

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

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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 18th amended Enterprise registration certificate dated 23 May 2016.

Board of Directors

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

Board of Internal Audit

Ms. Nguyen Quynh Nhu	Head
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

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 RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE INTERIM 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 interim 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 interim consolidated financial position of the Corporation as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended. In preparing these interim 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 interim 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 interim consolidated financial position of the Corporation and which enable the interim consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the interim 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 INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying interim consolidated financial statements as set out on pages 5 to 62 which give a true and fair view of the interim consolidated financial position of the Corporation as at 30 June 2021, and of the interim consolidated results of its operations and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.



Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
23 August 2021



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

We have reviewed the accompanying interim consolidated financial statements of PetroVietnam General Services Joint Stock Company ("the parent company") and its subsidiaries (together, "the Corporation") which were prepared on 20 July 2021 and approved by the Chairman on 23 August 2021. The interim consolidated financial statements comprise the interim consolidated balance sheet as at 30 June 2021, the interim consolidated income statement and the interim consolidated cash flow statement for the six-month period then ended, and explanatory notes to the interim consolidated financial statements including significant accounting policies, as set out on pages 5 to 62.

The Chairman's Responsibility

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

Auditor's Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the interim consolidated financial position of the Corporation as at 30 June 2021, its interim consolidated financial performance and its interim consolidated cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim consolidated financial statements.

Other Matter

The report on review of interim consolidated financial information is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM11187
Ho Chi Minh City, 23 August 2021

INTERIM CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
100	CURRENT ASSETS		4,463,954,016,394	5,083,111,172,737
110	Cash and cash equivalents	3	1,298,556,780,905	1,808,197,263,570
111	Cash		611,756,780,905	695,119,391,348
112	Cash equivalents		686,800,000,000	1,113,077,872,222
120	Short-term investments		262,579,566,237	218,009,602,376
121	Trading securities	4(a)	135,481,069,532	68,112,415,100
122	Provision for diminution in value of trading securities	4(a)	(388,793,415)	-
123	Investments held-to-maturity	4(b)	127,487,290,120	149,897,187,276
130	Short-term receivables		1,691,099,528,789	2,086,126,253,579
131	Short-term trade accounts receivable	5	1,615,585,782,735	1,654,532,686,040
132	Short-term prepayments to suppliers	6	209,312,027,035	444,352,143,117
136	Other short-term receivables	7(a)	172,347,244,583	262,978,885,045
137	Provision for doubtful debts – short-term	8	(306,145,525,564)	(275,737,460,623)
140	Inventories	9	1,004,442,027,123	783,792,091,015
141	Inventories		1,034,570,840,966	811,313,791,115
149	Provision for decline in value of inventories		(30,128,813,843)	(27,521,700,100)
150	Other current assets		207,276,113,340	186,985,962,197
151	Short-term prepaid expenses		11,113,822,287	5,502,784,681
152	Value Added Tax ("VAT") to be reclaimed	10(a)	194,702,541,954	180,271,228,208
153	Tax and other receivables from the State	10(a)	1,459,749,099	1,211,949,308

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

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
200	LONG-TERM ASSETS		1,302,497,004,661	1,237,645,367,371
210	Long-term receivable		29,619,335,598	31,495,682,041
216	Other long-term receivables	7(b)	29,619,335,598	31,495,682,041
220	Fixed assets		193,665,201,382	195,802,031,319
221	Tangible fixed assets	11(a)	83,671,705,488	85,116,617,958
222	Historical cost		350,921,813,634	346,743,797,617
223	Accumulated depreciation		(267,250,108,146)	(261,627,179,659)
227	Intangible fixed assets	11(b)	109,993,495,894	110,685,413,361
228	Historical cost		118,634,392,179	118,634,392,179
229	Accumulated amortisation		(8,640,896,285)	(7,948,978,818)
230	Investment properties	12	653,299,325,865	673,463,078,511
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(198,774,832,713)	(178,611,080,067)
240	Long-term asset in progress		38,316,282,184	38,316,282,184
242	Construction in progress	13	38,316,282,184	38,316,282,184
250	Long-term investments		117,857,040,070	40,862,648,702
252	Investments in associates	4(c)	115,997,683,101	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)	(22,394,718,031)	(22,213,301,287)
255	Investments held-to-maturity	4(b)	1,789,075,000	1,271,075,000
260	Other long-term assets		269,739,819,562	257,705,644,614
261	Long-term prepaid expenses	14	261,322,715,812	248,523,349,614
269	Goodwill	16	8,417,103,750	9,182,295,000
270	TOTAL ASSETS		5,766,451,021,055	6,320,756,540,108

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN/HN

INTERIM CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
300	LIABILITIES		4,070,570,905,313	4,657,590,544,086
310	Short-term liabilities		3,830,918,759,692	4,381,576,092,307
311	Short-term trade accounts payable	17	1,213,349,191,942	1,352,897,675,155
312	Short-term advances from customers	18	134,270,530,998	133,596,850,713
313	Taxes and other payables to the State	10(b)	36,768,252,417	53,396,527,361
314	Payable to employees		78,703,700,873	124,929,306,684
315	Short-term accrued expenses	19	30,853,992,088	19,832,065,499
318	Short-term unearned revenue	20	7,523,947,186	21,067,196,029
319	Other short-term payables	21(a)	122,614,364,927	132,625,664,131
320	Short-term borrowings	22(a)	2,173,078,490,322	2,507,845,798,049
321	Provision for short-term liabilities		854,856,756	854,856,756
322	Bonus and welfare fund	23	32,901,432,183	34,530,151,930
330	Long-term liabilities		239,652,145,621	276,014,451,779
337	Other long-term payables	21(b)	57,404,094,557	65,468,717,431
338	Long-term borrowings	22(b)	178,948,051,064	207,245,734,348
341	Deferred income tax liabilities	15	3,300,000,000	3,300,000,000
400	OWNERS' EQUITY		1,695,880,115,742	1,663,165,996,022
410	Capital and reserves		1,695,880,115,742	1,663,165,996,022
411	Owners' capital	24, 25	866,001,240,000	866,001,240,000
411a	- Ordinary shares with voting rights		866,001,240,000	866,001,240,000
412	Share premium	25	120,755,669,603	120,755,669,603
414	Owners' other capital	25	131,776,000,000	131,776,000,000
415	Treasury shares	25	(25,405,790,772)	(25,405,790,772)
418	Investment and development fund	25	272,167,291,300	272,167,291,300
421	Undistributed earnings	25	187,680,945,578	177,703,293,718
421a	- Undistributed post-tax profits of previous years	25	89,672,754,203	47,715,906,230
421b	- Post-tax profit of current period/year	25	98,008,191,375	129,987,387,488
429	Non-controlling interests	25, 26	142,904,760,033	120,168,292,173
440	TOTAL RESOURCES		5,766,451,021,055	6,320,756,540,108



Tran Quang Huy
Preparer



Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman
23 August 2021

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 02a – DN/HN

INTERIM CONSOLIDATED INCOME STATEMENT

Code	Note	For the six-month period ended 30 June	
		2021 VND	2020 VND
01 Revenue from sales of goods and rendering of services		7,783,469,111,595	5,429,879,925,836
02 Less deductions		(170,931,346,580)	(71,634,986,847)
10 Net revenue from sales of goods and rendering of services	30	7,612,537,765,015	5,358,244,938,989
11 Cost of goods sold and services rendered	31	(7,226,247,552,838)	(5,049,008,407,253)
20 Gross profit from sales of goods and rendering of services		386,290,212,177	309,236,531,736
21 Financial income	32	35,586,146,547	20,695,750,382
22 Financial expenses	33	(45,156,621,200)	(42,585,750,273)
23 - Including: Interest expense	33	(37,889,217,770)	(34,328,325,284)
24 Losses sharing from investments in associates	4(c)	(1,184,691,888)	(372,547,908)
25 Selling expenses	34	(138,363,904,612)	(110,137,549,672)
26 General and administration expenses	35	(86,958,589,717)	(96,518,488,412)
30 Net operating profit		150,212,551,307	80,317,945,853
31 Other income	36	11,561,581,769	7,220,808,158
32 Other expenses	36	(3,000,091,032)	(4,822,868,032)
40 Net other income		8,561,490,737	2,397,940,126
50 Net accounting profit before tax		158,774,042,044	82,715,885,979
51 Business income tax ("BIT") - current	37	(34,842,132,628)	(22,772,382,709)
52 BIT - deferred	15, 37	-	-
60 Net profit after tax		123,931,909,416	59,943,503,270
Attributable to:			
61 Shareholders of the Parent Company		99,839,994,574	51,931,437,783
62 Non-controlling interests		24,091,914,842	8,012,065,487
71 Basic earnings per share	28(a)	1,118	561
72 Diluted earnings per share	28(b)	1,118	561



Tran Quang Huy
Preparer



Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman
23 August 2021

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

INTERIM CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended 30 June	
Code	Note	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	158,774,042,044	82,715,885,979
	Adjustments for:		
02	Depreciation, amortisation and allocation of goodwill	32,831,493,643	32,947,020,044
03	Provisions	33,585,388,843	20,506,852,649
04	Unrealised foreign exchange (gain)/losses	(9,440,130)	358,973,288
05	Profits from investing activities	(20,340,078,397)	(12,936,170,098)
06	Interest expense	37,889,217,770	34,328,325,284
08	Operating profit before changes in working capital	242,730,623,773	157,920,887,146
09	Decrease/(increase) in receivables	237,450,506,533	(523,317,509,938)
10	Increase in inventories	(223,257,049,851)	(805,886,622,570)
11	(Decrease)/increase in payables	(226,851,077,527)	667,075,856,747
12	Increase in prepaid expenses	(18,410,403,804)	(34,549,739,819)
13	Increase in trading securities	(67,368,654,432)	(66,799,813,862)
14	Interest paid	(38,685,937,906)	(34,885,652,879)
15	BIT paid	(41,976,628,212)	(28,535,503,386)
17	Other payments on operating activities	(8,538,495,443)	(5,664,735,970)
20	Net cash outflows from operating activities	(144,907,116,869)	(674,642,834,531)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(9,391,276,364)	(4,129,387,182)
22	Proceeds from disposals of fixed assets	1,025,090,909	2,242,727,273
23	Term deposits over 3 months placed at banks	(32,911,483,787)	(2,889,000,000)
24	Term deposits over 3 months collected	99,567,000,000	-
25	Investments in other entities	(7,440,800,000)	(9,000,000,000)
27	Interests received	24,581,076,541	11,869,446,988
30	Net cash inflows/(outflows) from investing activities	75,429,607,299	(1,906,212,921)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from reissuance of treasury shares	-	17,260,387,300
32	Payments for share repurchases	-	(12,243,936,808)
33	Proceeds from borrowings	4,162,706,093,286	3,078,656,411,152
34	Repayments of borrowings	(4,525,771,084,297)	(2,722,387,182,009)
36	Dividends paid	(77,095,402,634)	(11,878,269,497)
40	Net cash (outflows)/inflows from financing activities	(440,160,393,645)	349,407,410,138
50	Net decrease in cash and cash equivalents	(509,637,903,215)	(327,141,637,314)
60	Cash and cash equivalents at beginning of period	3 1,808,197,263,570	1,038,281,209,462
61	Effect of foreign exchange differences	(2,579,450)	-
70	Cash and cash equivalents at end of period	3 1,298,556,780,905	711,139,572,148

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



Tran Quang Huy
Preparer



Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman
23 August 2021

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

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 18th) amended Enterprise registration certificate dated 23 May 2016 which were issued by the Department of Planning and Investment of Ho Chi Minh City. The Parent Company was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group (the “Group” or “PVN”).

The Parent Company’s shares were officially listed on Ho Chi Minh City Stock Exchange (“HOSE”) on 12 September 2007 with stock symbol “PET” pursuant to Decision No. 94/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 30 June 2021, the Corporation had 2,739 employees (as at 31 December 2020: 2,711 employees).

As at 30 June 2021, the Parent Company had 11 direct subsidiaries, 4 indirect subsidiaries, 2 direct associates, 2 indirect associate, and 1 joint venture. 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 09a – DN/HN

1 GENERAL INFORMATION (continued)

Name	Place of incorporation	Principal activities	30.6.2021		31.12.2020	
			Voting right %	Ownership %	Voting right %	Ownership %
I - Direct subsidiaries						
Petroleum General Distribution Services Joint Stock Company ("PSD")	Ho Chi Minh City	Distribution of telecommunication and electronic equipment	80.68	80.68	80.68	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")	Ho Chi Minh City	Retail of mobile phones	75	72.75	75	72.75
Petroleum Logistics Service Joint Stock Company ("PSL") (ii)	Ho Chi Minh City	Marine transportation service	67	44	67	44
Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Ho Chi Minh City	Distributing equipment, electronic components and peripheral devices	51	51	51	51
Petroleum Saigon General Services Company Limited ("PSG") (iii)	Ho Chi Minh City	Stopped operations and on liquidation process	100	100	100	100

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN/HN

1 GENERAL INFORMATION (continued)

Name	Place of incorporation	Principal activities	30.6.2021		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") (iv)	Ho Chi Minh City	Trading of medical equipment and supplies	50	40.02	50	40.02
III – Direct associates						
Petro Tower Limited Company	Ba Ria - Vung Tau Province	Office for lease	24	24	24	24
Vinh Hoa Emerald Bay International Hospitality Company Limited (v)	Phu Yen Province	Hospitality service	20	20	20	20
IV – Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (vi)	Ha Noi City	Trading of electronic components, information technology, technology transfer services and delivery services	20	16	20	16
PEDACO Green Environment Joint Stock Company (vii)	Binh Thuan province	Wastage treatment	48.5	21.3	-	-
V – Joint Venture						
Petro Environmental and Energy Services Joint Stock Company (viii)	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 30 June 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 has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (ii) As at 30 June 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 has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iii) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. From 2013 until now, PSG has had no business activities incurred.
- (iv) According to Resolution No. 09/NQ-PSD-HDQT dated 8 May 2019, PSD, a subsidiary, agreed to buy the new shares issued by Green Technology, with the share capital of VND10 billion, accounting for 50% of the voting right and ownership, equivalent to 40.34% of the voting right of the Parent Company. As at 30 June 2021 and 31 December 2020, although the Corporation's ownership in Green Technology was only 40.02%, the Corporation still had the authority to exercise its power over the financial and operational policies of Green Technology through its 2/3 representatives in the Board of Directors of Green Technology. Therefore, the Corporation controls Green Technology and Green Technology has been classified and presented as a subsidiary of the Corporation for consolidation reporting purpose.
- (v) According to Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 30 June 2021, the Corporation contributed VND16 billion.
- (vi) Vietecom is in liquidation progress.
- (vii) 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. At at 30 June 2021, PSL completed the share transfer procedures with 48.5% share capital of Pedaco. Therefore, the Corporation's ownership in Pedaco is 21.3% and Pedaco has been classified and presented as an associate of the Corporation for consolidation reporting purpose.
- (viii) 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 interim consolidated financial statements**

The interim 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 interim consolidated financial statements. The interim 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 interim consolidated financial statements are not intended to present the interim consolidated financial position and interim consolidated results of operations and interim 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 interim consolidated financial statements in the Vietnamese language are the official statutory interim consolidated financial statements of the Corporation. The interim 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. The interim consolidated financial statements are prepared for the six-month period from 1 January 2021 to 30 June 2021.

2.3 Currency

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

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

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

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

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

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

2.5 Basis of consolidation**Subsidiaries**

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****Non-controlling transactions and interests**

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

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

Associates

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

The Corporation's share of its associates' post-acquisition profits or losses is recognised in the interim 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 period is higher than the annual goodwill charge, the Corporation records the impairment immediately in the accounting period.

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 interim consolidated balance sheet based on the remaining period from the interim 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 includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined by the specific identification method for plastic resins and by the weighted average method for other inventories. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The Corporation applies the perpetual system for inventories.

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

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 period end. 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 period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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.

Profit or loss from liquidation or disposal of trading securities is recognised in the interim 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 period end.

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

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

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 period end. Regarding investments in listed shares or those whose fair value can be determined reliably, the provision for diminution in value is made when cost is higher than market value. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Chairman before the date of investment. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.11 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 interim 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 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 interim 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 interim 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 interim 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%

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Investment properties (continued)***Disposals*

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

2.14 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the interim 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 interim 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 interim consolidated balance sheet based on the remaining period from the interim 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 interim consolidated balance sheet based on their remaining terms from the interim consolidated balance sheet date to the maturity date.

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

2.17 Accrued expenses

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

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

(e) Undistributed earnings

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

2 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 interim consolidated financial statements in the period in which the dividends are approved by the General Meeting of Shareholders and the 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 interim 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 interim 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 interim consolidated income statement.

(b) Revenue from real estate sale

Revenue from real estate sale is recognised in the interim 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 interim 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 interim 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 interim 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 interim 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 period of the related revenue from sales of products, goods and rendering of services are recorded as deduction of revenue of that period.

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

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the interim 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 period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the interim 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 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 interim consolidated financial statements in order to help users of interim 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 interim consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim 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 interim consolidated financial statements and the reported amounts of revenues and expenses during the period.

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

3 CASH AND CASH EQUIVALENTS

	30.6.2021 VND	31.12.2020 VND
Cash on hand	12,360,854,239	11,638,412,191
Cash at banks (*)	599,395,926,666	683,480,979,157
Cash equivalents (**)	686,800,000,000	1,113,077,872,222
	<u>1,298,556,780,905</u>	<u>1,808,197,263,570</u>

(*) As at 30 June 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 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 30 June 2021 and 31 December 2020, cash equivalents represent bank term deposits with an original maturity of three months or less at commercial banks and earn interest at the average rates from 2.7% per annum to 4% per annum (as at 31 December 2020: 3.5% per annum to 4.95% per annum).

4 INVESTMENTS

(a) Trading securities

30.6.2021				
	Cost VND	Book value VND	Fair Value (*) VND	Provision VND
Listed shares				
Vietnam Electrical Equipment Joint Stock Corporation	24,362,697,637	24,362,697,637	24,571,800,000	-
VIX Securities Joint Stock Company	17,891,635,179	17,891,635,179	18,099,775,000	-
Hoa Phat Group Joint Stock Company	10,136,438,140	10,136,438,140	9,862,250,000	(274,188,140)
Others	14,347,575,356	14,347,575,356	15,725,830,000	(114,605,275)
Capital contribution in An Lac Nhon Trach Joint Stock Company ("An Lac Nhon Trach") (**)	68,742,723,220	68,742,723,220	-	-
	<u>135,481,069,532</u>	<u>135,481,069,532</u>	<u>68,259,655,000</u>	<u>(388,793,415)</u>
31.12.2020				
		Cost VND	Book value VND	Provision VND
Capital contribution in An Lac Nhon Trach (**)		<u>68,112,415,000</u>	<u>68,112,415,000</u>	<u>-</u>

(*) At as 30 June 2021, the fair value was determined based on the closing price of listed shares on the Ho Chi Minh and Ha Noi Stock Exchange of the nearest date from the interim consolidated balance sheet date and quantity of shares held by the Corporation.

(**) An Lac Nhon Trach was established on 8 April 2013 in Dong Nai Province. Its principal activities are to provide packaging services for paper products. As at 30 June 2021, PSD completed procedures for acquiring 100% ownership in An Lac Nhon Trach with the value of VND68,112,415,100. According to the Minutes of Board of Directors' Meeting No. 07/BB-PSD-HĐQT dated 20 May 2020 and the Decision of PSD's Chairman, the purpose of this acquisition is holding for sales within 12 months at the period end. Therefore, the Corporation does not classify An Lac Nhon Trach as a subsidiary and does not consolidate this company. As at 30 June 2021 and 31 December 2020, the Corporation has not determined the fair value of this investment to disclose on the interim consolidated financial statements because it does not have listed price.

4 INVESTMENTS (continued)**(b) Investments held-to-maturity**

	30.6.2021		31.12.2020	
	Cost	Book Value	Cost	Book Value
	VND	VND	VND	VND
Short-term				
Term deposits (*)	127,487,290,120	127,487,290,120	149,897,187,276	149,897,187,276
Long-term				
Term deposits (**)	1,789,075,000	1,789,075,000	1,271,075,000	1,271,075,000

(*) As at 30 June 2021 and 31 December 2020, term deposits represent 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 30 June 2021 and 31 December 2021, term deposits represent 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:

	30.6.2021				31.12.2020			
	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	13,879,348,559	(*)	-	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	77,118,334,542	(*)	-	-	-	(*)	-
	118,055,725,329	115,997,683,101		-	40,213,225,329	39,339,874,989		-

(*) As at 30 June 2021 and 31 December 2020, the Company has not have enough information about the fair value of these investments to disclose on the interim consolidated financial statements because the subsidiaries do not have the listed prices.

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	39,339,874,989	31,039,870,918
New investment during the period/year	77,842,500,000	9,000,000,000
Losses sharing in associates	(1,184,691,888)	(699,995,929)
End of period/year	115,997,683,101	39,339,874,989

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4 INVESTMENTS (continued)

(d) Investments in other entities

Details of investments in other entities are presented as follows:

	30.6.2021			31.12.2020		
	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	(*)	(234,718,031)	305,000,000	(*)	(53,301,287)
	<u>22,465,000,000</u>		<u>(22,394,718,031)</u>	<u>22,465,000,000</u>		<u>(22,213,301,287)</u>

Movements in investments in other entities during the period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	22,213,301,287	22,640,229,299
Increase	181,416,744	-
Reversal	-	(426,928,012)
End of period/year	<u>22,394,718,031</u>	<u>22,213,301,287</u>

(*) As at 30 June 2021 and 31 December 2020, the Corporation has not determined the fair value of these investments to disclose on the interim consolidated financial statements because they do not have listed prices.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2021 VND	31.12.2020 VND
Third parties		
<i>Mobile World Joint Stock Company</i>	84,348,438,400	140,007,466,411
<i>Vietnam Ipadshop Company</i>	65,995,067,845	80,588,807,500
<i>Icool Technology Company Limited</i>	73,657,133,467	73,657,133,467
<i>Coolpad Viet Nam Company Limited</i>	42,965,708,261	42,965,708,261
<i>Others</i>	1,113,896,332,456	1,123,773,196,884
	<hr/>	<hr/>
	1,380,862,680,429	1,460,992,312,523
Related parties (Note 40(b))	234,723,102,306	193,540,373,517
	<hr/>	<hr/>
	1,615,585,782,735	1,654,532,686,040
	<hr/>	<hr/>

As at 30 June 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

	30.6.2021 VND	31.12.2020 VND
Third parties		
<i>Apple Vietnam Limited Company</i>	9,837,938,000	226,017,849,772
<i>Global Consulting and Mechanical Services LLC</i>	98,411,021,448	98,411,021,448
<i>Others (*)</i>	101,063,067,587	119,923,271,897
	<hr/>	<hr/>
	209,312,027,035	444,352,143,117
	<hr/>	<hr/>

(*) As at 30 June 2021 and 31 December 2020, the balance includes the prepayment of VND20.1 billion to an individual for the purchase of a land use right in Tan Thanh Town, Phu My District, Ba Ria – Vung Tau Province.

7 OTHER RECEIVABLES

(a) Short-term

	30.6.2021 VND	31.12.2020 VND
Supporting receivable from suppliers	77,646,484,848	101,913,300,013
Interest income receivable	1,070,363,013	5,151,760,178
Deposits	398,399,879	37,302,086,926
Advances for share purchase	-	61,155,370,000
Others (*)	93,231,996,843	57,456,367,928
	<u>172,347,244,583</u>	<u>262,978,885,045</u>

	30.6.2021 VND	31.12.2020 VND
In which:		
Third parties	164,259,741,844	253,145,011,570
Related parties (Note 40(b))	8,087,502,739	9,833,873,475
	<u>172,347,244,583</u>	<u>262,978,885,045</u>

(*) As at 30 June 2021 and 31 December 2020, included in other short-term receivables are VND11,689,195,735 relating to the receivables of land use right at No. 274, Xo Viet Nghe Tinh Street, Ward 25, Binh Thanh District, Ho Chi Minh City from an individual whose right was transferred from Green Technology, a subsidiary. This land use right is pledged for the borrowing of the Corporation (Note 22).

(b) Long-term

	30.6.2021 VND	31.12.2020 VND
Deposits	27,841,119,131	29,616,479,319
Others	1,778,216,467	1,879,202,722
	<u>29,619,335,598</u>	<u>31,495,682,041</u>

As at 30 June 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 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

		30.6.2021		Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
Total accounts receivable that are past due	429,870,084,993	123,724,559,429	(306,145,525,564)	Over 6 months
		31.12.2020		Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
Total accounts receivable that are past due	489,349,834,480	213,612,373,857	(275,737,460,623)	Over 6 months

9 INVENTORIES

	30.6.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Real estate for sales	3,111,210,072	-	3,111,210,072	-
Goods in transit	35,751,343,421	-	334,493,883,707	-
Raw materials	9,089,272,758	-	557,421,262	-
Tools and supplies	1,947,000,077	-	1,564,803,024	-
Merchandises	970,901,648,676	(30,128,813,843)	445,165,295,772	(27,521,700,100)
Goods on consignment	13,770,365,962	-	26,421,177,278	-
	<u>1,034,570,840,966</u>	<u>(30,128,813,843)</u>	<u>811,313,791,115</u>	<u>(27,521,700,100)</u>

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	27,521,700,100	23,125,285,355
(Reveral)/increase during the period/year	2,607,113,743	4,396,414,745
End of period/year	<u>30,128,813,843</u>	<u>27,521,700,100</u>

10 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

	30.6.2021 VND	31.12.2020 VND
(a) Tax receivable		
VAT to be reclaimed	194,702,541,954	180,271,228,208
BIT	442,588,114	320,871,086
Personal income tax ("PIT")	827,387,554	697,751,430
Others	189,773,431	193,326,792
	<u>196,162,291,053</u>	<u>181,483,177,516</u>
(b) Tax payables		
VAT	18,600,332,015	27,527,939,106
BIT	16,542,565,445	23,677,061,029
PIT	807,068,758	2,066,541,662
Others	818,286,199	124,985,564
	<u>36,768,252,417</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 period are as follows:

	As at 1.1.2021 VND	Receivables/payables during the period VND	Amount paid during the period VND	Net off amount during the period VND	As at 30.6.2021 VND
(a) Receivables					
VAT to be reclaimed	180,271,228,208	1,280,191,571,423	(6,406,550,895)	(1,259,353,706,782)	194,702,541,954
BIT	320,871,086	121,717,028	-	-	442,588,114
PIT	697,751,430	827,387,554	-	(697,751,430)	827,387,554
Others	193,326,792	189,773,431	-	(193,326,792)	189,773,431
	<u>181,483,177,516</u>	<u>1,281,330,449,436</u>	<u>(6,406,550,895)</u>	<u>(1,260,244,785,004)</u>	<u>196,162,291,053</u>
(b) Payables					
BIT	23,677,061,029	34,842,132,628	(41,976,628,212)	-	16,542,565,445
PIT	2,066,541,662	8,968,413,968	(9,530,135,442)	(697,751,430)	807,068,758
VAT	27,527,939,106	1,315,170,282,370	(64,744,182,679)	(1,259,353,706,782)	18,600,332,015
Others	124,985,564	(81,790,564,890)	82,676,632,317	(192,766,792)	818,286,199
	<u>53,396,527,361</u>	<u>1,277,190,264,076</u>	<u>(33,574,314,016)</u>	<u>(1,260,244,225,004)</u>	<u>36,768,252,417</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
At as 1 January 2021	90,848,863,873	95,570,397,343	146,599,030,863	13,725,505,538	346,743,797,617
New purchases	1,214,764,355	1,212,818,182	7,338,137,273	-	9,765,719,810
Disposals	-	-	(5,587,703,793)	-	(5,587,703,793)
As at 30 June 2021	92,063,628,228	96,783,215,525	148,349,464,343	13,725,505,538	350,921,813,634
Accumulated depreciation					
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 period	2,610,997,643	1,753,560,095	6,665,658,700	180,415,842	11,210,632,280
Disposals	-	-	(5,587,703,793)	-	(5,587,703,793)
As at 30 June 2021	68,643,783,907	80,383,450,691	104,998,535,112	13,224,338,436	267,250,108,146
Net book value					
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 30 June 2021	23,419,844,321	16,399,764,834	43,350,929,231	501,167,102	83,671,705,488

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was VND164.3 billion (as at 31 December 2020: VND169.9 billion).

As at 30 June 2021, tangible fixed assets with net book value of VND4,940,000,000 (as at 31 December 2020: VND8,312,943,654) 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
Historical cost			
At as 1 January 2021 and 30 June 2021	112,658,109,381	5,976,282,798	118,634,392,179
Accumulated amortisation			
At as 1 January 2021	3,071,249,134	4,877,729,684	7,948,978,818
Charge for the period	230,180,172	461,737,295	691,917,467
As at 30 June 2021	3,301,429,306	5,339,466,979	8,640,896,285
Net book value			
At as 1 January 2021	109,586,860,247	1,098,553,114	110,685,413,361
As at 30 June 2021	109,356,680,075	636,815,819	109,993,495,894

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 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 30 June 2021	852,074,158,578
Accumulated depreciation	
At as 1 January 20201	178,611,080,067
Charge for the period	20,163,752,646
As at 30 June 2021	198,774,832,713
Net book value	
At as 1 January 20201	673,463,078,511
As at 30 June 2021	653,299,325,865

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

As at 30 June 2021 and 31 December 2020, all investment properties have been pledged as collateral assets for the Corporation's borrowings (Note 22(b)).

In the first 6-months period of 2021, revenue from investment properties is VND57,101,564,439 (in the first 6-month period of 2020: VND56,691,412,529). Direct expenses (including tools and supplies, utilities and management fee) incurred from investment properties relating to revenue from leasing in the first 6-months period of 2021 are VND10,377,017,519 (in the first 6-month period of 2020: VND9,755,461,892).

The Corporation was unable to collect sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 30 June 2021 has not been disclosed in the interim 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 interim consolidated balance sheet date.

13 CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	30.6.2021 VND	31.12.2020 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 period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	38,316,282,184	39,476,191,275
Transfer to construction in progress	-	(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

Details of long-term prepaid expenses are as follows:

	30.6.2021 VND	31.12.2020 VND
Prepaid operating lease (*)	153,950,321,776	139,116,003,048
Prepaid gas cylinders	102,824,976,040	102,062,912,593
Tools and supplies	413,392,166	2,171,693,787
Others	4,134,025,830	5,172,740,186
	<u>261,322,715,812</u>	<u>248,523,349,614</u>

(*) Included in prepaid operating lease mainly are:

- The prepayment to PVN for office leasing with the remaining amount of VND93,233,107,831 is allocated to the interim 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 VND15,699,123,998 is allocated to the interim 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 period/year are as follows:

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of the period/year	248,523,349,614	211,167,021,687
Addition	34,347,358,050	68,867,344,299
Allocation	(21,547,991,852)	(28,003,421,655)
Reclassification	-	(3,507,594,717)
End of period/year	<u>261,322,715,812</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>

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

	For the six-month period ended 30.06.2021 VND	For the year ended 31.12.2020 VND
Deferred income tax assets	-	-
Deferred income tax liabilities	<u>(3,300,000,000)</u>	<u>(3,300,000,000)</u>
Beginning of period/year	(3,300,000,000)	(3,300,000,000)
Interim consolidated income statement (charged)/credited	-	-
End of period/year	<u>(3,300,000,000)</u>	<u>(3,300,000,000)</u>
In which:		
Deferred income tax liabilities	<u>(3,300,000,000)</u>	<u>(3,300,000,000)</u>

15 DEFERRED INCOME TAX (continued)

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

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

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

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

16 GOODWILL

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year Allocation	9,182,295,000 (765,191,250)	10,712,677,500 (1,530,382,500)
End of period/year	<u>8,417,103,750</u>	<u>9,182,295,000</u>

As at 30 June 2021 and 31 December 2020, goodwill arises from the acquisition of Binh Minh Electronics Refrigeration Joint Stock Company.

17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	30.6.2021 VND	31.12.2020 VND
Third parties		
<i>Samsung Electronics Vietnam Thai Nguyen Company Limited</i>	188,043,741,800	227,666,117,195
<i>Apple Vietnam Limited Liability Company</i>	96,211,070,739	133,460,196,872
<i>Microsoft Regional Sales Corporation</i>	57,128,782,552	57,197,975,259
<i>Dell Global B.V. (Singapore Branch) - TT IGF</i>	46,262,994,012	46,262,994,012
<i>Lenovo (Singapore) Pte. Ltd</i>	36,750,114,734	61,527,852,035
<i>Asus Global Pte. Ltd</i>	31,167,727,289	21,489,870,135
<i>Dell Global B.V. (Singapore Branch)</i>	20,611,622,000	69,741,867,373
<i>Others</i>	282,150,066,989	246,613,927,810
	<u>758,326,120,115</u>	<u>863,960,800,691</u>
Related parties (Note 40(b))	455,023,071,827	488,936,874,464
	<u>1,213,349,191,942</u>	<u>1,352,897,675,155</u>

As at 30 June 2021 and 31 December 2020, the Chairman believes that the Corporation has no doubt on its ability to fully repay the short-term trade accounts payable as and when they fall due and there was no balance of short-term trade accounts payable which was past due.

18 SHORT-TERM ADVANCES FROM CUSTOMERS

	30.6.2021 VND	31.12.2020 VND
Third parties	16,436,312,948	10,654,722,797
Related parties (Note 40(b))	117,834,218,050	122,942,127,916
	<u>134,270,530,998</u>	<u>133,596,850,713</u>

As at 30 June 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

	30.6.2021 VND	31.12.2020 VND
Allowances for employees	8,084,723,523	4,595,581,350
Office and warehouse rental expenses	9,076,367,257	1,512,515,631
Interest expense	2,888,562,489	3,685,282,625
Others	10,804,338,819	10,038,685,893
	<u>30,853,992,088</u>	<u>19,832,065,499</u>

20 SHORT-TERM UNEARNED REVENUE

	30.6.2021 VND	31.12.2020 VND
Rental advance received (*)	6,818,181,860	20,454,545,492
Others	705,765,326	612,650,537
	<u>7,523,947,186</u>	<u>21,067,196,029</u>

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

21 OTHER PAYABLES

(a) Short-term

	30.6.2021 VND	31.12.2020 VND
Trade discount payable to customers	53,705,163,911	50,846,988,454
Dividends payable (Note 27)	32,305,729,392	25,093,118,026
Others	36,603,471,624	56,685,557,651
	<u>122,614,364,927</u>	<u>132,625,664,131</u>

21 OTHER PAYABLES (continued)

(a) Short-term (continued)

	30.6.2021 VND	31.12.2020 VND
In which:		
Third parties	105,318,811,769	120,320,172,768
Related parties (Note 40(b))	17,295,553,158	12,305,491,363
	<u>122,614,364,927</u>	<u>132,625,664,131</u>

(b) Long-term

	30.6.2021 VND	31.12.2020 VND
Gas cylinders deposits (*)	36,393,278,862	46,739,712,350
Other deposits	14,705,279,767	13,232,488,228
Payable to the Ba Ria - Vung Tau Province's State Budget (**)	2,672,375,259	3,121,841,484
Others	3,633,160,669	2,374,675,369
	<u>57,404,094,557</u>	<u>65,468,717,431</u>

	30.6.2021 VND	31.12.2020 VND
In which:		
Third parties	52,427,789,539	61,631,682,424
Related parties (Note 40(b))	4,976,305,018	3,837,035,007
	<u>57,404,094,557</u>	<u>65,468,717,431</u>

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

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

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22 BORROWINGS

(a) Short-term

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

	As at 1.1.2021 VND	New drawdowns VND	Repayments VND	Current portion of long-term borrowing VND	As at 30.6.2021 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	886,712,679,973	1,504,196,606,480	(1,534,921,282,492)	-	855,988,003,961
Military Commercial Joint Stock Bank	441,541,608,579	643,866,051,499	(813,242,614,873)	-	272,165,045,205
Vietnam Joint Stock Commercial Bank for Industry and Trade	636,695,891,797	549,023,273,310	(768,491,705,254)	-	417,227,459,853
HSBC Bank Vietnam Limited	344,575,605,174	497,890,425,408	(574,288,960,747)	-	268,177,069,835
Vietnam Technological and Commercial Joint Stock Bank	33,000,000,000	404,936,493,564	(427,936,493,564)	-	10,000,000,000
Asia Commercial Joint Stock Bank (*)	45,119,762,254	-	(20,821,812,989)	27,097,683,284	51,395,632,549
Asia Commercial Joint Stock Bank	85,000,000,000	64,823,116,644	(149,823,116,644)	-	-
Vietnam International Joint Stock Commercial Bank	35,200,250,272	-	(35,200,250,272)	-	-
Vietnam Public Joint Stock Commercial Bank	-	279,414,784,162	(199,844,847,462)	-	79,569,936,700
Vietnam Prosperity Joint Stock Commercial Bank	-	185,560,335,632	-	-	185,560,335,632
Viet Dragon Securities Corporation	-	32,995,006,587	-	-	32,995,006,587
	<u>2,507,845,798,049</u>	<u>4,162,706,093,286</u>	<u>(4,524,571,084,297)</u>	<u>27,097,683,284</u>	<u>2,173,078,490,322</u>

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

As at 30 June 2021, collateral assets of these borrowings are as follows:

- Guarantee commitments of the Parent Company for its subsidiaries' borrowings with 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 7(a)).

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

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

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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 30.6.2021 VND
Asia Commercial Joint Stock Bank (*)	205,295,734,348	-	(27,097,683,284)	178,198,051,064
Southeast Asia Commercial Joint Stock Bank (**)	1,950,000,000	(1,200,000,000)	-	750,000,000
	<u>207,245,734,348</u>	<u>(1,200,000,000)</u>	<u>(27,097,683,284)</u>	<u>178,948,051,064</u>

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

The purpose of borrowings is to finance the construction of Nghi Son Project. The term is 9 years from 2016 and the borrowings are secured by assets formed from Nghi Son Project (Note 12); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project; and 5,345,200 shares of PSA owned by the Corporation.

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

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

23 BONUS AND WELFARE FUND

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/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	1,831,803,199	7,264,361,800
Utilisation	(8,538,495,443)	(7,835,340,967)
Transferred to the subsidiaries	-	(3,585,288,887)
Other	-	4,751,087
End of period/year	<u>32,901,432,183</u>	<u>34,530,151,930</u>

24 OWNERS' CAPITAL

(a) Number of shares

	30.6.2021		31.12.2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>86,600,124</u>	-	<u>86,600,124</u>	-
Number of shares issued	86,600,124	-	86,600,124	-
Number of shares repurchased	(3,029,600)	-	(3,029,600)	-
Number of existing shares in circulation	<u>83,570,524</u>	-	<u>83,570,524</u>	-

(b) Details of owners' shareholding

	30.6.2021		31.12.2020	
	VND	%	VND	%
PVN	209,738,510,000	25.1	209,738,510,000	25.1
Other shareholders	625,966,730,000	74.9	625,966,730,000	74.9
	<u>835,705,240,000</u>	<u>100</u>	<u>835,705,240,000</u>	<u>100</u>

24 OWNERS' CAPITAL (continued)

(c) Movement of share capital

	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2020	866,001,240,000	-	866,001,240,000
As at 31 December 2020	866,001,240,000	-	866,001,240,000
As at 30 June 2021	866,001,240,000	-	866,001,240,000

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
Net profit for the period	-	-	-	-	-	99,839,994,574	99,839,994,574	24,091,914,842	123,931,909,416
Appropriation to bonus and welfare fund (*)	-	-	-	-	-	(6,375,019,467)	(6,375,019,467)	(534,756,229)	(6,909,775,696)
Dividends paid (**)	-	-	-	-	-	(83,487,323,247)	(83,487,323,247)	(820,690,753)	(84,308,014,000)
As at 30 June 2021	866,001,240,000	120,755,669,603	131,776,000,000	(25,405,790,772)	272,167,291,300	187,680,945,578	1,552,975,355,709	142,904,760,033	1,695,880,115,742

(*) According to the Resolution No. 16/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2021, the Parent Company's General Shareholders approved the appropriation of the 2021 bonus and welfare fund of VND5,077,972,497.

According to the Official Dispatch No.67/ DVTHDK-KHĐT dated 30 March 2021, PSV's Board of Directors approved the appropriation of bonus and welfare fund from the 2020 net profit tax with an amount of VND1,099,407,100.

(**) According to the Resolution No. 16/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2021, the Parent Company's General Shareholders approved the 2020 dividend at the rate 10% of the par value of share in circulation.

26 NON-CONTROLLING INTERESTS

Details of non-controlling interests are as follows:

	30.6.2021 VND	31.12.2020 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)
Undistributed earnings	(66,859,259,268)	(89,595,727,128)
	<u>142,904,760,033</u>	<u>120,168,292,173</u>

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

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	120,168,292,173	128,628,037,576
Net profit	24,091,914,842	2,914,850,970
Reissuance treasury shares	-	(6,533,808,699)
Appropriation to bonus and welfare fund	(534,756,229)	(2,186,017,571)
Dividends paid	(820,690,753)	(2,333,954,414)
Change in ownership	-	(320,815,689)
End of period/year	<u>142,904,760,033</u>	<u>120,168,292,173</u>

27 DIVIDENDS

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	25,093,118,026	32,282,864,484
Dividends payable (Note 25)	84,308,014,000	85,904,478,414
Dividends paid by cash	(77,095,402,634)	(93,094,224,872)
End of period/year	<u>32,305,729,392</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 period, excluding ordinary shares repurchased by the Parent Company and held as treasury shares. Details are as follows:

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Net profit after tax attributable to the shareholders (VND)	99,839,994,574	51,931,437,783
Less appropriation to bonus and welfare fund (VND) (*)	(6,375,019,467)	(5,078,158,363)
Net profit for the year attributable to the shareholders (VND)	93,464,975,107	46,853,279,420
Weighted average number of ordinary share in issue (shares)	83,570,524	83,570,524
Basic earning per share (VND)	1,118	561

(*) The appropriation to bonus and welfare fund for the six-month period ended 30 June 2020 was adjusted compared to the figures represented in the interim consolidated financial statements of 2020 to represent the 2020 actual appropriation from undistributed earnings approved by shareholders at the Annual General Meeting which is attributable to the Parent Company.

For the six-month period ended 30 June 2021, the Corporation has 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.

Basic earnings per share of the six-month period ended 30 June 2020 were recalculated as follows:

	For the six-month period ended 30 June 2020		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	51,931,437,783	-	51,931,437,783
Actual appropriation to bonus and welfare fund (VND)	(5,635,992,058)	557,833,695	(5,078,158,363)
Net profit attributable to shareholders (VND)	46,295,445,725	557,833,695	46,853,279,420
Weighted average number of ordinary shares in issue (shares)	83,570,524	-	83,570,524
Basic earnings per share (VND)	554	-	561

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 period and the ordinary shares expected to be issued. The Parent company has no dilutive potential ordinary shares during the period and up to the date of these interim consolidated financial statements.

29 OFF INTERIM CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 30 June 2021, included in cash and cash equivalents are 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

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Revenue		
Revenue from sales of merchandise	6,975,269,339,228	4,685,512,512,122
Revenue from rendering of services	808,199,772,367	744,367,413,714
	<u>7,783,469,111,595</u>	<u>5,429,879,925,836</u>
Sales deductions		
Trade discounts	(103,704,533,043)	(43,497,584,422)
Sales allowances	(9,672,016,656)	(4,389,954,898)
Sales returns	(57,554,796,881)	(23,747,447,527)
	<u>(170,931,346,580)</u>	<u>(71,634,986,847)</u>
Net revenue		
Net revenue from sales of merchandise	6,804,337,992,648	4,613,877,525,275
Net revenue from rendering of services	808,199,772,367	744,367,413,714
	<u>7,612,537,765,015</u>	<u>5,358,244,938,989</u>

31 COST OF GOODS SOLD AND SERVICES RENDERED

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Cost of merchandises sold	6,511,037,050,887	4,554,214,856,798
Cost of services rendered (*)	712,603,388,208	498,175,129,863
Provision/(reversal of provision) for decline in value of inventories	2,607,113,743	(3,381,579,408)
	<u>7,226,247,552,838</u>	<u>5,049,008,407,253</u>

(*) Included in the cost of services rendered is the interest expense relating to Nghi Son Project, amounting to VND13.9 billion (2019: VND13.5 billion) being refunded by Nghi Son Refinery and Petrochemical Company Limited (Note 22), the leasee of Nghi Son Project, after this project was put into operation.

32 FINANCIAL INCOME

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Interest income	20,499,679,376	11,475,469,644
Realised foreign exchange gains	6,584,440,035	4,844,114,906
Profit from trading securities	7,412,568,339	-
Unrealised foreign exchange gains	9,440,130	-
Others	1,080,018,667	4,376,165,832
	<u>35,586,146,547</u>	<u>20,695,750,382</u>

33 FINANCIAL EXPENSES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Interest expense	37,889,217,770	34,328,325,284
Realised foreign exchange losses	1,281,433,715	2,871,691,279
Guarantee expenses	2,251,471,620	1,874,277,901
Loss from trading securities	2,584,883,875	-
Provision for diminution in value of investments	570,210,159	880,502,095
Net loss from foreign currency translation at year end	-	358,973,288
Others	579,404,061	2,271,980,426
	<u>45,156,621,200</u>	<u>42,585,750,273</u>

34 SELLING EXPENSES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Staff costs	56,480,159,869	45,947,444,254
Transportation	17,330,075,651	15,454,073,932
Advertising and marketing	1,740,713,283	1,254,904,548
Depreciation and amortisation	605,958,917	878,453,751
Warehouse rentals	8,713,065,833	7,692,670,246
Commission	4,355,128,618	1,368,335,158
Outside services	34,321,456,299	28,032,845,928
Others	14,817,346,142	9,508,821,855
	<u>138,363,904,612</u>	<u>110,137,549,672</u>

35 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Staff costs	39,247,426,521	38,723,193,415
Depreciation and amortisation	2,849,881,529	1,982,776,764
Provision for doubtful debts	10,385,672,751	23,007,929,962
Outside services	10,963,347,614	13,697,112,707
Goodwill allocation	765,191,250	765,191,250
Others	22,747,070,052	18,342,284,314
	<u>86,958,589,717</u>	<u>96,518,488,412</u>

36 OTHER INCOME AND OTHER EXPENSES

	For the six-month period ended 30 June	
	2021	2020
	VND	VND
Other income		
Allocation of gas cylinders deposits	3,605,021,488	3,547,354,616
Contractual fines received	-	310,044,439
Net gains on disposal of fixed assets	1,025,090,909	1,833,248,362
Others	6,931,469,372	1,530,160,741
	<u>11,561,581,769</u>	<u>7,220,808,158</u>
Other expenses		
Contractual fines charges	494,778,572	2,889,227,362
Others	2,505,312,460	1,933,640,670
	<u>3,000,091,032</u>	<u>4,822,868,032</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:

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Net accounting profit before tax	158,774,042,044	82,715,885,979
Tax calculated at a rate of 20%	31,754,808,409	16,543,177,196
Effect of:		
Non-deductible expenses	549,361,297	551,423,248
Tax losses for which no deferred income tax asset was recognised	(2,410,109,123)	4,763,823,280
Under-provision in previous years	5,065,089,862	913,958,985
Utilisation of tax losses	(117,017,817)	-
BIT charge (*)	34,842,132,628	22,772,382,709
Charged to interim consolidated income statement:		
BIT – current	34,842,132,628	22,772,382,709
BIT – deferred (Note 15)	-	-
	34,842,132,628	22,772,382,709

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

38 COST OF OPERATION BY FACTOR

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

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Raw materials	305,676,990,560	280,342,029,666
Staff costs	280,041,425,843	271,264,980,232
Depreciation and amortisation	32,066,302,393	32,181,828,794
Goodwill allocation	765,191,250	765,191,250
Provision/(reversal of provision) for decline in value of inventories	2,607,113,743	(3,381,579,408)
Provision for doubtful debts	30,408,064,941	23,007,929,962
Outside services	197,624,072,737	161,689,852,911
Interest expenses refunded (Note 31)	13,967,515,705	13,529,151,413
Transportation	6,340,060,841	21,676,024,683
Repair and maintenance	12,213,874,393	13,446,494,447
Tool and supplies	13,831,738,594	13,821,333,245
Rental	15,077,256,714	14,693,779,087
Cleaning	34,100,274,998	27,996,295,481
Others	15,835,505,758	16,475,278,287
	<u>960,555,388,470</u>	<u>887,508,590,050</u>

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

	For the six-month period ended 30 June	
	2021	2020
(a) Non-cash transactions affecting the interim consolidated statement of cash flows		
Purchase and construction of fixed assets which have not been paid yet	<u>374,443,446</u>	<u>1,253,788,026</u>
(b) Amount of borrowings actually drawdown during the period		
Proceeds from borrowings following normal borrowing contracts	<u>4,162,706,093,286</u>	<u>3,078,656,411,152</u>
(c) Amount of borrowings principal actually repaid during the period		
Repayments of borrowings following normal borrowing contracts	<u>4,525,771,084,297</u>	<u>2,722,387,182,009</u>

40 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
Short-term trade accounts receivable (Note 5)		
PVN	254,888,209	28,832,523,190
Affiliate companies in PVN	234,468,214,097	164,707,850,327
	<u>234,723,102,306</u>	<u>193,540,373,517</u>
Other short-term receivables (Note 7(a))		
PVN	-	4,882,973,475
Affiliate companies in 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>
Short-term trade accounts payable (Note 17)		
PVN	244,443,711,776	253,866,498,728
Affiliate companies in PVN	210,579,360,051	235,070,375,736
	<u>455,023,071,827</u>	<u>488,936,874,464</u>
Short-term advances from customers (Note 18)		
Affiliate companies in PVN	117,834,218,050	122,942,127,916
	<u>117,834,218,050</u>	<u>122,942,127,916</u>
Short-term unearned revenue (Note 20)		
Fellow PVN group subsidiary	6,818,181,860	20,454,545,492
	<u>6,818,181,860</u>	<u>20,454,545,492</u>
Other short-term payables (Note 21(a))		
PVN	15,861,687,663	6,219,587,094
Affiliate companies in PVN	1,433,865,495	6,085,904,269
	<u>17,295,553,158</u>	<u>12,305,491,363</u>
Other long-term payables (Note 21(b))		
PVN	124,285,855	-
Affiliate companies in PVN	4,852,019,163	3,837,035,007
	<u>4,976,305,018</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 over a period of 70 years from the year 2009 with the Management Board of Nghi Son Economic Zone. Accordingly, the Corporation is exempted from land use fee until 2022. Additionally, the Corporation also signed office and warehouse lease contracts with suppliers to conduct its business activities. As at 30 June 2021 and 31 December 2020, the future minimum lease payments under these operating lease contracts are as follows:

	30.6.2021 VND	31.12.2020 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
Total minimum payments	167,900,251,360	268,450,008,505

(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 are as follows:

	30.6.2021 VND	31.12.2020 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
Total minimum receipts	606,443,058,971	648,753,425,897

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41 COMMITMENTS (continued)

(b) Capital contribution commitments

As at 30 June 2021, the progress of charter capital contribution commitments is as follows:

	As per business registration certificates VND	The Corporation's ownership (%)	Capital contributed as at 30.6.2021 VND	Capital to be contributed as at 31.12.2020 VND
PSSSG (*)				
Saigon Investment Trading Technology Joint Stock Company ("ITS") (**)	229,500,000,000	51	10,733,401,247	218,766,598,753
Vinh Hoa Emerald Bay International Hospitality Company Limited (***)	20,000,000,000	40	-	20,000,000,000
	111,200,000,000	20	16,000,000,000	95,200,000,000
	360,700,000,000		26,733,401,247	333,966,598,753

(*) In December 2010, the Parent Company agreed to contribute its capital obligation into PSSSG with the charter capital of VND229.5 billion, accounting for 51% of the ownership. As at 30 June 2021, the Parent Company contributed VND10.7 billion.

(**) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Board of Directors decided to invest in ITS in which the Parent Company owns 40% of ITS's charter capital, equivalent to VND20 billion. As at 30 June 2021, the shareholders of ITS have not yet contributed 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. As at 30 June 2021, the Parent Company contributed VND16 billion.

(c) Other commitments

As at 30 June 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 does not have any operation outside the territory of Vietnam. Therefore, no geographical business segment has been presented.

Business activity segments

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

For the six-month period ended 30 June 2021

	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other goods and services VND	Total VND
Net sales	5,799,506,182,470	109,800,198,187	874,899,335,753	828,332,048,605	7,612,537,765,015
Cost of sales	(5,492,837,004,108)	(80,468,984,335)	(838,996,797,291)	(813,944,767,104)	(7,226,247,552,838)
Gross profit	306,669,178,362	29,331,213,852	35,902,538,462	14,387,281,501	386,290,212,177

For the six-month period ended 30 June 2020

	Electronic products VND	Petroleum materials and supplies VND	Plastic resins, textile fibers and gas distribution VND	Other goods and services VND	Total VND
Net sales	3,622,505,945,597	176,578,535,393	710,262,546,966	848,897,911,033	5,358,244,938,989
Cost of sales	(3,395,675,611,276)	(130,470,119,006)	(676,774,864,165)	(846,087,812,806)	(5,049,008,407,253)
Gross profit	226,830,334,321	46,108,416,387	33,487,682,801	2,810,098,227	309,236,531,736

43 CONTINGENT LIABILITIES

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

According to Vietnamese Accounting Standard No. 18 – *Provision and Contingent assets and liabilities* and Circular No. 200/2014/TT-BTC - *Providing guidance on Corporate Accounting System* issued by the Ministry of Finance on 24 December 2014, the Corporation is required to provide for dismantling and restoration costs of the Corporation's leased premises at the end of rental period. However, as at 30 June 2021, the Chairman has not yet come up with a reliable estimate for the dismantling and restoration costs relating to the aforementioned rental contracts. Therefore, the Corporation has not recorded a provision for dismantling costs in the interim consolidated financial statements.

The interim consolidated financial statements were approved by the Chairman on 23 August 2021.



Tran Quang Huy
Preparer



Nguyen Thi Thanh
Chief Accountant



Phung Tuan Ha
Chairman

