

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Chairman	2
Independent auditor's report	3
Separate balance sheet (Form B 01 – DN)	5
Separate income statement (Form B 02 – DN)	7
Separate cash flow statement (Form B 03 – DN)	8
Notes to the separate financial statements (Form B 09 – DN)	9

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

The Chairman of the Board of Management (“the Chairman”) of PetroVietnam General Services Joint Stock Company (“the Corporation”) is responsible for preparing the separate financial statements of the Corporation which give a true and fair view of the separate financial position of the Corporation as at 31 December 2020, the separate results of its operations, and its separate cash flows for the year then ended. In preparing these 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 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 separate financial position of the Corporation and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Chairman is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds or errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 5 to 50 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2020, of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 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
31 March 2021



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

We have audited the accompanying separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 31 December 2020 and approved by the Chairman on 31 March 2021. These separate financial statements comprise the separate balance sheet as at 31 December 2020, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements, as set out on pages 5 to 50.

The Chairman's Responsibility

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Corporation's preparation and true and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal 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 separate financial statements.

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



Auditor's Opinion


In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of the Corporation as at 31 December 2020, its separate financial performance and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited




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



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

Report reference number: HCM10666
Ho Chi Minh City, 31 March 2021

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2020 VND	2019 VND
100	CURRENT ASSETS		2,318,130,778,671	806,081,668,872
110	Cash and cash equivalents	3	416,155,354,668	337,129,718,726
111	Cash		302,155,354,668	124,529,718,726
112	Cash equivalents		114,000,000,000	212,600,000,000
120	Short-term investment		10,000,000,000	10,000,000,000
123	Investments held to maturity	4(a)	10,000,000,000	10,000,000,000
130	Short-term receivables		1,587,213,103,412	403,317,944,713
131	Short-term trade accounts receivable	5	942,103,183,583	44,956,898,852
132	Short-term prepayments to suppliers	6	228,291,446,508	822,227,736
136	Other short-term receivables	7(a)	495,856,038,111	425,163,582,915
137	Provision for doubtful debts – short-term	8	(79,037,564,790)	(67,624,764,790)
140	Inventories		243,220,508,966	4,911,735,036
141	Inventories	9	243,220,508,966	4,911,735,036
150	Other current assets		61,541,811,625	50,722,270,397
151	Short-term prepaid expenses		344,615,178	321,075,033
152	Value Added Tax ("VAT") to be reclaimed	15(a)	61,021,202,217	50,225,201,134
153	Tax and other receivables from the State	15(a)	175,994,230	175,994,230
200	LONG-TERM ASSETS		1,331,096,763,236	1,361,734,581,735
210	Long-term receivable		25,037,000,000	24,965,000,000
216	Other long-term receivables	7(b)	25,037,000,000	24,965,000,000
220	Fixed assets		116,129,236,598	119,224,518,946
221	Tangible fixed assets	10(a)	17,791,927,217	20,887,209,565
222	Historical cost		79,548,575,275	78,905,754,366
223	Accumulated depreciation		(61,756,648,058)	(58,018,544,801)
227	Intangible fixed assets	10(b)	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)
230	Investment properties	11	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		806,632,906	806,632,906
242	Construction in progress		806,632,906	806,632,906
250	Long-term investments		403,675,412,964	404,428,511,277
251	Investments in subsidiaries	4(b)	400,311,972,126	400,311,972,126
252	Investments in associates	4(b)	30,359,957,249	30,359,957,249
253	Investments in other entities	4(b)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(b)	(28,996,516,411)	(28,243,418,098)
260	Other long-term asset		111,985,402,257	98,505,796,765
261	Long-term prepaid expenses	12	111,985,402,257	98,505,796,765
270	TOTAL ASSETS		3,649,227,541,907	2,167,816,250,607

The notes on pages 9 to 50 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2020 VND	2019 VND
300	LIABILITIES		2,297,320,877,511	800,103,184,110
310	Short-term liabilities		2,088,776,301,679	524,324,871,045
311	Short-term trade accounts payable	13	386,862,770,274	269,835,196,477
312	Short-term advances from customers	14	103,376,660,838	-
313	Tax and other payables to the State	15(b)	4,831,008,962	10,709,839,341
314	Payable to employees		24,911,491,173	24,398,905,975
315	Short-term accrued expenses		3,207,751,038	2,587,902,411
318	Short-term unearned revenue	16(a)	20,454,545,492	27,272,727,273
319	Other short-term payables	17(a)	753,912,052,631	148,953,959,963
320	Short-term borrowings	18(a)	779,933,331,356	29,494,928,134
322	Bonus and welfare fund	19	11,286,689,915	11,071,411,471
330	Long-term liabilities		208,544,575,832	275,778,313,065
336	Long-term unearned revenue	16(b)	-	20,454,545,483
337	Other long-term payables	17(b)	3,248,841,484	4,908,270,945
338	Long-term borrowings	18(b)	205,295,734,348	250,415,496,637
400	OWNERS' EQUITY		1,351,906,664,396	1,367,713,066,497
410	Capital and reserves		1,351,906,664,396	1,367,713,066,497
411	Owners' capital	20, 21	866,001,240,000	866,001,240,000
411a	- Ordinary shares with voting rights	21	866,001,240,000	866,001,240,000
412	Share premium	21	133,918,052,614	133,918,052,614
415	Treasury shares	21	(26,839,047,440)	(14,595,110,632)
418	Investment and development fund	21	259,111,461,673	259,111,461,673
421	Undistributed earnings	21	119,714,957,549	123,277,422,842
421a	- Undistributed post-tax profits of previous years	21	35,082,082,598	46,197,152,103
421b	- Post-tax profit of current year	21	84,632,874,951	77,080,270,739
440	TOTAL RESOURCES		3,649,227,541,907	2,167,816,250,607

Tran Quang Huy
Preparer

Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman
31 March 2021

The notes on pages 9 to 50 are an integral part of these separate financial statements.

SEPARATE INCOME STATEMENT

Code		Note	Year ended 31 December	
			2020 VND	2019 VND
01	Revenue from sales of goods and rendering of services		1,791,862,497,661	221,563,876,611
02	Less deductions		(8,269,747,385)	-
10	Net revenue from sales of goods and rendering of services	24	1,783,592,750,276	221,563,876,611
11	Cost of goods sold and services rendered	25	(1,705,002,223,770)	(151,603,573,158)
20	Gross profit from sales of goods and rendering of services		78,590,526,506	69,960,303,453
21	Financial income	26	76,180,596,865	80,235,366,049
22	Financial expenses	27	(8,650,978,758)	(452,401,608)
23	- Including: Interest expenses	27	(7,897,880,445)	-
25	Selling expenses	28	(7,078,053,134)	(964,886,425)
26	General and administration expenses	29	(42,235,716,395)	(95,893,118,871)
30	Net operating profit		96,806,375,084	52,885,262,598
31	Other income	30	15,692	36,855,679,308
32	Other expenses	30	(1,212,793,673)	(110,414,247)
40	Net other (expenses)/income		(1,212,777,981)	36,745,265,061
50	Net accounting profit before tax		95,593,597,103	89,630,527,659
51	Business income tax ("BIT") - current	31	(10,960,722,152)	(9,239,402,399)
52	BIT - deferred	31	-	(3,310,854,521)
60	Net profit after tax		84,632,874,951	77,080,270,739



Tran Quang Huy
Preparer



Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman
31 March 2021

The notes on pages 9 to 50 are an integral part of these separate financial statements.

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


Code	Note	Year ended 31 December	
		2020 VND	2019 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01		95,593,597,103	89,630,527,659
	Adjustments for:		
02	Depreciation and amortisation	44,079,146,587	44,414,323,625
03	Provisions	12,165,898,313	37,624,764,790
05	Profits from investing activities	(76,180,518,799)	(116,649,686,836)
06	Interest expense	7,897,880,445	-
08	Operating profit before changes in working capital	83,556,003,649	55,019,929,238
09	(Increase)/decrease in receivables	(1,167,475,878,502)	34,612,859,742
10	(Increase)/decrease in inventories	(238,308,773,930)	27,538,777,088
11	Increase/(decrease) in payables	789,837,316,462	(9,113,532,412)
12	(Increase)/decrease in prepaid expenses	(13,503,145,637)	9,714,541,960
14	Interest paid	(7,897,880,445)	-
15	CIT paid	(14,800,659,670)	(5,206,945,563)
17	Other payments on operating activities	(829,000,000)	(3,635,300,000)
20	Net cash (outflows)/inflows from operating activities	(569,422,018,073)	108,930,330,053
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(642,820,909)	(1,362,754,546)
22	Proceeds from disposals of fixed assets and long-term assets	-	38,960,962,321
25	Investments in other entities	-	(16,000,000,000)
27	Dividends and interest received	37,480,437,519	60,787,334,738
30	Net cash inflows from investing activities	36,837,616,610	82,385,542,513
CASH FLOWS FROM FINANCING ACTIVITIES			
32	Payments for share repurchases	(12,243,936,808)	-
33	Proceeds from borrowings	1,446,774,364,350	-
34	Repayments of borrowings	(741,455,723,417)	(28,572,727,566)
36	Dividends paid	(81,464,666,720)	(84,887,791,430)
40	Net cash inflows/(outflows) from financing activities	611,610,037,405	(113,460,518,996)
50	Net decrease in cash and cash equivalents	79,025,635,942	77,855,353,570
60	Cash and cash equivalents at beginning of year	337,129,718,726	259,274,365,156
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	416,155,354,668	337,129,718,726

Additional information about the separate cash flow statement was described in Note 34.


Tran Quang Huy
Preparer


Nguyen Thi Thanh
Chief Accountant




Phung Tuan Ha
Chairman
31 March 2021

The notes on pages 9 to 50 are an integral part of these separate financial statements.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 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 latest 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 20.

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 31 December 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 %
Indirect subsidiaries					
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
Indirect associates					
1	Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom")	Trading of electronic components, information technology, technology transfer services and delivery services	Ha Noi	16	20
2	Petro Environmental and Energy Services Joint Stock Company	Manufacturing electricity	Ho Chi Minh	27	45
The dependent accounting unit that does not have legal status					
1	Petroleum Industrial Material Distribution Company ("PIMD")	Trading solid, liquid, gas fuels and related products	Ho Chi Minh City	100	100

As at 31 December 2020, the Corporation had 53 employees (as at 31 December 2019: 51 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

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

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

The accompanying separate financial statements are not intended to present the separate 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 separate financial statements in the Vietnamese language are the official statutory separate financial statements of the Corporation. The separate financial statements in the English language have been translated from the Vietnamese version.

Separately, the Corporation has also prepared consolidated financial statements for the Corporation and its subsidiaries in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. In the 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 separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 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.

2.3 Currency

The 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 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 separate balance sheet date are respectively translated at the buying and selling exchange rates at the separate balance sheet date of the commercial bank where the Corporation regularly trades. Foreign currencies deposited in commercial bank at the separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Corporation opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the 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 estimated loss that may arise. Bad debts are written off when identified.

Receivables are classified into short-term and long-term receivables on the balance sheet based on the remaining period from the separate 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 year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments****(a) Investments held-to-maturity**

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

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. Those investments are 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 into short-term and long-term investments held to maturity on the separate balance sheet based on remaining period from the separate balance sheet date to the maturity date.

(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 year 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 year 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 year end.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments (continued)

(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 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.

2.9 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 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 charged to the 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	14% - 50%
Motor vehicles	10% - 17%
Office equipment	20% - 33%
Software	12.5%

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

Land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use rights certificate issued by Ba Ria – Vung Tau People's Committee on 30 April 2020 and amortised using the straight-line method over 36 years in accordance with such land use rights certificate.

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 separate income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets (continued)***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 equip the projects with technologies as 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 separate income statement on a straight-line basis over the term of the lease.

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, such expenditure is charged to the separate income statement when incurred.

Depreciation and amortisation

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%
--------------------------	----------

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 separate income statement.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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 short-term and long-term payables on the separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

2.14 Borrowing

Borrowings include borrowings from banks.

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

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

2.15 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.

2.16 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 fiscal year 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. Unearned revenue is recognised as revenue in the separate income statement to the extent that recognition criteria have been met.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Capital and reserves****(a) Owners' capital**

Owners' capital is recorded according to the actual amounts contributed 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; 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 separate results after BIT at the reporting date.

2.19 Appropriation of profit after BIT

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

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

The Corporation's funds are as below:

(a) Investment and development fund

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

(b) Bonus and welfare fund

The bonus and welfare fund is appropriated from the Corporation's net profit after BIT and subject to shareholders' approval at the General Meeting of Shareholders. This fund is presented as a liability on the separate balance sheet. 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)**2.20 Revenue recognition****(a) Revenue from sales of goods**

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

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

No revenue is recognized 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 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.

(c) Revenue from rendering of services

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.20 Revenue recognition (continued)****(d) Revenue from operating leases**

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

(e) Interest income

Interest income is recognised on an earned basis.

(f) Dividend income

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

2.21 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 year, and recorded on the basis of matching with revenue and on a prudent basis.

2.22 Financial expenses

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

2.23 Selling expenses

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

2.24 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff; 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Current and deferred income tax (continued)**

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

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

2.26 Related parties

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

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

2.27 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 rendering 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 separate financial statements in order to help users of separate financial statements understand and evaluate the Corporation's operations in a comprehensive way.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Accounting estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of 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 separate 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	583,260,808	311,402,493
Cash at bank (*)	301,572,093,860	124,218,316,233
Cash equivalents (**)	114,000,000,000	212,600,000,000
	<u>416,155,354,668</u>	<u>337,129,718,726</u>

(*) As at 31 December 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.

(**) As at 31 December 2020, cash equivalents represented the VND term deposits with the original maturity of three months or less, and earn interest at the average rates from 3.5% per annum to 4.0% per annum (as at 31 December 2019: from 4.3% per annum to 5.0% per annum).

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS

(a) Investment held-to-maturity

	2020		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

As at 31 December 2020, term deposits include the VND bank deposits with the remaining maturity of less than 12 months, and earn interest at the rate of 4.9% per annum (as at 31 December 2019: 5.5% per annum).

As at 31 December 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.

(b) Long-term investments

	2020			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	(1,205,499,921)	29,154,457,328	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>(28,996,516,411)</u>	<u>403,675,412,964</u>	<u>432,671,929,375</u>	<u>(28,243,418,098)</u>	<u>404,428,511,277</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

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	2020				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	80.68	80.68	113,600,000,000	370,517,760,000	-	80.04	80.04	113,600,000,000	306,720,000,000	-		
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-		
3	PetroVietnam Assets Management Joint Stock Company ("PSA") (ii)	Operating in property management and services	Ha Noi	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	51	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 ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-		
11	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>400,311,972,126</u>				<u>(25,791,016,490)</u>			

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

- (*) As at 31 December 2020 and 31 December 2019, the Corporation has not determined the fair value of these investments to disclose on the 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 31 December 2020 and 31 December 2019.
- As at 31 December 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 (Note 16).
- (ii) As at 31 December 2020, 5,345,200 shares of PSA were pledged as collateral assets for the borrowings of the Corporation (Note 18).
- (iii) As at 31 December 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 51% voting right from its representatives in the Board of Management of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iv) As at 31 December 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 2/3 voting rights from 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.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

- 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	2020				2019			
			Ownership and voting right %	Cost VND	Fair value VND	Provision VND	Ownership and voting right %	Cost VND	Fair value VND	Provision VND
Petro Tower Limited Company Vinh Hoa Emerald Bay International Hospitality Company Limited (**)	Office leasing service	Ba Ria - Vung Tau	24	14,359,957,249	(*)	(1,205,499,921)	24	14,359,957,249	(*)	(452,401,608)
	Hospitality service	Phu Yen	20	16,000,000,000	(*)	-	-	16,000,000,000	(*)	-
				<u>30,359,957,249</u>		<u>(1,205,499,921)</u>		<u>30,359,957,249</u>		<u>(452,401,608)</u>

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

(**) According to the 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 a total contribution of VND11.2 billion, accounting for 20% of the voting right and ownership. As at 31 December 2020, the Corporation has contributed VND16 billion.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

- 4 INVESTMENTS (continued)
 (b) Long-term investments (continued)
 (iii) Investment in other entity

Details of investment in other entity are as follows:

Company	2020			2019		
	Ownership and voting rights %	Cost VND	Net book value VND	Ownership and voting rights %	Cost VND	Net book value VND
PetroVietnam Central Biofuels Joint Stock Company	0.2	2,000,000,000	(2,000,000,000)	0.2	2,000,000,000	(2,000,000,000)
			=			=

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

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2020 VND	2019 VND
Third parties	19,337,349,686	18,750,955,496
Related parties (Note 33(b))	922,765,833,897	26,205,943,356
	<u>942,103,183,583</u>	<u>44,956,898,852</u>

As at 31 December 2020 and 31 December 2019 the balances of short-term trade accounts receivable which were past due were considered for provision of doubtful debts as presented in Note 8.

6 SHORT-TERM PREPAYMENT TO SUPPLIERS

	2020 VND	2019 VND
Third parties	<u>228,291,446,508</u>	<u>822,227,736</u>

7 OTHER RECEIVABLES

a) Short-term

	2020		2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Dividend receivables from related parties (Note 33(b))	70,194,815,290	-	31,140,195,290	-
Other receivables from related parties (Note 33(b))	416,116,586,848	(68,500,000,000)	371,573,421,306	(58,500,000,000)
Interest receivables	347,696,896	-	702,235,616	-
Others	9,196,939,077	-	21,747,730,703	-
	<u>495,856,038,111</u>	<u>(68,500,000,000)</u>	<u>425,163,582,915</u>	<u>(58,500,000,000)</u>

As at 31 December 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 8.

7 OTHER RECEIVABLES (continued)

b) Long-term

	2020		2019	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits (*)	23,655,000,000	-	23,655,000,000	-
Others	1,382,000,000	-	1,310,000,000	-
	<u>25,037,000,000</u>	<u>-</u>	<u>24,965,000,000</u>	<u>-</u>

(*) As at 31 December 2020 and 31 December 2019, the balance represented 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 separate balance sheet date.

8 DOUBTFUL DEBTS

	2020			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
A subsidiary relating to supporting working capital Human Resources Development Company Limited	265,983,711,051	197,483,711,051	68,500,000,000	Over 3 years
Others	10,923,500,000	2,184,700,000	8,738,800,000	Over 2 years From 1 year to 3 years
	<u>2,183,219,703</u>	<u>384,454,913</u>	<u>1,798,764,790</u>	
	<u>279,090,430,754</u>	<u>200,052,865,964</u>	<u>79,037,564,790</u>	

	2019			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
A subsidiary relating to supporting working capital Human Resources Development Company Limited	270,498,162,619	211,998,162,619	58,500,000,000	Over 3 years
Others	10,923,500,000	3,275,826,872	7,647,673,128	Over 2 years
	<u>1,791,899,453</u>	<u>314,807,791</u>	<u>1,477,091,662</u>	Over 2 years
	<u>283,213,562,072</u>	<u>215,588,797,282</u>	<u>67,624,764,790</u>	

9 INVENTORIES

	2020		2019	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	218,273,543,590		-	-
Real estate property (*)	3,111,210,072	-	3,111,210,072	-
Other merchandise (**)	21,835,755,304	-	1,800,524,964	-
	<u>243,220,508,966</u>	-	<u>4,911,735,036</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.

Form B 09 – DN

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
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 31 December 2020	61,670,169,589	7,509,514,795	7,401,261,511	2,967,629,380	79,548,575,275
Accumulated depreciation					
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 year	2,240,341,668	455,224,392	862,460,668	180,076,529	3,738,103,257
As at 31 December 2020	47,298,584,525	6,552,857,748	5,105,320,239	2,799,885,546	61,756,648,058
Net book value					
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 31 December 2020	14,371,585,064	956,657,047	2,295,941,272	167,743,834	17,791,927,217

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND22.549 billion (as at 31 December 2019: VND22.161 billion).

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2020 and 31 December 2020	98,337,309,381	1,078,622,900	99,415,932,281
Accumulated amortisation			
As at 1 January 2020 and 31 December 2020	-	1,078,622,900	1,078,622,900
Net book value			
As at 1 January 2020	98,337,309,381	-	98,337,309,381
As at 31 December 2020	98,337,309,381	-	98,337,309,381

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

11 INVESTMENT PROPERTIES

	Buildings VND
Historical cost	
As at 1 January 2020 and 31 December 2020	852,074,158,578
Accumulated depreciation	
As at 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	
As at 1 January 2020	713,804,121,841
As at 31 December 2020	673,463,078,511

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 31 December 2020, all investment properties have been pledged as collateral assets for the borrowings of the Corporation (Note 18).

11 INVESTMENT PROPERTIES (continued)

In the year of 2020, revenue from investment properties is VND116,423,609,677 (in the year of 2019: VND121,543,652,838). Direct expenses (including tools and supplies, utilities and management fee) incurred from investment properties relating to revenue from leasing in the year of 2020 are VND22,944,551,030 (in the year of 2019: VND34,878,788,406).

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 separate financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the separate balance sheet date.

12 LONG-TERM PREPAID EXPENSES

Details of long-term prepaid expenses are as follows:

	2020 VND	2019 VND
Operating lease (*)	110,342,587,995	96,796,156,531
Tools and supplies	1,642,814,262	1,709,640,234
	<u>111,985,402,257</u>	<u>98,505,796,765</u>

(*) Included in operating lease mainly are:

- The prepayment to PVN for office leasing with the remaining amount of VND 94,420,790,731 is allocated to the 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 VND 15,921,797,264 is allocated to the separate income statement on a straight-line basis over a period of 36 years from 2020.

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

	2020 VND	2019 VND
Beginning of year	98,505,796,765	106,606,581,738
Increase	16,366,484,999	-
Allocation	(2,886,879,507)	(8,100,784,973)
End of year	<u>111,985,402,257</u>	<u>98,505,796,765</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2020		2019	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
<i>Apple Vietnam Limited Liability Company</i>	133,460,196,872	133,460,196,872	-	-
<i>Others</i>	969,119,148	969,119,148	2,746,509,111	2,746,509,111
	<u>134,429,316,020</u>	<u>134,429,316,020</u>	<u>2,746,509,111</u>	<u>2,746,509,111</u>
Related parties (Note 33(b))	252,433,454,254	252,433,454,254	267,088,687,366	267,088,687,366
	<u>386,862,770,274</u>	<u>386,862,770,274</u>	<u>269,835,196,477</u>	<u>269,835,196,477</u>

As at 31 December 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.

14 ADVANCES FROM CUSTOMERS

	2020 VND	2019 VND
Related parties (Note 33(b))	<u>103,376,660,838</u>	-

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

orm B 09 – DN

15 TAX AND OTHER PAYABLES TO THE STATE

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

	As at 1.1.2020 VND	Receivable/payable during the year VND	Payment during the year VND	Net off between VAT to be reclaimed and output VAT during the year VND	As at 31.12.2020 VND
a) Tax receivables					
VAT to be reclaimed	50,225,201,134	185,757,252,330	-	(174,961,251,247)	61,021,202,217
VAT output	71,200,711	-	-	-	71,200,711
Personal income tax overpaid	104,793,519	-	-	-	104,793,519
	<u>50,401,195,364</u>	<u>185,757,252,330</u>	<u>-</u>	<u>(174,961,251,247)</u>	<u>61,197,196,447</u>
b) Tax payables					
CIT	8,447,747,820	10,960,722,152	(14,800,659,670)	-	4,607,810,302
VAT	-	175,753,139,747	(791,888,500)	-	-
Personal income tax	2,262,091,521	3,344,303,033	(5,442,973,208)	-	163,421,346
Land using fee	-	19,218,208,592	(19,218,208,592)	-	-
Others	-	59,777,314	-	-	59,777,314
	<u>10,709,839,341</u>	<u>209,336,150,838</u>	<u>(40,253,729,970)</u>	<u>(174,961,251,247)</u>	<u>4,831,008,962</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

16 UNEARNED REVENUE

(a) Short-term

	2020 VND	2019 VND
Advanced rental (*)	<u>20,454,545,492</u>	<u>27,272,727,273</u>

(b) Long-term

	2020 VND	2019 VND
Advanced rental (*)	<u>-</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 11 and Note 33(b)).

17 OTHER PAYABLES

(a) Short-term

	2020 VND	2019 VND
Payables to related parties for working capital support (Note 33(b))	741,367,241,312	136,382,878,736
Payable for the usage of funds appropriated for business activity under requirement of the industry (Note 33(b))	3,251,769,464	3,411,071,804
Dividends payables (Note 22)	1,862,687,500	1,820,045,100
Other payables to related parties (Note 33(b))	2,967,817,630	2,967,817,630
Others	4,462,536,725	4,372,146,693
	<u>753,912,052,631</u>	<u>148,953,959,963</u>

(b) Long-term

	2020 VND	2019 VND
Payable to the State Budget of the Ba Ria - Vung Tau Province (*)	3,121,841,484	4,481,270,945
Others	127,000,000	427,000,000
	<u>3,248,841,484</u>	<u>4,908,270,945</u>

(*) 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.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

18 BORROWINGS

(a) Short-term

	As at 1.1.2020 VND	Drawdown during the year VND	Payment during the year VND	Current portion of long-term borrowing VND	As at 31.12.2020 VND
Borrowings from banks (i)	-	1,446,774,364,350	(711,960,795,283)	-	734,813,569,067
Current portion of long-term borrowings from banks (Note 18(b))	29,494,928,134	-	(29,494,928,134)	45,119,762,289	45,119,762,289
	<u>29,494,928,134</u>	<u>1,446,774,364,350</u>	<u>(741,455,723,417)</u>	<u>45,119,762,289</u>	<u>779,933,331,356</u>

(i) Borrowings from banks

Details of borrowings from banks are as follows:

Lender	Currency	Credit limit	Interest rate %	Pledged assets	Maturity date	31.12.2020 VND	31.12.2019 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	VND	400 billion	Based on each of drawdown	Guarantee from the Corporation	25 August 2021	399,837,733,812	-
Vietnam Joint Stock Company for Industry and Trade ("Vietin Bank")	VND	250 billion	5.5.%	Guarantee from the Corporation	23 March 2021	249,975,835,290	-
Asia Commercial Joint Stock Bank ("ACB")	VND	85 billion	Based on each of drawdown	Same pledged assets with current portion of long-term borrowings from banks	10 July 2021	84,999,999,965	-
Military Commercial Joint Stock Bank ("MB Bank")	VND	100 billion	Based on each of drawdown	Guarantee from the Corporation	5 August 2021	-	-
						<u>734,813,569,067</u>	<u>-</u>

The purpose of short-term Borrowings from banks are used to support working capital for the business activities of the Corporation.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

18 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2020 VND	Current portion of long-term borrowing VND	As at 31.12.2020 VND
Asia Commercial Joint Stock Bank ("ACB")	250,415,496,637	(45,119,762,289)	205,295,734,348

The borrowings from ACB have credit limit of VND400 billion and bear interest at the rates 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 11); 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 25), the lessee of Nghi Son.

19 BONUS AND WELFARE FUND

	2020 VND	2019 VND
Beginning of year	11,071,411,471	52,442,555,720
Appropriation from undistributed earnings (Note 21)	4,624,816,244	4,511,149,927
Utilisation	(829,000,000)	(3,635,300,000)
Transferred to subsidiaries	(3,585,288,887)	(2,172,033,333)
Other	4,751,087	(40,074,960,843)
	<u>11,286,689,915</u>	<u>11,071,411,471</u>
End of year	<u>11,286,689,915</u>	<u>11,071,411,471</u>

20 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 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	
	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	83,570,524	100	85,009,814	100

(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	-	866,001,240,000
As at 31 December 2019	86,600,124	866,001,240,000	-	866,001,240,000
As at 31 December 2020	86,600,124	866,001,240,000	-	866,001,240,000

Par value per share: VND10,000.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

21 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 year	-	-	-	-	84,632,874,951	84,632,874,951
Dividends paid (*)	-	-	-	-	(83,570,524,000)	(83,570,524,000)
Appropriation to bonus and welfare fund (**)	-	-	-	-	(4,624,816,244)	(4,624,816,244)
As at 31 December 2020	866,001,240,000	133,918,052,614	(26,839,047,440)	259,111,461,673	119,714,957,549	1,351,906,664,396

(*) According to the Resolution No.23/NQ-DVTHDK-DHĐCĐ 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.

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

22 DIVIDENDS PAYABLE

	2020 VND	2019 VND
Beginning of year	1,820,045,100	2,045,179,600
Dividends payable (Note 21)	83,570,524,000	85,009,814,000
Dividends paid in cash	(81,464,666,720)	(84,887,791,430)
Other decreases	(2,063,214,880)	(347,157,070)
End of year	<u>1,862,687,500</u>	<u>1,820,045,100</u>

23 OFF SEPARATE BALANCE SHEET ITEMS

Foreign currency

As at 31 December 2020, included in cash and cash equivalents are balances held in foreign currency of US3,939.21 (as at 31 December 2019: USD4,633.51).

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2020 VND	2019 VND
Revenue		
Revenue from sale of merchandise	1,626,905,190,529	307,075,100
Revenue from rendering of operating lease services	136,443,768,989	154,232,770,345
Revenue from sale of real estate properties	-	35,373,076,072
Revenue from rendering of management services to related parties (Note 33(a))	28,513,538,143	31,650,955,094
	<u>1,791,862,497,661</u>	<u>221,563,876,611</u>
Sales deductions		
Trade discounts	(7,760,934,472)	-
Sales returns	(508,812,913)	-
	<u>(8,269,747,385)</u>	-
Net revenue		
Net revenue from sales of merchandises	1,618,635,443,144	307,075,100
Net revenue from rendering of services	136,443,768,989	154,232,770,345
Net revenue from sale of real estate properties	-	35,373,076,072
Net revenue from rendering of management services to related parties (Note 33(a))	28,513,538,143	31,650,955,094
	<u>1,783,592,750,276</u>	<u>221,563,876,611</u>

25 COST OF GOODS SOLD AND SERVICE RENDERED

	2020 VND	2019 VND
Cost of merchandises sold	1,598,236,438,281	184,358,447
Cost of leasing services rendered (*)	106,765,785,489	122,079,912,659
Cost of real estate sold	-	29,339,302,052
	<u>1,705,002,223,770</u>	<u>151,603,573,158</u>

(*) 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 18(b)), the lessee of Nghi Son.

26 FINANCIAL INCOME

	2020 VND	2019 VND
Interest income from deposits	5,651,187,604	9,615,610,902
Dividend income (Note 33(a))	65,572,220,000	67,533,180,000
Income earned from working capital support (Note 33(a))	4,957,111,195	3,082,678,369
Others	78,066	3,896,778
	<u>76,180,596,865</u>	<u>80,235,366,049</u>

27 FINANCIAL EXPENSES

	2020 VND	2019 VND
Interest expenses	7,897,880,445	-
Provision for diminution in value of investments	753,098,313	452,401,608
	<u>8,650,978,758</u>	<u>452,401,608</u>

28 SELLING EXPENSES

	2020 VND	2019 VND
Staff costs	2,186,298,017	646,895,302
Depreciation expenses	389,886,688	-
Tools and supplies	278,413,334	-
Outside services expenses	3,888,988,894	-
Other expenses	334,466,201	317,991,123
	<u>7,078,053,134</u>	<u>964,886,425</u>

29 GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 VND
Staff costs	17,760,661,334	30,118,794,364
Tax, fee and legal fee	2,025,019,219	2,167,382,099
Office supplies	2,143,831,623	3,807,996,514
Professional services	888,401,991	623,114,887
Depreciation and amortisation	3,792,904,304	1,000,910,789
Provision for doubtful debts	11,412,800,000	37,624,764,790
Others	4,212,097,924	20,550,155,428
	<u>42,235,716,395</u>	<u>95,893,118,871</u>

30 OTHER INCOME AND OTHER EXPENSES

	2020 VND	2019 VND
Other income		
Net gains on disposal of fixed assets	-	36,855,678,350
Other income	15,692	958
	<u>15,692</u>	<u>36,855,679,308</u>
Other expenses		
Fines	60,403,376	15,000,000
Others	1,152,390,297	95,414,247
	<u>1,212,793,673</u>	<u>110,414,247</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

31 BIT

BIT on the Corporation's accounting profit/(loss) 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:

	2020 VND	2019 VND
Net accounting profit before tax	95,593,597,103	89,630,527,659
Tax calculated at a rate of 20%	19,118,719,421	17,926,105,532
Effect of:		
Income not subject to tax	(13,114,444,000)	(13,506,636,000)
Non-deductible expenses	2,645,951,164	8,229,357,388
Under/(over) provision in previous years	2,310,495,567	(98,570,000)
BIT charge	<u>10,960,722,152</u>	<u>12,550,256,920</u>
Charged to the separate income statement:		
BIT – current	10,960,722,152	9,239,402,399
BIT – deferred	-	3,310,854,521
	<u>10,960,722,152</u>	<u>12,550,256,920</u>

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

32 COSTS OF OPERATION BY FACTOR

Costs of operation by factor represent all costs incurred during the year from the Company's operating activities, excluding cost of merchandise for trading activities. Details are as follows:

	2020 VND	2019 VND
Cost of properties sold	-	29,339,302,052
Staff costs	19,946,959,351	30,765,689,666
Depreciation and amortisation	44,079,146,587	44,399,383,764
Outside service expenses	22,692,883,270	22,119,706,849
Provision for doubtful debts	11,412,800,000	37,624,764,790
Interest expense reimbursed from Nghi Son Project (Note 18)	26,630,014,610	28,368,774,772
Management fee to related parties (Note 33(a))	16,338,391,344	17,334,379,511
Tools and equipment	6,400,536,956	14,645,063,705
Office rental	2,143,831,623	3,807,996,514
Others	6,434,991,277	19,872,158,384
	<u>156,079,555,018</u>	<u>248,277,220,007</u>

33 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 25.1% of the Corporation's share capital (Note 20) in the year 2020.

Accordingly, PVN, affiliate companies in PVN, 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>i) Revenue from sales of goods and rendering of services</i>		
Subsidiaries	1,641,630,335,292	30,817,677,076
Affiliate companies in PVN	82,278,464,300	116,140,510,583
	<u>1,723,908,799,592</u>	<u>146,958,187,659</u>
<i>ii) Purchases of goods and services</i>		
PVN	16,001,313,000	18,375,133,802
Subsidiaries	7,231,662,941	7,021,356,669
Affiliate companies in PVN	609,215,076	570,133,456
	<u>23,842,191,017</u>	<u>25,966,623,927</u>
<i>iii) Compensation of key management</i>		
Gross salaries and other benefits	<u>3,767,849,635</u>	<u>4,706,346,507</u>
<i>iv) Management fee</i>		
Fee charged to subsidiaries (Note 24)	28,513,538,143	31,650,955,094
Fee charged by a subsidiary	16,338,391,344	17,334,379,511
Fee charged by PVN	-	995,988,167
	<u>44,851,929,487</u>	<u>49,981,322,772</u>
<i>v) Interest income from working capital support (Note 26)</i>		
Subsidiaries	<u>4,957,111,195</u>	<u>3,082,678,369</u>
<i>vi) Dividend income (Note 26)</i>		
Subsidiaries	<u>65,572,220,000</u>	<u>67,533,180,000</u>

35 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 31 December 2020, the future minimum lease payments under non-cancellable operating leases were as follows:

	Land and office rental	
	2020	2019
	VND	VND
Between one and five years	2,865,782,737	1,881,846,075
Over five years	51,331,384,231	52,315,320,893
	<u>54,197,166,968</u>	<u>54,197,166,968</u>
Total minimum payments	<u>54,197,166,968</u>	<u>54,197,166,968</u>

(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:

	Office rental	
	2020	2019
	VND	VND
Within one year	88,923,733,304	110,740,534,793
Between one and five years	341,581,358,214	340,512,563,214
Over five years	89,752,093,869	175,213,568,006
	<u>520,257,185,387</u>	<u>626,466,666,013</u>
Total minimum receipts	<u>520,257,185,387</u>	<u>626,466,666,013</u>

35 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 certificate VND	The Corporation's ownership %	Capital contributed as at 31.12.2020 VND	Capital to be contributed as at 31.12.2020 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 31 December 2020, the Corporation contributed VND10.7 billion.

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

(***) According to the 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 31 December 2020, the Corporation has contributed VND16 billion.

(c) Commitments of credit guarantees

As at 31 December 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 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.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

36 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:

	2020			Total VND
	Operating leases VND	Management services VND	Sales of real estate and goods VND	
Net revenue from sales of goods and rendering of services	128,174,021,604	28,513,538,143	1,626,905,190,529	1,783,592,750,276
Cost of goods sold and services rendered	(106,765,785,489)	-	(1,598,236,438,281)	(1,705,002,223,770)
Gross profit from sales of goods and rendering of services	21,408,236,115	28,513,538,143	28,668,752,248	78,590,526,506
	2019			Total VND
	Operating leases VND	Management services VND	Sales of real estate and goods VND	
Net revenue from sales of goods and rendering of services	154,232,770,345	31,650,955,094	35,680,151,172	221,563,876,611
Cost of goods sold and services rendered	(122,079,912,659)	-	(29,523,660,499)	(151,603,573,158)
Gross profit from sales of goods and rendering of services	32,152,857,686	31,650,955,094	6,156,490,673	69,960,303,453

37 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 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 separate financial statements.

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

Tran Quang Huy
Preparer

Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman