000	20	16,000,000,000	95,200,000,000
	<u>360,700,000,000</u>		<u>26,733,401,247</u>	<u>333,966,598,753</u>

(\*) 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 30 June 2020, the Corporation contributed VND10.7 billion.

(\*\*) According to Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Management decided to invest in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. As at 30 June 2020, the shareholders of ITS have not yet contributed their capital obligations.

(\*\*\*) According to Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute capital into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital contribution of VND111.2 billion accounting for 20% of the voting right and ownership in this Company. As at 30 June 2020, the Corporation has contributed VND16 billion.

**31 COMMITMENTS (continued)**

**(c) Commitments of credit guarantees**

As at 30 June 2020, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with total amount of VND3,370 billion (as at 31 December 2019: VND3,430.2 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with total amount of USD11.6 million (as at 31 December 2019: USD10.6 million). Accordingly, the Corporation is liable to repayments of principals, interests, guarantee costs and other underwriting expenses to suppliers and bankers in case the Corporation's subsidiaries are not able to repay or repay on a timely manner.

**(d) Other commitments**

As at 30 June 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.

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**32 SEGMENT REPORTING**

*Geographical segment*

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

*Business activity segment*

Information of revenue from sales of goods and rendering of services and cost of goods sold and services rendered by business activity segment based on the activities of the Corporation is as follows:

	For the six-month period ended 30 June 2020			For the six-month period ended 30 June 2019		
	Operating leases VND	Management services VND	Sales of real estate and goods VND	Operating leases VND	Management services VND	Sales of real estate and goods VND
Net revenue from sales of goods and rendering of services	72,026,125,885	8,572,050,257	76,893,120,360	76,507,379,896	15,312,890,256	11,197,974,532
Cost of goods sold and services rendered	(53,375,136,450)	-	(76,004,306,792)	(60,522,125,507)	(2,163,687,707)	(9,434,847,679)
Gross profit from sales of goods and rendering of services	<u>18,650,989,435</u>	<u>8,572,050,257</u>	<u>888,813,568</u>	<u>15,985,254,389</u>	<u>13,149,202,549</u>	<u>1,763,126,853</u>
Net revenue from sales of goods and rendering of services			157,491,296,502			103,018,244,684
Cost of goods sold and services rendered			(129,379,443,242)			(72,120,660,893)
Gross profit from sales of goods and rendering of services			<u>28,111,853,260</u>			<u>30,897,583,791</u>

**33 CONTINGENT LIABILITIES**

The Corporation has signed land and office lease contracts with its suppliers to conduct the business activities. According to the Civil Law No. 91/2015/QH13 dated 24 November 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 30 June 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 interim separate financial statements.

The interim separate financial statements were approved by the Chairman on 28 August 2020.



Pham Thi Ninh  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman