

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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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 and the latest (the 20th) amended Enterprise registration Certificate dated 24 January 2022

### Board of Directors

Mr. Phung Tuan Ha	Chairman
Ms. Le Thi Chien	Member
Mr. Vu Tien Duong	Member
Ms. Pham Thi Hong Diep	Member
Ms. Vu Viet Anh	Member

### Board of Internal Audit

Ms. Nguyen Thi Thi Trang	Head (from 23 November 2021)
Ms. Nguyen Quynh Nhu	Head (until 23 November 2021)
Mr. Le Minh Kha	Member
Mr. Tran Cong Luan	Member

### Board of Management

Mr. Vu Tien Duong	General Director
Mr. Ho Minh Viet	Deputy General Director
Ms. Pham Thi Hong Diep	Deputy General Director
Mr. Huynh Van Ngan	Deputy General Director
Mr. Dao Van Dai	Deputy General Director (until 8 November 2021)

### 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 CHAIRMAN

#### RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Board of Directors ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Parent Company") is responsible for preparing the consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Corporation") which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Chairman is required to:

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

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

#### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 5 to 60 which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2021, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
31 March 2022





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

We have audited the accompanying consolidated financial statements of PetroVietnam General Services Joint Stock Company ("the Parent Company") and its subsidiaries (together, "the Corporation") which were prepared and approved by the Chairman on 31 March 2022. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 60.

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

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

### **Auditor's Responsibility**

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

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

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



### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

### Other Matter

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

### For and on behalf of PwC (Vietnam) Limited



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

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

Report reference number: HCM12198  
Ho Chi Minh City, 31 March 2022



CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>7,164,336,982,272</b>	<b>5,083,111,172,737</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>2,576,476,734,565</b>	<b>1,808,197,263,570</b>
111	Cash		781,387,734,565	695,119,391,348
112	Cash equivalents		1,795,089,000,000	1,113,077,872,222
<b>120</b>	<b>Short-term investments</b>		<b>416,534,730,377</b>	<b>218,009,602,376</b>
121	Trading securities	4(a)	231,617,305,031	68,112,415,100
122	Provision for diminution in value of trading securities	4(a)	(3,412,791,882)	-
123	Investments held-to-maturity	4(b)	188,330,217,228	149,897,187,276
<b>130</b>	<b>Short-term receivables</b>		<b>2,494,856,930,482</b>	<b>2,086,126,253,579</b>
131	Short-term trade accounts receivable	5	2,517,021,445,807	1,654,532,686,040
132	Short-term prepayments to suppliers	6	170,222,662,352	444,352,143,117
136	Other short-term receivables	7(a)	165,127,908,561	262,978,885,045
137	Provision for doubtful debts – short-term	8	(357,515,086,238)	(275,737,460,623)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>1,447,149,643,236</b>	<b>783,792,091,015</b>
141	Inventories		1,477,490,784,121	811,313,791,115
149	Provision for decline in value of inventories		(30,341,140,885)	(27,521,700,100)
<b>150</b>	<b>Other current assets</b>		<b>229,318,943,612</b>	<b>186,985,962,197</b>
151	Short-term prepaid expenses		13,009,589,070	5,502,784,681
152	Value Added Tax ("VAT") to be reclaimed	10(a)	214,578,146,601	180,271,228,208
153	Tax and other receivables from the State	10(a)	1,731,207,941	1,211,949,308

The notes on pages 10 to 60 are an integral part of these consolidated financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET  
(continued)

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,328,803,383,725</b>	<b>1,237,645,367,371</b>
<b>210</b>	<b>Long-term receivable</b>		<b>31,001,277,688</b>	<b>31,495,682,041</b>
216	Other long-term receivables	7(b)	31,001,277,688	31,495,682,041
<b>220</b>	<b>Fixed assets</b>		<b>261,165,890,304</b>	<b>195,802,031,319</b>
221	Tangible fixed assets	11(a)	90,416,199,619	85,116,617,958
222	Historical cost		362,382,870,566	346,743,797,617
223	Accumulated depreciation		(271,966,670,947)	(261,627,179,659)
227	Intangible fixed assets	11(b)	170,749,690,685	110,685,413,361
228	Historical cost		179,113,843,937	118,634,392,179
229	Accumulated amortisation		(8,364,153,252)	(7,948,978,818)
<b>230</b>	<b>Investment properties</b>	12	<b>633,175,184,506</b>	<b>673,463,078,511</b>
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(218,898,974,072)	(178,611,080,067)
<b>240</b>	<b>Long-term asset in progress</b>		<b>38,316,282,184</b>	<b>38,316,282,184</b>
242	Construction in progress	13	38,316,282,184	38,316,282,184
<b>250</b>	<b>Long-term investments</b>		<b>119,509,551,307</b>	<b>40,862,648,702</b>
252	Investments in associates	4(c)	116,576,659,708	39,339,874,989
253	Investments in other entities	4(d)	22,465,000,000	22,465,000,000
254	Provision for long-term investments	4(d)	(22,366,834,272)	(22,213,301,287)
255	Investments held-to-maturity	4(b)	2,834,725,871	1,271,075,000
<b>260</b>	<b>Other long-term assets</b>		<b>245,635,197,736</b>	<b>257,705,644,614</b>
261	Long-term prepaid expenses	14	237,983,285,236	248,523,349,614
269	Goodwill	16	7,651,912,500	9,182,295,000
<b>270</b>	<b>TOTAL ASSETS</b>		<b>8,493,140,365,997</b>	<b>6,320,756,540,108</b>

The notes on pages 10 to 60 are an integral part of these consolidated financial statements.



CONSOLIDATED BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>6,553,412,395,338</b>	<b>4,657,590,544,086</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>6,382,140,764,625</b>	<b>4,381,576,092,307</b>
311	Short-term trade accounts payable	17	2,241,130,193,754	1,352,897,675,155
312	Short-term advances from customers	18	117,106,483,725	133,596,850,713
313	Taxes and other payables to the State	10(b)	47,070,734,631	53,396,527,361
314	Payable to employees		132,907,494,288	124,929,306,684
315	Short-term accrued expenses	19	24,335,359,969	19,832,065,499
318	Short-term unearned revenue	20	375,387,094	21,067,196,029
319	Other short-term payables	21(a)	224,142,424,272	132,625,664,131
320	Short-term borrowings	22(a)	3,560,524,219,400	2,507,845,798,049
321	Provision for short-term liabilities		854,856,756	854,856,756
322	Bonus and welfare fund	23	33,693,610,736	34,530,151,930
<b>330</b>	<b>Long-term liabilities</b>		<b>171,271,630,713</b>	<b>276,014,451,779</b>
337	Other long-term payables	21(b)	72,509,630,110	65,468,717,431
338	Long-term borrowings	22(b)	95,462,000,603	207,245,734,348
341	Deferred income tax liabilities	15	3,300,000,000	3,300,000,000
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,939,727,970,659</b>	<b>1,663,165,996,022</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,939,727,970,659</b>	<b>1,663,165,996,022</b>
411	Owners' capital	24, 25	904,501,240,000	866,001,240,000
411a	- Ordinary shares with voting rights		904,501,240,000	866,001,240,000
412	Share premium	25	159,572,337,789	120,755,669,603
414	Owners' other capital	25	141,776,000,000	131,776,000,000
415	Treasury shares	25	(3,994,616,440)	(25,405,790,772)
418	Investment and development fund	25	271,777,466,354	272,167,291,300
421	Undistributed earnings	25	342,604,773,541	177,703,293,718
421a	- Undistributed post-tax profits of previous years		68,411,210,206	47,715,906,230
421b	- Post-tax profit of current year		274,193,563,335	129,987,387,488
429	Non-controlling interests	25, 26	123,490,769,415	120,168,292,173
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>8,493,140,365,997</b>	<b>6,320,756,540,108</b>



Tran Quang Huy  
Preparer/Chief Accountant



Phung Tuan Ha  
Chairman  
31 March 2022

The notes on pages 10 to 60 are an integral part of these consolidated financial statements.

Code		Note	For the year ended 31 December	
			2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services		17,920,843,437,814	13,666,409,601,103
02	Less deductions		(322,605,838,228)	(213,160,898,776)
10	Net revenue from sales of goods and rendering of services	30	17,598,237,599,586	13,453,248,702,327
11	Cost of goods sold and services rendered	31	(16,659,038,153,375)	(12,784,348,853,200)
20	Gross profit from sales of goods and rendering of services		939,199,446,211	668,899,849,127
21	Financial income	32	107,687,614,374	48,562,109,000
22	Financial expenses	33	(98,532,741,997)	(83,735,953,962)
23	- Including: Interest expense	33	(81,065,460,546)	(76,419,942,463)
24	Losses sharing from investments in associates	4(c)	(605,715,281)	(699,995,929)
25	Selling expenses	34	(284,855,285,475)	(232,406,377,528)
26	General and administration expenses	35	(271,461,913,218)	(201,947,554,458)
30	Net operating profit		391,431,404,614	198,672,076,250
31	Other income	36	28,609,000,991	16,576,722,879
32	Other expenses	36	(4,700,337,334)	(8,305,734,215)
40	Net other income		23,908,663,657	8,270,988,664
50	Net accounting profit before tax		415,340,068,271	206,943,064,914
51	Business income tax ("BIT") - current	37	(103,881,323,223)	(66,776,464,656)
52	BIT - deferred	15, 37	-	-
60	Net profit after tax		311,458,745,048	140,166,600,258
Attributable to:				
61	Shareholders of the Parent Company		264,843,501,811	137,251,749,288
62	Non-controlling interests		46,615,243,237	2,914,850,970
71	Basic earnings per share	28(a)	2,958	1,534
72	Diluted earnings per share	28(b)	2,958	1,534

Phung Tuan Ha  
Chairman  
31 March 2022

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

(Indirect method)		Year ended 31 December	
Code	Note	2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net accounting profit before tax	415,340,068,271	206,943,064,914
	Adjustments for:		
02	Depreciation, amortisation and allocation of goodwill	62,312,402,589	64,236,075,691
03	Provisions	88,163,391,267	68,215,232,697
04	Unrealised foreign exchange losses	931,194,529	1,051,018,847
05	Profits from investing activities	(42,743,891,614)	(28,058,889,659)
06	Interest expense	81,065,460,546	76,419,942,463
08	Operating profit before changes in working capital	605,068,625,588	388,806,444,953
09	Increase in receivables	(605,540,310,280)	(654,124,921,970)
10	(Increase)/decrease in inventories	(662,563,884,206)	333,388,944,381
11	Increase in payables	930,418,134,846	136,976,040,709
12	Decrease/(increase) in prepaid expenses	3,033,259,989	(34,279,109,185)
13	Increase in trading securities	(231,617,304,931)	(68,112,228,962)
14	Interest paid	(83,380,442,545)	(78,078,664,059)
15	BIT paid	(91,233,368,842)	(57,257,154,077)
17	Other payments on operating activities	(15,264,575,215)	(7,835,340,967)
20	Net cash outflows from operating activities	(151,079,865,596)	(40,515,989,177)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(21,867,540,521)	(16,064,425,659)
22	Proceeds from disposals of fixed assets	4,426,042,513	3,904,948,471
23	Term deposits over 3 months placed at banks	(175,500,000,000)	(66,695,876,950)
24	Term deposits over 3 months collected	135,503,319,177	11,200,000,000
25	Investments in other entities	(7,993,700,000)	(9,000,000,000)
26	Proceeds from divestment in other entities	9,452,382,096	7,541,800,000
27	Interests received	44,017,675,608	22,201,433,294
30	Net cash outflows from investing activities	(11,961,821,127)	(46,912,120,844)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from reissuance of treasury shares	98,727,842,518	17,260,387,300
32	Payments for share repurchases	-	(36,784,935,467)
33	Proceeds from borrowings	9,576,276,985,161	8,128,085,579,739
34	Repayments of borrowings	(8,635,382,297,555)	(6,938,428,213,472)
36	Dividends paid	(109,310,316,623)	(91,031,009,992)
40	Net cash inflows from financing activities	930,312,213,501	1,079,101,808,108
50	Net decrease in cash and cash equivalents	767,270,526,778	991,673,698,087
60	Cash and cash equivalents at beginning of year	3 1,808,197,263,570	816,407,457,540
61	Effect of foreign exchange differences	(2,579,451)	116,107,943
70	Cash and cash equivalents at end of year	3 2,575,465,210,897	1,808,197,263,570

Additional information about the consolidated cash flow statement was described in Note 39.

  
Tran Quang Huy  
Preparer/Chief Accountant



Phung Tuan Ha  
Chairman  
31 March 2022

The notes on pages 10 to 60 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1 GENERAL INFORMATION**

PetroVietnam General Services Joint Stock Company (“the Parent Company”) 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 (the 20th) amended Enterprise registration Certificate dated 24 January 2022 which were issued by the Department of Planning and Investment of Ho Chi Minh City. The Parent Company was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group (the “Group” or “PVN”).

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

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

The Parent Company and its subsidiaries’s business activities are providing services and trading of commodity.

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

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

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

As at 31 December 2021, the Corporation had 2,739 employees (as at 31 December 2020: 2,711 employees).

As at 31 December 2021, the Parent Company had 11 direct subsidiaries, 5 indirect subsidiaries, 2 direct associates, 3 indirect associates. In addition, the Parent Company has 1 dependent accounting unit that does not have legal status. Details are presented on the following page.



# **PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

## **1 GENERAL INFORMATION (continued)**

Name	Place of incorporation	Principal activities	31.12.2021		31.12.2020	
			Voting right %	Ownership %	Voting right %	Ownership %
<b>I - Direct subsidiaries</b>						
Petroleum General Distribution Services Joint Stock Company ("PSD")	Ho Chi Minh City	Distribution of telecommunication and electronic equipment	80.68	80.68	80.68	80.68
Petroleum Offshore Trading and Services Company Limited ("POTS")	Ho Chi Minh City	Trading and rendering of services	60	60	60	60
Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Ba Ria – Vung Tau Province	Rendering of services	70	70	70	70
Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Quang Ngai Province	Trading and rendering of services	99.79	99.79	99.79	99.79
PetroVietnam Assets Management Joint Stock Company ("PSA")	Ha Noi City	Operating in property management and services	71.46	71.46	71.46	71.46
Petrosetco SSG Company Limited ("PSSSG") (i)	Ho Chi Minh City	Real estate business	51	21.46	51	21.46
Smart Convergence Joint Stock Company ("Smartcom")	Ho Chi Minh City	Distributing equipment, electronic, components, peripheral devices and software	55	55	55	55
Petrosetco Retail Services Joint Stock Company ("PSR") (ii)	Ho Chi Minh City	Retail of mobile phones	75	72.75	75	72.75
Petroleum Logistics Service Joint Stock Company ("PSL") (iii)	Ho Chi Minh City	Marine transportation service	66.6	44	66.6	44
Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Ho Chi Minh City	Distributing equipment, electronic components and peripheral devices	51	51	51	51
Petroleum Saigon General Services Company Limited ("PSG") (iv)	Ho Chi Minh City	Stopped operations and on liquidation process	100	100	100	100

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**1 GENERAL INFORMATION (continued)**

Name	Place of incorporation	Principal activities	31.12.2021		31.12.2020	
			Voting right %	Ownership %	Voting right %	Ownership %
II – Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Ho Chi Minh City	Trading of electronic devices, refrigeration appliances and electronic household appliances	51	40.81	51	40.81
Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Khanh Hoa Province	Wholesale of solid, liquid and gaseous fuels and related products	100	99.79	100	99.79
Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	Ho Chi Minh City	Providing heavy transportation and lifting services	51	22.44	51	22.44
Green Technology Import Export Joint Stock Company ("Green Technology") (v)	Ho Chi Minh City	Trading of medical equipment and supplies	-	-	50	40.02
An Lac Nhon Trach Single-member Limited Liability Company ("An Lac Nhon Trach") (vi)	Dong nai Province	Packaging services for the paper products	80.68	80.68	-	-
III – Direct associates						
Petro Tower Limited Company	Ba Ria - Vung Tau Province	Office for lease	24	24	24	24
Vinh Hoa Emerald Bay International Hospitality Company Limited (vii)	Phu Yen Province	Hospitality service	20	20	20	20
IV – Indirect associates						
Vietcom Digital Trade and Investment Joint Stock Company ("Vietcom") (viii)	Ha Noi City	Trading of electronic components, information technology, technology transfer services and delivery services	20	16	20	16
PEDACO Green Environment Joint Stock Company (ix)	Binh Thuan province	Wastage treatment	48.5	21.34	-	-
Petro Environmental and Energy Services Joint Stock Company (x)	Ho Chi Minh City	Manufacturing electricity	45	27	45	27
VI – The dependent accounting unit that does not have legal status						
Petroleum Industrial Material Distribution Company ("PIMD")	Ho Chi Minh City	Trading solid, liquid, gas fuels and related products	100	100	100	100



**1 GENERAL INFORMATION (continued)**

- (i) As at 31 December 2021 and as at 31 December 2020, although the Corporation's ownership in PSSSG was only 21.46%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSSSG through its 51% representatives in the Board of Directors of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG was classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (ii) As at 31 December 2021 and as at 31 December 2020, although the Corporation's ownership in PSR was 72.75%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSR through its 75% representatives in the Board of Directors of PSR.
- (iii) As at 31 December 2021 and as at 31 December 2020, although the Corporation's ownership in PSL was only 44%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSL through its 2/3 representatives in the Board of Directors of PSL. Therefore, the Corporation controls PSL and PSL was classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iv) 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.
- (v) According to the Resolution No. 09/NQ-PSD-HDQT dated 8 May 2019, PSD, a subsidiary, agreed to buy new shares issued by Green Technology, with the share capital of VND10 billion, accounting for 50% of the voting right and ownership, equivalent to 40.34% of the voting right of the Parent Company. As at 31 December 2021, PSD wholly divested in Green Technology.
- (vi) As at 30 June 2021, PSD acquired 100% owner's capital of An Lac Nhon Trach with the purpose to re-sell this company within 12 months from the completion date of the acquisition transaction. However, as at 31 December 2021, PSD has not yet sold this investment. Accordingly, this investment was classified and presented as a indirect subsidiary of the Corporation for the consolidation reporting purpose.
- (vii) According to the Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 31 December 2021, the Corporation contributed VND16 billion.
- (viii) Vietecom is in liquidation progress.
- (ix) PSL received the transfer of shares of Pedaco Green Environment Joint Stock Company ("Pedaco") under the Share Transfer Agreement No. 02/2020-QĐ dated 24 April 2020. As at 31 December 2021, PSL completed the share transfer procedures, holding 48.5% share capital of Pedaco. Therefore, the Corporation's ownership in Pedaco was 21.34% and Pedaco was classified and presented as an associate of the Corporation for consolidation reporting purpose.
- (x) According to the Decision No. 125A/DVTHDK-KHĐT dated 12 June 2020, POTS, a subsidiary, agreed to contribute its capital to establish Petro Environmental and Energy Services Joint Stock Company ("Petro") with the share capital of VND9 billion, accounting for 45% of the voting right and ownership of Petro, equivalent to 27% of the ownership of the Parent Company.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****2.1 Basis of preparation of consolidated financial statements**

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

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

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

**2.2 Fiscal year**

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

**2.3 Currency**

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

**2.4 Exchange rates**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Basis of consolidation****Subsidiaries**

Subsidiaries are all entities over which the Corporation has the power to govern the financial and operating policies in order to gain future benefits from their activities generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. They are de-consolidated from the date that control ceases.

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

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

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

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

**Non-controlling transactions and interests**

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

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.5 Basis of consolidation (continued)****Associates**

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

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

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

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

**2.6 Goodwill**

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

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

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.7 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.

**2.8 Receivables**

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

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

**2.9 Inventories**

Inventories include 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; and other inventories.

Inventories are stated at the lower of cost and net realisable value. Cost of properties for sales includes land costs and construction costs of infrastructure, other direct and overhead expenses. Cost of other inventories are 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.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The Corporation applies the perpetual 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)****2.10 Investments****(a) Trading securities**

Trading securities are securities which are held for trading to earn profits.

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the end of year. The provision for diminution in value of trading securities is made when their cost is higher than their fair value. Changes in the provision balance during the accounting 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.

The Corporation recognises trading securities when it has ownership of the assets, specifically as follows:

- Listed securities are recorded at the time of orders matching.
- Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

Profit or loss from liquidation or disposal of trading securities is recognised in the consolidated income statement. The costs of trading securities disposed are determined by using the moving weighted average method.

**(b) 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 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 end of year.

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 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 consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

**(c) Investments in other entities**

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



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

**2.10 Investments (continued)**

**(d) Provision for investments in other entities**

Provision for investments in other entities is made when there is a diminution in value of the investments at the end of year. 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 accounting year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

**2.11 Fixed assets**

*Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

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

Buildings and structures	2% - 20%
Machinery and equipment	7% - 50%
Motor vehicles	10% - 33%
Office equipment	10% - 33%
Computer software	12.5% - 33%

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

- Land use rights with an indefinite useful life are recorded at historical cost and are not amortised;
- Land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use right certificates issued by Department of Natural Resources and Environmental of Ba Ria – Vung Tau province on 30 April 2020 and amortised using the straight-line method over 36 years in accordance with such land use right certificate; and
- Land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use right certificates issued by Department of Natural Resources and Environmental of Ba Ria – Vung Tau province on 1 August 2019 and amortised using the straight-line method over 24 years in accordance with such land use right certificate; and



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Fixed assets (continued)

- Prepayments for land rental contracts, which became effective before or in 2003 and are granted lands use rights certificates, are recorded in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by Ministry of Finance and allocated using the straight-line method over 10 years in accordance with such land use right certificates.

#### *Disposals*

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

#### *Construction in progress*

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

### 2.12 Operating leases

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

### 2.13 Investment properties

The historical cost of an investment property represents the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction. Expenditure incurred subsequently which has resulted in an increase in the expected future economic benefits from the use of investment properties can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

#### *Depreciation and amortisation*

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

Land use rights	2%
Buildings	2% - 33%

#### *Disposals*

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.14 Prepaid expenses**

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

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

**2.15 Payables**

Classifications of payables are based on their nature as follows:

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

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

**2.16 Borrowing**

Borrowings include borrowings from banks and others.

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

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

**2.17 Accrued expenses**

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

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

### **2.18 Provisions**

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

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the accounting year are recorded as an increase or decrease in operating expenses.

### **2.19 Unearned revenue**

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

### **2.20 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 and the difference between the repurchase price and re-issuing price of treasury shares.

#### **(c) Owners' other capital**

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

#### **(d) Treasury shares**

Treasury shares brought before the effective date of the Securities Law (ie. 1 January 2021) are shares issued by the Company and bought back by itself, but these are not cancelled and may be re-issued subsequently in accordance with the Law on Securities.

Treasury shares brought after 1 January 2021 will be cancelled and adjusted to reduce equity.

#### **(e) Undistributed earnings**

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Appropriation of profit after BIT**

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 dividends are recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the General Meeting of Shareholders and list of shareholders receiving dividends is approved in accordance with the Resolution of the Board of Directors.

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 approved by shareholders in the Annual 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 in the Annual General Meeting of Shareholders. This fund is presented as a liability on the consolidated balance sheet. This fund is used for rewarding and encouraging, enhancing the physical and mental well-being of the employees.

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

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

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

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.22 Revenue recognition (continued)

#### (a) Revenue from sales of goods (continued)

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

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

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

- The real estate asset has been completed, and the 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 consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

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

#### (d) Revenue from rendering of operating lease services

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

#### (e) Interest income

Interest income is recognised on an earned basis.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.22 Revenue recognition (continued)

#### (f) Income from dividend paid/profit shared

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

#### (g) Allocation of gas cylinders deposits

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

### 2.23 Sales deductions

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

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

### 2.24 Cost of goods sold and services rendered

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

### 2.25 Financial expenses

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

### 2.26 Selling expenses

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

### 2.27 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Current and deferred income tax**

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

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

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

**2.29 Related parties**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.30 Segment reporting**

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

**2.31 Accounting estimates**

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

	2021 VND	2020 VND
Cash on hand	18,203,597,755	11,638,412,191
Cash at banks (*)	763,184,136,810	683,480,979,157
Cash equivalents (**)	1,795,089,000,000	1,113,077,872,222
	<u>2,576,476,734,565</u>	<u>1,808,197,263,570</u>

(\*) As at 31 December 2021 and 31 December 2020, included in cash at bank was VND1 billion which was transferred by PetroVietnam Assets Management Joint Stock Company ("PSA") to the bank account of the Parent Company and was from the assets recovered from Ha Noi Oil and Gas Trading Services One Member Company Limited upon the liquidation of this company. Currently, the Corporation is working with the relevant parties to determine the right and obligations of this amount.

(\*\*) As at 31 December 2021 and 31 December 2020, cash equivalents represented bank term deposits with an original maturity of three months or less at commercial banks and earned interest at the average rates from 3.5% per annum to 4.0% per annum (as at 31 December 2020: 3.5% per annum to 4.95% per annum).

**4 INVESTMENTS**

**(a) Trading securities**

	2021		
	Book value VND	Fair Value (*) VND	Provision VND
<b>Listed shares</b>			
Vietnam Electrical Equipment Joint Stock Corporation ("GEX")	27,767,640,065	30,161,852,850	-
VIX Securities Joint Stock Company ("VIX")	25,800,828,415	47,155,350,000	-
Others	178,048,836,551	186,279,840,000	(3,412,791,882)
	<u>231,617,305,031</u>	<u>263,597,042,850</u>	<u>(3,412,791,882)</u>
	2020		
	Cost VND	Fair value VND	Provision VND
<b>Unlisted shares</b>			
Capital contribution in An Lac Nhon Trach	<u>68,112,415,000</u>	(**)	<u>-</u>

(\*) At as 31 December 2021, the fair value was determined based on the closing price of listed shares on the Ho Chi Minh and Ha Noi Stock Exchanges of the nearest date from the consolidated balance sheet date and quantity of shares held by the Corporation.

(\*\*) As at 31 December 2020, the Corporation did not determine the fair value of this investment to disclose on the consolidated financial statements because it did not have listed prices.



**4 INVESTMENTS (continued)**

**(b) Investments held-to-maturity**

	2021		2020	
	Cost VND	Book Value VND	Cost VND	Book Value VND
<b>Short-term</b>				
Term deposits	188,330,217,228	188,330,217,228	149,897,187,276	149,897,187,276

As at 31 December 2021 and 31 December 2020, term deposits represented bank deposits in VND with the remaining maturity of not exceeding 12 months, earning interest at the average rates from 3% per annum to 7.1% per annum (as at 31 December 2020: from 3.1% per annum to 7.5% per annum).

As at 31 December 2021, the term deposits amount of VND143,000,000,000 were pledged as collateral assets for borrowings granted to Smart Convergence Joint Stock Company, a subsidiary of the Corporation (as at 31 December 2020: VND10,000,000,000).

	2021		2020	
	Cost VND	Book Value VND	Cost VND	Book Value VND
<b>Long-term</b>				
Term deposits	2,834,725,871	2,834,725,871	1,271,075,000	1,271,075,000

As at 31 December 2021 and 31 December 2021, term deposits represented bank deposits in VND with the remaining maturity above 12 months and more, earning interest at the average rates from 4% per annum to 7% per annum (as at 31 December 2020: from 4.3% per annum to 7.3% per annum).

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**4 INVESTMENTS (continued)**

**(c) Investments in associates**

Details of investments in associates are presented as follows:

	2021				2020			
	Cost VND	Book value VND	Fair value VND	Provision VND	Cost VND	Book value VND	Fair value VND	Provision VND
Petro Tower Limited Company	14,359,957,249	13,606,119,708	(*)	-	14,359,957,249	14,339,874,989	(*)	-
Vietecom Digital Trade and Investment Joint Stock Company	853,268,080	-	(*)	-	853,268,080	-	(*)	-
Vinh Hoa Emerald Bay International Hospitality Company Limited	16,000,000,000	16,000,000,000	(*)	-	16,000,000,000	16,000,000,000	(*)	-
Petro Environmental and Energy Services Joint Stock Company	9,000,000,000	9,000,000,000	(*)	-	9,000,000,000	9,000,000,000	(*)	-
PEDACO Green Environment Joint Stock Company	77,842,500,000	77,970,540,000	(*)	-	-	-	(*)	-
	118,055,725,329	116,576,659,708			40,213,225,329	39,339,874,989		

(\*) As at 31 December 2021 and 31 December 2020, the Company did not have enough information about the fair value of these investments to disclose on the consolidated financial statements because they did not have the listed prices.

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

	2021 VND	2020 VND
Beginning of year	39,339,874,989	31,039,870,918
New investment during the year	77,842,500,000	9,000,000,000
Loss sharing in associates	(605,715,281)	(699,995,929)
End of year	116,576,659,708	39,339,874,989



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**4 INVESTMENTS (continued)**

**(d) Investments in other entities**

Details of investments in other entities were presented as follows:

	2021			2020		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	(2,000,000,000)	2,000,000,000	(*)	(2,000,000,000)
Vietnam Coolpad Co., Ltd.	20,160,000,000	(*)	(20,160,000,000)	20,160,000,000	(*)	(20,160,000,000)
Vietnam - Korea Petroleum Industrial Gas Joint Stock Company	305,000,000	(*)	(206,834,272)	305,000,000	(*)	(53,301,287)
	<u>22,465,000,000</u>		<u>(22,366,834,272)</u>	<u>22,465,000,000</u>		<u>(22,213,301,287)</u>

Movements in investments in other entities during the year were as follows:

	2021 VND	2020 VND
Beginning of year	22,213,301,287	22,640,229,299
Increase/(reversal of) provision during the year	153,532,985	(426,928,012)
End of year	<u>22,366,834,272</u>	<u>22,213,301,287</u>

(\*) As at 31 December 2021 and 31 December 2020, the Corporation did not determine the fair value of these investments to disclose on the consolidated financial statements because they did not have listed prices.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties		
Mobile World Joint Stock Company	114,934,609,230	140,007,466,411
Others	2,210,363,586,693	1,320,984,846,112
	<u>2,325,298,195,923</u>	<u>1,460,992,312,523</u>
Related parties (Note 40(b))	191,723,249,884	193,540,373,517
	<u>2,517,021,445,807</u>	<u>1,654,532,686,040</u>

As at 31 December 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due were reviewed and made provision for doubtful debts as presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>2021 VND</b>	<b>2020 VND</b>
Global Consulting and Mechanical Services LLC	98,596,383,963	98,411,021,448
Apple Vietnam Limited Company	9,837,938,000	226,017,849,772
Others (*)	61,788,340,389	119,923,271,897
	<u>170,222,662,352</u>	<u>444,352,143,117</u>

(\*) As at 31 December 2021 and 31 December 2020, the balance included the prepayment of VND20.1 billion by PSV to an individual for the purchase of a land use right in Tan Thanh Town, Phu My District, Ba Ria – Vung Tau Province. As at 31 December 2021, PSV was in the process of completing the transfer of land use rights.



**7 OTHER RECEIVABLES**

**(a) Short-term**

	<b>2021 VND</b>	<b>2020 VND</b>
Supporting receivable from suppliers	114,019,054,594	101,913,300,013
Interest income receivable	2,202,931,507	5,151,760,178
Deposits	92,324,000	37,302,086,926
Advances for share purchase	-	61,155,370,000
Others	48,813,598,460	57,456,367,928
	<u>165,127,908,561</u>	<u>262,978,885,045</u>
In which:		
Third parties	157,040,405,822	253,145,011,570
Related parties (Note 40(b))	8,087,502,739	9,833,873,475
	<u>165,127,908,561</u>	<u>262,978,885,045</u>

**(b) Long-term**

	<b>2021 VND</b>	<b>2020 VND</b>
Deposits	26,170,082,809	29,616,479,319
Others	4,831,194,879	1,879,202,722
	<u>31,001,277,688</u>	<u>31,495,682,041</u>

As at 31 December 2021 and 31 December 2020, the balances of other receivables which were past due were reviewed and made provision for doubtful debts (Note 8).

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**8 DOUBTFUL DEBTS**

	2021		
	Cost VND	Recoverable amount VND	Provision VND
Total receivables that are past due	369,995,770,937	12,480,684,699	(357,515,086,238)
			Over 6 months
	2020		
	Cost VND	Recoverable amount VND	Provision VND
Total receivables that are past due	320,804,837,544	45,067,376,921	(275,737,460,623)
			Over 6 months



**9 INVENTORIES**

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Real estate for sales	-	-	3,111,210,072	-
Goods in transit	652,394,489,519	-	334,493,883,707	-
Raw materials	10,835,531,258	-	557,421,262	-
Tools and supplies	4,192,468,769	-	1,564,803,024	-
Merchandises	749,959,244,827	(30,341,140,885)	445,165,295,772	(27,521,700,100)
Goods on consignment	60,109,049,748	-	26,421,177,278	-
	<u>1,477,490,784,121</u>	<u>(30,341,140,885)</u>	<u>811,313,791,115</u>	<u>(27,521,700,100)</u>

Movements in the provision for decline in value of inventories during the year are as follows:

	2021 VND	2020 VND
Beginning of year	27,521,700,100	23,125,285,355
Increase during the year (Note 31)	2,819,440,785	4,396,414,745
End of year	<u>30,341,140,885</u>	<u>27,521,700,100</u>

**10 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE**

	2021 VND	2020 VND
<b>(a) Tax receivable</b>		
VAT to be reclaimed	214,578,146,601	180,271,228,208
BIT	204,075,346	320,871,086
Personal income tax ("PIT")	499,025,394	697,751,430
Others	1,028,107,201	193,326,792
	<u>216,309,354,542</u>	<u>181,483,177,516</u>
<b>(b) Tax payables</b>		
VAT	9,594,281,405	27,527,939,106
BIT	36,208,219,670	23,677,061,029
PIT	1,268,233,556	2,066,541,662
Others	-	124,985,564
	<u>47,070,734,631</u>	<u>53,396,527,361</u>

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

Movements of taxes and other receivables from/payables to the State during the year were as follows:

	As at 1.1.2021 VND	Receivables/payables during the year VND	Paid during the year VND	Net off during the year VND	As at 31.12.2021 VND
<b>(a) Receivables</b>					
VAT to be reclaimed	180,271,228,208	2,094,731,813,171	-	(2,060,424,894,778)	214,578,146,601
BIT	320,871,086	-	-	(116,795,740)	204,075,346
PIT	697,751,430	499,025,394	-	(697,751,430)	499,025,394
Others	193,326,792	1,028,107,201	-	(193,326,792)	1,028,107,201
	<u>181,483,177,516</u>	<u>2,096,258,945,766</u>	<u>-</u>	<u>(2,061,432,768,740)</u>	<u>216,309,354,542</u>
<b>(b) Payables</b>					
BIT	23,677,061,029	103,881,323,223	(91,233,368,842)	(116,795,740)	36,208,219,670
VAT	27,527,939,106	2,241,326,655,028	(198,835,417,951)	(2,060,424,894,778)	9,594,281,405
PIT	2,066,541,662	15,459,911,634	(15,560,468,310)	(697,751,430)	1,268,233,556
Others	124,985,564	75,116,519,584	(75,048,178,356)	(193,326,792)	-
	<u>53,396,527,361</u>	<u>2,435,784,409,469</u>	<u>(380,677,433,459)</u>	<u>(2,061,432,768,740)</u>	<u>47,070,734,631</u>



## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

## 11 FIXED ASSETS

## (a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>					
At as 1 January 2021	90,848,863,873	95,570,397,343	146,599,030,863	13,725,505,538	346,743,797,617
New purchases	545,210,272	2,853,721,818	17,540,930,031	-	20,939,862,121
Increase from a new indirect subsidiary	6,576,263,137	-	-	-	6,576,263,137
Decrease due to the divestment from a subsidiary	-	-	(2,282,764,000)	-	(2,282,764,000)
Disposals	-	-	(9,594,288,309)	-	(9,594,288,309)
As at 31 December 2021	97,970,337,282	98,424,119,161	152,262,908,585	13,725,505,538	362,382,870,566
<b>Accumulated depreciation</b>					
At as 1 January 2021	66,032,786,264	78,629,890,596	103,920,580,205	13,043,922,594	261,627,179,659
Charge for the year	4,070,472,356	4,491,195,521	10,954,618,578	332,169,027	19,848,455,482
Decrease due to the divestment from a subsidiary	-	-	(2,059,958,440)	-	(2,059,958,440)
Disposals	-	-	(7,449,005,754)	-	(7,449,005,754)
As at 31 December 2021	70,103,258,620	83,121,086,117	105,366,234,589	13,376,091,621	271,966,670,947
<b>Net book value</b>					
At as 1 January 2021	24,816,077,609	16,940,506,747	42,678,450,658	681,582,944	85,116,617,958
As at 31 December 2021	27,867,078,662	15,303,033,044	46,896,673,996	349,413,917	90,416,199,619

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2021 was VND164.3 billion (as at 31 December 2020: VND169.9 billion).

As at 31 December 2021, tangible fixed assets with net book value of VND4.94 billion (as at 31 December 2020: VND8.31 billion) were pledged with banks as collateral assets for borrowings granted to the Corporation (Note 22).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Total VND
<b>Historical cost</b>			
At as 1 January 2021	112,658,109,381	5,976,282,798	118,634,392,179
New purchases	-	927,678,400	927,678,400
Increase from a new indirect subsidiary	60,154,672,358	-	60,154,672,358
Decrease due to the divestment from a subsidiary	-	(602,899,000)	(602,899,000)
As at 31 December 2021	172,812,781,739	6,301,062,198	179,113,843,937
<b>Accumulated amortisation</b>			
At as 1 January 2021	3,071,249,134	4,877,729,684	7,948,978,818
Charge for the year	111,153,403	534,517,199	645,670,602
Decrease due to the divestment from a subsidiary	-	(230,496,168)	(230,496,168)
As at 31 December 2021	3,182,402,537	5,181,750,715	8,364,153,252
<b>Net book value</b>			
At as 1 January 2021	109,586,860,247	1,098,553,114	110,685,413,361
As at 31 December 2021	169,630,379,202	1,119,311,483	170,749,690,685

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2021 was VND4.57 billion (as at 31 December 2020: VND4.49 billion).



12 INVESTMENT PROPERTIES

**Buildings and structures**  
**VND**

**Historical cost**

At as 1 January 2021 and 31 December 2021	852,074,158,578
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**Accumulated depreciation**

At as 1 January 2021	178,611,080,067
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Charge for the year	40,287,894,005
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As at 31 December 2021	218,898,974,072
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**Net book value**

At as 1 January 2021	673,463,078,511
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As at 31 December 2021	633,175,184,506
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Investment properties mainly included the buildings and structures related to the living quarters of Nghi Son Refinery and Petrochemical Complex project ("Nghi Son Project") being constructed and held for lease by the Parent Company.

As at 31 December 2021 and 31 December 2020, all investment properties were pledged as collateral assets for the Corporation's borrowings (Note 22(b)).

In 2021, revenue from investment properties was VND109,942,180,540 (in 2020: VND116,423,609,677). Direct expenses (including tools and supplies, utilities and management fee) incurred from the leasing of investment properties in 2021 were VND21,448,783,630 (in 2020: VND22,944,551,030).

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 2021 was not disclosed in the consolidated financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the consolidated balance sheet date.

**13 CONSTRUCTION IN PROGRESS**

Details of construction in progress are presented as follows:

	2021 VND	2020 VND
Cape Pearl Project (formerly known as Petrosetco SSG Tower)	37,509,649,278	37,509,649,278
Others	806,632,906	806,632,906
	<u>38,316,282,184</u>	<u>38,316,282,184</u>

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

	2021 VND	2020 VND
Beginning of year	38,316,282,184	39,476,191,275
Reclassification to inventories	-	(1,049,000,000)
Others	-	(110,909,091)
	<u>38,316,282,184</u>	<u>38,316,282,184</u>

**14 LONG-TERM PREPAID EXPENSES**

	2021 VND	2020 VND
Prepaid operating lease (*)	133,191,365,026	139,116,003,048
Prepaid gas cylinders	100,435,856,527	102,062,912,593
Others	4,356,063,683	7,344,433,973
	<u>237,983,285,236</u>	<u>248,523,349,614</u>

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

- The prepayment to PVN for office leasing with the remaining amount of VND94,420,790,731 which was allocated to the consolidated income statement on a straight-line basis over a period of 50 years from 2010; and
- The prepayment for land rental with the remaining amount of VND15,921,797,264 which was allocated to the consolidated income statement on a straight-line basis over a period of 36 years from 2020.



**14 LONG-TERM PREPAID EXPENSES (continued)**

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

	2021 VND	2020 VND
Beginning of the year	248,523,349,614	211,167,021,687
Addition	38,563,418,892	68,867,344,299
Allocation	(49,044,312,719)	(28,003,421,655)
Others	(59,170,551)	(3,507,594,717)
End of year	<u>237,983,285,236</u>	<u>248,523,349,614</u>

**15 DEFERRED INCOME TAX**

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

Details were as follows:

	2021 VND	2020 VND
Deferred income tax liabilities to be repaid within 12 months	<u>3,300,000,000</u>	<u>3,300,000,000</u>

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

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

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

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

**16 GOODWILL**

	<b>2021 VND</b>	<b>2020 VND</b>
Beginning of year	9,182,295,000	10,712,677,500
Allocation	(1,530,382,500)	(1,530,382,500)
End of year	<u>7,651,912,500</u>	<u>9,182,295,000</u>

As at 31 December 2021 and 31 December 2020, goodwill arose from the acquisition of Binh Minh Electronics Refrigeration Joint Stock Company.

**17 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties		
Samsung Electronics Vietnam Thai Nguyen Company Limited	249,753,712,100	227,666,117,195
Apple Vietnam Limited Liability Company	708,709,527,680	133,460,196,872
Others	837,779,246,060	502,834,486,624
	<u>1,796,242,485,840</u>	<u>863,960,800,691</u>
Related parties (Note 40(b))	444,887,707,914	488,936,874,464
	<u>2,241,130,193,754</u>	<u>1,352,897,675,155</u>

As at 31 December 2021 and 31 December 2020, the Chairman believed that the Corporation was 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.

**18 SHORT-TERM ADVANCES FROM CUSTOMERS**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties	21,044,575,562	10,654,722,797
Related parties (Note 40(b))	96,061,908,163	122,942,127,916
	<u>117,106,483,725</u>	<u>133,596,850,713</u>

As at 31 December 2021 and 31 December 2020, there was no third-party customer who had a balance accounting for 10% or more of the total balance of short-term advances from customers.



**19 SHORT-TERM ACCRUED EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Allowances for employees	4,574,793,800	4,595,581,350
Interest expense	1,370,300,626	3,685,282,625
Others	18,390,265,543	11,551,201,524
	<u>24,335,359,969</u>	<u>19,832,065,499</u>

**20 SHORT-TERM UNEARNED REVENUE**

	<b>2021 VND</b>	<b>2020 VND</b>
Advanced rental (*)	-	20,454,545,492
Others	375,387,094	612,650,537
	<u>375,387,094</u>	<u>21,067,196,029</u>

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

**21 OTHER PAYABLES**

**(a) Short-term**

	<b>2021 VND</b>	<b>2020 VND</b>
Trade discount payable to customers	119,251,789,866	50,846,988,454
Dividends payable (Note 27)	23,690,320,623	25,093,118,026
Others	81,200,313,783	56,685,557,651
	<u>224,142,424,272</u>	<u>132,625,664,131</u>
In which:		
Third parties	216,777,527,306	120,320,172,768
Related parties (Note 40(b))	7,364,896,966	12,305,491,363
	<u>224,142,424,272</u>	<u>132,625,664,131</u>

21 OTHER PAYABLES (continued)

(b) Long-term

	2021 VND	2020 VND
Gas cylinders deposits (*)	30,216,483,162	46,739,712,350
Other deposits	41,526,888,013	13,232,488,228
Others	766,258,935	5,496,516,853
	<u>72,509,630,110</u>	<u>65,468,717,431</u>
In which:		
Third parties	66,170,881,960	61,631,682,424
Related parties (Note 40(b))	6,338,748,150	3,837,035,007
	<u>72,509,630,110</u>	<u>65,468,717,431</u>

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



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**22 BORROWINGS**

**(a) Short-term**

Short-term borrowings represented outstanding borrowings from banks and other financial institution. Details were as follows:

	As at 1.1.2021 VND	New drawdowns VND	Repayments VND	Current portion of long-term borrowing VND	As at 31.12.2021 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	886,712,679,973	2,449,798,348,670	(2,553,405,000,568)	-	783,106,028,075
Military Commercial Joint Stock Bank	441,541,608,579	1,010,328,790,665	(1,178,151,901,370)	-	273,718,497,874
Public Joint Stock Commercial Bank	-	37,741,691,781	(32,130,738,645)	-	5,610,953,136
Vietnam Joint Stock Commercial Bank for Industry and Trade	721,695,891,797	1,528,845,242,857	(1,532,153,349,322)	-	718,387,785,332
HSBC Bank Vietnam Limited	344,575,605,174	1,148,887,911,684	(1,168,340,632,541)	-	325,122,884,317
Vietnam International Commercial Joint Stock Bank	35,200,250,272	-	(35,200,250,272)	-	-
Asia Commercial Joint Stock Bank (*)	45,119,762,254	149,823,116,644	(199,138,378,369)	109,833,733,745	105,638,234,274
An Binh Commercial Joint Stock Bank	-	811,208,608,463	(623,999,594,262)	-	187,209,014,201
Vietnam Export Import Commercial Joint Stock Bank	-	1,099,371,160,396	(701,234,416,182)	-	398,136,744,214
Vietnam Technological and Commercial Joint- Stock Bank	33,000,000,000	280,200,000,000	(240,000,000,000)	-	73,200,000,000
Bank for Investment and Development of Vietnam	-	452,021,086,817	(184,117,700,401)	-	267,903,386,416
Vietnam Prosperity Joint-Stock Commercial Bank	-	565,334,142,890	(185,560,335,623)	-	379,773,807,267
VNDIRECT Securities Corporation	-	32,310,397,777	-	-	32,310,397,777
RongViet Securities Corporation	-	10,406,486,517	-	-	10,406,486,517
	<u>2,507,845,798,049</u>	<u>9,576,276,985,161</u>	<u>(8,633,432,297,555)</u>	<u>109,833,733,745</u>	<u>3,560,524,219,400</u>

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

As at 31 December 2021, collateral assets of these borrowings were as follows:

- Guarantee commitments of the Parent Company for its subsidiaries' borrowings with total the value of VND3,595 billion (as at 31 December 2020: VND3,370 billion).
- Land use rights at No. 274, Xo Viet Nghe Tinh Street, Ward 25, Binh Thanh District, Ho Chi Minh City (Note 11(b)).

The interest rates were announced by the banks at drawdown dates or adjusted from time to time which were announced by the banks. Short-term borrowings were to finance for the working capital of the Corporation's business operations.

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**22 BORROWINGS (continued)**

**(b) Long-term**

	As at 1.1.2021 VND	Repayments VND	Current portion of long-term borrowing VND	As at 31.12.2021 VND
Asia Commercial Joint Stock Bank (*)	205,295,734,348	-	(109,833,733,745)	95,462,000,603
Southeast Asia Commercial Joint Stock Bank (**)	1,950,000,000	(1,950,000,000)	-	-
	<u>207,245,734,348</u>	<u>(1,950,000,000)</u>	<u>(109,833,733,745)</u>	<u>95,462,000,603</u>

(\*) The borrowings with Asia Joint Stock Commercial Bank had a credit limit of VND400 billion and born interest at the rates adjustable from time to time which were announced by this bank.

The purpose of borrowings was to finance the construction of Nghi Son Project. The term was 9 years from 2016 and the borrowings were secured by assets formed from Nghi Son Project (Note 12); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project.

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

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



**23 BONUS AND WELFARE FUND**

	2021 VND	2020 VND
Beginning of year	34,530,151,930	34,056,852,653
Appropriation from undistributed earnings of previous years	5,077,972,497	4,624,816,244
Appropriation from undistributed earnings of current year	9,350,061,524	7,264,361,800
Utilisation	(15,264,575,215)	(7,835,340,967)
Transferred to its subsidiaries	-	(3,585,288,887)
Others	-	4,751,087
End of year	<u>33,693,610,736</u>	<u>34,530,151,930</u>

**24 OWNERS' CAPITAL**

**(a) Number of shares**

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>90,450,124</u>	-	<u>86,600,124</u>	-
Number of shares issued	90,450,124	-	86,600,124	-
Number of shares repurchased	(612,700)	-	(3,029,600)	-
Number of existing shares in circulation	<u>89,837,424</u>	-	<u>83,570,524</u>	-

**(b) Details of owners' shareholding**

	2021		2020	
	Ordinary shares	%	Ordinary shares	%
PVN	20,973,851	23.3	20,973,851	25.1
Other shareholders	68,863,573	76.7	62,596,673	74.9
	<u>89,837,424</u>	<u>100</u>	<u>83,570,524</u>	<u>100</u>

**(c) Movement of share capital**

	Number of shares VND	Ordinary shares VND	Total VND
As at 1 January 2020	<u>86,600,124</u>	<u>866,001,240,000</u>	<u>866,001,240,000</u>
As at 31 December 2020	86,600,124	866,001,240,000	866,001,240,000
New shares issued	3,850,000	38,500,000,000	38,500,000,000
As at 31 December 2021	<u>90,450,124</u>	<u>904,501,240,000</u>	<u>904,501,240,000</u>

Par value per share: VND10,000.

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**25 MOVEMENTS IN OWNERS' EQUITY**

	Share capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND	Non-controlling interests VND	Total capital and reserves VND
As at 1 January 2020	866,001,240,000	133,918,052,614	131,776,000,000	(50,118,432,974)	272,167,291,300	157,945,411,873	1,511,689,562,813	128,628,037,576	1,640,317,600,389
Net profit for the year	-	-	-	-	-	137,251,749,288	137,251,749,288	2,914,850,970	140,166,600,258
Appropriation to bonus and welfare fund	-	-	-	-	-	(9,703,160,473)	(9,703,160,473)	(2,186,017,571)	(11,889,178,044)
Dividends paid	-	-	-	-	-	(83,570,524,000)	(83,570,524,000)	(2,333,954,414)	(85,904,478,414)
Increase from acquisition of a subsidiary	-	(13,162,383,011)	-	24,712,642,202	-	(24,540,998,659)	(12,990,739,468)	(6,533,808,699)	(19,524,548,167)
Change in ownership	-	-	-	-	-	320,815,689	320,815,689	(320,815,689)	-
As at 1 January 2021	866,001,240,000	120,755,669,603	131,776,000,000	(25,405,790,772)	272,167,291,300	177,703,293,718	1,542,997,703,849	120,168,292,173	1,663,165,996,022
New shares issuance during the year	38,500,000,000	-	-	-	-	-	38,500,000,000	-	38,500,000,000
Other contributed capital (i)	-	-	10,000,000,000	-	(389,824,946)	(4,710,175,054)	4,900,000,000	(4,900,000,000)	-
Net profit for the year	-	-	-	-	-	264,843,501,811	264,843,501,811	46,615,243,237	311,458,745,048
Appropriation to bonus and welfare fund (iii)	-	-	-	-	-	(11,661,322,934)	(11,661,322,934)	(2,766,711,087)	(14,428,034,021)
Dividends paid (iv)	-	-	-	-	-	(83,570,524,000)	(83,570,524,000)	(24,619,994,500)	(108,190,518,500)
Reissuance of treasury shares (v)	-	38,816,668,186	-	21,411,174,332	-	-	60,227,842,518	-	60,227,842,518
Decrease due to the divestment from a subsidiary	-	-	-	-	-	-	-	(11,006,060,409)	(11,006,060,409)
As at 31 December 2021	904,501,240,000	159,572,337,789	141,776,000,000	(3,994,616,440)	271,777,466,354	342,604,773,541	1,816,237,201,244	123,490,769,414	1,939,727,970,658

- (i) According to the Official Letter No. 230/DVTHDK-KTNB dated 17 September 2021, the Corporation issued shares under ESOP program for its employees with a commitment of minimum 2 years of working with the Corporation.
- (ii) According to the Annual General Meeting minute No. 32/NQ-PHTD-ĐHĐCĐ dated 15 October 2021, the Annual General Meeting of Shareholders of Petroleum High Technology Products Distribution Joint Stock Company approved to increase owner's capital from Investment and development funds an amount of VND764,362,640 and Undistributed earnings an amount of VND9,235,637,360.
- (iii) Bonus and welfare fund are appropriated from the 2020 net profit after tax or 2021 planned profit tax upon approval of shareholders at the Annual General Meetings according to the Resolution No.16/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2021.
- (iv) According to the Resolution No.16/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2021, the Corporation's General Shareholders approved the dividend payment in cash for the year 2020 at the rate of 10% of the par value of share in circulation.
- (v) According to the Official Letter No. 200/DVTHDK-KTNB dated 18 August 2021, the Corporation sold 2,416,900 treasury shares via order matching and agreement.



**26 NON-CONTROLLING INTERESTS**

Details of non-controlling interests were as follows:

	2021 VND	2020 VND
Owners' capital	181,244,598,000	181,244,598,000
Owners' other capital	36,223,230,000	36,223,230,000
Share premium	(3,152,534,384)	(3,152,534,384)
Treasury shares	(4,551,274,315)	(4,551,274,315)
Accumulated losses	(75,267,189,478)	(89,595,727,128)
Decrease due to the divestment from a subsidiary	(11,006,060,409)	-
	<u>123,490,769,414</u>	<u>120,168,292,173</u>

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

	2021 VND	2020 VND
Beginning of year	120,168,292,173	128,628,037,576
Net profit	46,615,243,237	2,914,850,970
Reissuance treasury shares	-	(6,533,808,699)
Appropriation to bonus and welfare fund	(2,766,711,087)	(2,186,017,571)
Dividends paid	(24,619,994,500)	(2,333,954,414)
Decrease due to the divestment from a subsidiary	(11,006,060,409)	-
Change in ownership	-	(320,815,689)
Others	(4,900,000,000)	-
End of year	<u>123,490,769,414</u>	<u>120,168,292,173</u>

**27 DIVIDENDS**

	2021 VND	2020 VND
Beginning of year	25,093,118,026	32,282,864,484
Dividends payable (Note 25)	108,190,518,500	85,904,478,414
Dividends paid by cash	(109,310,316,623)	(91,031,009,992)
Others	(282,999,280)	(2,063,214,880)
End of year (Note 21(a))	<u>23,690,320,623</u>	<u>25,093,118,026</u>

**28 BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE****(a) Basic earnings per share**

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

	2021 VND	2020 VND (Restated)
Net profit after tax attributable to the shareholders (VND)	264,843,501,811	137,251,749,288
Less appropriation to bonus and welfare fund (VND) (*)	<u>(11,661,322,934)</u>	<u>(9,062,657,113)</u>
Net profit for the year attributable to the shareholders (VND)	253,182,178,877	128,189,092,175
Weighted average number of ordinary share in issue (shares)	<u>85,584,735</u>	<u>83,570,524</u>
Basic earning per share (VND)	<u><u>2,958</u></u>	<u><u>1,534</u></u>

For the year ended 31 December 2021, the Corporation had provisionally appropriated the net profit to bonus and welfare fund based on the 2021 plan approved by shareholders at the Annual General Meeting of Shareholders.

(\*) The appropriation to bonus and welfare fund for the year ended 31 December 2020 was adjusted compared to the figures represented in the consolidated financial statements of 2020 to represent the actual appropriation from undistributed earning of 2020, attributable to the Parent Company which was approved by the shareholders at the Annual General Meeting.

Basic earnings per share of the year ended 31 December 2020 were recalculated as follows:

	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	137,251,749,288	-	137,251,749,288
Actual appropriation to bonus and welfare fund (VND) (*)	<u>(9,703,160,473)</u>	<u>640,503,360</u>	<u>(9,062,657,113)</u>
Net profit attributable to shareholders (VND)	127,548,588,815	640,503,360	128,189,092,175
Weighted average number of ordinary shares in issue (shares)	<u>83,570,524</u>	-	<u>83,570,524</u>
Basic earnings per share (VND)	<u><u>1,526</u></u>	<u><u>-</u></u>	<u><u>1,534</u></u>



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

**(b) Diluted earnings per share**

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

**29 OFF CONSOLIDATED BALANCE SHEET ITEMS**

**(a) Foreign currencies**

As at 31 December 2021, included in cash and cash equivalents were balances held in foreign currency of USD1,709,940, EUR97 and GBP6,612 (as at 31 December 2020: USD1,794,379, EUR1,007 and GBP6,612).

**(b) Commitments**

Commitments were presented in Note 41.

**30 REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES**

	2021 VND	2020 VND
<b>Revenue</b>		
Revenue from sales of merchandise	16,221,486,124,088	12,059,214,880,045
Revenue from rendering of services	1,699,357,313,726	1,607,194,721,058
	<u>17,920,843,437,814</u>	<u>13,666,409,601,103</u>
<b>Sales deductions</b>		
Trade discounts	(219,000,642,410)	(132,446,873,227)
Sales allowances	(49,005,260,845)	(8,408,458,280)
Sales returns	(54,599,934,973)	(72,305,567,269)
	<u>(322,605,838,228)</u>	<u>(213,160,898,776)</u>
<b>Net revenue</b>		
Net revenue from sales of merchandise	15,898,880,285,860	11,846,053,981,269
Net revenue from rendering of services	1,699,357,313,726	1,607,194,721,058
	<u>17,598,237,599,586</u>	<u>13,453,248,702,327</u>

**31 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>2021 VND</b>	<b>2020 VND</b>
Cost of merchandises sold	15,627,382,016,493	11,746,103,871,785
Cost of services rendered (*)	1,028,836,696,097	1,033,848,566,670
Provision for decline in value of inventories (Note 9)	2,819,440,785	4,396,414,745
	<u>16,659,038,153,375</u>	<u>12,784,348,853,200</u>

(\*) Interest expense relating to Nghi Son Project before its completion date was capitalised in the value of the investment properties. From 10 October 2016, since Nghi Son Project was put into operation, interest expense was reimbursed by Nghi Son Refinery and Petrochemical Company Limited, the lessee of Nghi Son (Note 22(b)).

**32 FINANCIAL INCOME**

	<b>2021 VND</b>	<b>2020 VND</b>
Interest income	41,068,846,937	26,290,305,170
Profit from trading securities	39,746,560,297	-
Realised foreign exchange gains	19,825,716,206	9,219,676,936
Others	7,046,490,934	13,052,126,894
	<u>107,687,614,374</u>	<u>48,562,109,000</u>

**33 FINANCIAL EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Interest expense	81,065,460,546	76,419,942,463
Loss from trading securities	5,074,403,025	-
Realised foreign exchange loss	4,893,456,001	1,541,782,789
Provision for diminution in value of investments	1,047,810,553	(427,080,550)
Net loss from foreign currency translation at year end	931,194,529	1,051,018,847
Others	5,520,417,343	5,150,290,413
	<u>98,532,741,997</u>	<u>83,735,953,962</u>



**34 SELLING EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Staff costs	98,033,082,502	94,696,776,674
Advertising and marketing	30,248,253,994	5,011,448,961
Transportation	28,107,682,477	32,820,177,899
Warehouse rentals	18,519,469,261	19,306,675,864
Depreciation and amortisation	1,058,007,019	1,867,389,925
Others	108,888,790,222	78,703,908,205
	<u>284,855,285,475</u>	<u>232,406,377,528</u>

**35 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
Staff costs	104,290,132,873	86,654,012,460
Provision for doubtful debts	81,777,625,615	63,991,041,746
Depreciation and amortisation	7,364,471,631	6,521,592,143
Others	78,029,683,099	44,780,908,109
	<u>271,461,913,218</u>	<u>201,947,554,458</u>

**36 OTHER INCOME AND OTHER EXPENSES**

	<b>2021 VND</b>	<b>2020 VND</b>
<b>Other income</b>		
Contractual fines received	14,500,281,815	1,069,815,051
Net gains on disposal of fixed assets	2,280,759,958	3,904,948,471
Others	11,827,959,218	11,601,959,357
	<u>28,609,000,991</u>	<u>16,576,722,879</u>
<b>Other expenses</b>		
Contractual fines charges	1,677,445,195	3,203,686,782
Others	3,022,892,139	5,102,047,433
	<u>4,700,337,334</u>	<u>8,305,734,215</u>

**37 BIT**

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

	2021 VND	2020 VND
Net accounting profit before tax	415,340,068,271	206,943,064,914
Tax calculated at a rate of 20%	83,068,013,654	41,388,612,983
Effect of:		
Non-deductible expenses	14,492,577,957	16,212,898,533
Tax losses for which no deferred income tax asset was recognised	1,805,412,332	6,712,559,937
Under-provision in previous years	5,022,351,162	3,339,669,106
Tax reduction	(507,031,882)	(738,524,420)
Utilisation of tax losses	-	(138,751,483)
BIT charge (*)	103,881,323,223	66,776,464,656
Charged to the consolidated income statement:		
BIT – current	103,881,323,223	66,776,464,656
BIT – deferred (Note 15)	-	-
	103,881,323,223	66,776,464,656

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

**38 COST OF OPERATION BY FACTOR**

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

	2021 VND	2020 VND
Raw materials	690,221,334,426	592,388,587,214
Staff costs	545,499,612,510	557,818,944,461
Provision for doubtful debts	82,055,097,205	63,991,041,746
Sanitation services	68,200,549,996	70,195,660,230
Depreciation and amortisation	60,782,020,089	62,705,693,191
Advertising and marketing	30,248,253,994	5,011,448,961
Transportation	28,107,682,477	32,820,177,899
Others	82,858,784,878	87,667,359,699
	1,587,973,335,575	1,472,598,913,401



**39 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CONSOLIDATION CASH FLOWS STATEMENT**

**Investments in other entities**

Major non-cash transaction during the year was the share purchases of Pedaco from an individual with an amount of VND4,328,430,000 which has not yet been paid as at 31 December 2021 and the share purchases of An Lac Nhon Trach which was presented in this consolidation financial statements as asset acquisition with the value of VND68,112,415,000.

**40 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is PVN, who owns 23.3% of share capital of the Corporation (Note 24).

Accordingly, PVN, affiliate companies of PVN, 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:

	2021 VND	2020 VND
<b>i) Revenue from sale of goods and rendering of services</b>		
PVN	218,671,171,994	65,201,453,672
Affiliate companies of PVN	1,032,062,120,681	494,239,347,655
	<u>1,250,733,292,675</u>	<u>559,440,801,327</u>
<b>ii) Purchases of goods and services</b>		
PVN	17,852,009,248	11,301,431,007
Affiliate companies of PVN	1,607,447,153,111	535,165,746,178
	<u>1,625,299,162,359</u>	<u>546,467,177,185</u>
<b>iii) Compensation of key management</b>		
Gross salaries and other benefits	3,999,073,302	3,767,849,635
	<u>3,999,073,302</u>	<u>3,767,849,635</u>
<b>iv) Other transactions</b>		
Dividend paid to PVN	20,973,851,000	20,973,851,000
	<u>20,973,851,000</u>	<u>20,973,851,000</u>

40 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	2021 VND	2020 VND
<b>Short-term trade accounts receivable (Note 5)</b>		
PVN	11,361,710,811	28,832,523,190
Affiliate companies of PVN	180,361,539,073	164,707,850,327
	<u>191,723,249,884</u>	<u>193,540,373,517</u>
<b>Other short-term receivables (Note 7(a))</b>		
PVN	-	4,882,973,475
Affiliate companies of PVN	62,502,739	-
Key managements	8,025,000,000	4,950,900,000
	<u>8,087,502,739</u>	<u>9,833,873,475</u>
<b>Short-term trade accounts payable (Note 17)</b>		
PVN	247,919,580,280	253,866,498,728
Affiliate companies of PVN	196,968,127,634	235,070,375,736
	<u>444,887,707,914</u>	<u>488,936,874,464</u>
<b>Short-term advances from customers (Note 18)</b>		
Affiliate companies of PVN	<u>96,061,908,163</u>	<u>122,942,127,916</u>
<b>Short-term unearned revenue (Note 20)</b>		
Affiliate companies of PVN	<u>-</u>	<u>20,454,545,492</u>
<b>Other short-term payables (Note 21(a))</b>		
PVN	7,327,835,466	6,219,587,094
Affiliate companies of PVN	37,061,500	6,085,904,269
	<u>7,364,896,966</u>	<u>12,305,491,363</u>
<b>Other long-term payables (Note 21(b))</b>		
Affiliate companies of PVN	<u>6,338,748,150</u>	<u>3,837,035,007</u>



**41 COMMITMENTS**

**(a) Commitments under operating leases**

*(i) The Corporation as the lessee*

The Corporation signed the operating land lease agreement for a period of 70 years from the year 2009 with the Management Board of Nghi Son Economic Zone. Accordingly, the Corporation is exempted from land use fee until 2022. Additionally, the Corporation also signed office and warehouse lease contracts with suppliers to conduct its business activities. As at 31 December 2021 and 31 December 2020, the future minimum lease payments under these operating lease contracts were as follows:

	2021 VND	2020 VND
Below 1 year	42,324,253,826	101,418,564,287
From 1 to 5 years	73,205,020,932	101,665,101,392
Above 5 years	52,370,976,602	65,366,342,826
	<u>167,900,251,360</u>	<u>268,450,008,505</u>

*(ii) The Corporation as the lessor*

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

	2021 VND	2020 VND
Below 1 year	143,336,268,252	115,765,746,224
From 1 to 5 years	407,594,261,424	443,235,585,804
Above 5 years	55,512,529,295	89,752,093,869
	<u>606,443,058,971</u>	<u>648,753,425,897</u>

**(b) Commitments under operating leases**

As at 31 December 2021, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with a total amount of VND3,520 billion (as at 31 December 2020: VND3,628 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with a total amount of USD11.6 million (as at 31 December 2020: USD11.6 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.

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**41 COMMITMENTS (continued)**

**(c) Capital contribution commitments**

As at 31 December 2021 and 31 December 2020, the progress of charter capital contribution commitments was as follows:

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

(\*) In December 2010, the Parent Company agreed to a capital contribution plan amounting to VND229.5 billion into PSSSG, accounting for 51% of the ownership.

(\*\*) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Board of Directors approved in principal the investment in ITS in which the Parent Company owns 40% of ITS's charter capital, equivalent to VND20 billion. Up until 31 December 2021 and 31 December 2020, the shareholders of ITS have not yet fulfilled their capital obligations.

(\*\*\*) According to the Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Parent Company agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital of VND11.2 billion, accounting for 20% of the voting right and ownership.

**(d) Other commitments**

As at 31 December 2021, 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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**42 SEGMENT REPORTING**

*Geographical segments*

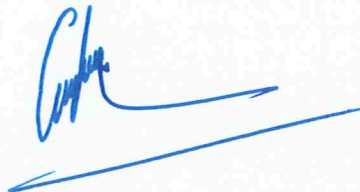
The Corporation did not have any operation outside the territory of Vietnam. Therefore, no geographical business segment was presented.

*Business activity segments*

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

	2021				
	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Net revenue from sales of goods and rendering of services	13,959,881,573,762	259,040,167,689	1,723,716,617,241	1,655,599,240,894	17,598,237,599,586
Cost of goods sold and services rendered	(13,351,430,811,477)	(230,165,069,272)	(1,661,220,355,341)	(1,416,221,917,285)	(16,659,038,153,375)
Gross profit from sales of goods and rendering of services	608,450,762,285	28,875,098,417	62,496,261,900	239,377,323,609	939,199,446,211
	2020				
	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Net revenue from sales of goods and rendering of services	10,102,468,139,044	298,525,424,295	1,318,956,309,376	1,733,298,829,612	13,453,248,702,327
Cost of goods sold and services rendered	(9,727,659,622,967)	(231,944,466,032)	(1,255,799,531,271)	(1,568,945,232,930)	(12,784,348,853,200)
Gross profit from sales of goods and rendering of services	374,808,516,077	66,580,958,263	63,156,778,105	164,353,596,682	668,899,849,127

The consolidated financial statements were approved by the Chairman on 31 March 2022.



Tran Quang Huy  
Preparer/ Chief Accountant



Phung Tuan Ha  
Chairman