

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

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

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Chairman	2
Report on review of interim separate financial information	3
Interim separate balance sheet (Form B 01a – DN)	5
Interim separate income statement (Form B 02a – DN)	7
Interim separate cash flow statement (Form B 03a – DN)	8
Notes to the interim separate financial statements (Form B 09a – DN)	9

# PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

## CORPORATE INFORMATION

### Enterprise registration certificate

No. 4103005338 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City 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
-------------------	----------

### 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 SEPARATE FINANCIAL STATEMENTS

The Chairman of the Board of Directors ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Corporation") is responsible for preparing the interim separate financial statements of the Corporation which give a true and fair view of the separate financial position of the Corporation as at 30 June 2021, the separate results of its operations, and its separate cash flows for the six-month period then ended. In preparing these interim separate financial statements, the Chairman is required to:

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

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

### APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying interim separate financial statements as set out on pages 5 to 54 which give a true and fair view of the separate financial position of the Corporation as at 30 June 2021, of the separate results of its operations and its separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements.

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2021 in order to obtain full information of the consolidated financial position, consolidated results of operations, and consolidated cash flows of the Corporation and its subsidiaries.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
23 August 2021





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

We have reviewed the accompanying interim separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 20 July 2021 and approved by the Chairman on 23 August 2021. These interim separate financial statements comprise the interim separate balance sheet as at 30 June 2021, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements, as set out on pages 5 to 54.

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

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

### **Auditor's Responsibility**

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

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

## Conclusion


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

## Other Matter

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

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



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

Report reference number: HCM11186  
Ho Chi Minh City, 23 August 2021



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>1,919,268,968,241</b>	<b>2,318,130,778,671</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>495,426,952,187</b>	<b>416,155,354,668</b>
111	Cash		267,426,952,187	302,155,354,668
112	Cash equivalents		228,000,000,000	114,000,000,000
<b>120</b>	<b>Short-term investment</b>		<b>66,349,552,897</b>	<b>10,000,000,000</b>
121	Trading securities	4(a)	66,738,346,312	-
122	Provision for diminution in value of trading securities		(388,793,415)	-
123	Investments held to maturity		-	10,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>1,285,540,557,020</b>	<b>1,587,213,103,412</b>
131	Short-term trade accounts receivable	5	477,871,054,224	942,103,183,583
132	Short-term prepayments to suppliers	6	13,780,651,786	228,291,446,508
136	Other short-term receivables	7(a)	875,111,115,800	495,856,038,111
137	Provision for doubtful debts – short-term	8	(81,222,264,790)	(79,037,564,790)
<b>140</b>	<b>Inventories</b>		<b>34,960,310,171</b>	<b>243,220,508,966</b>
141	Inventories	9	34,960,310,171	243,220,508,966
<b>150</b>	<b>Other current assets</b>		<b>36,991,595,966</b>	<b>61,541,811,625</b>
151	Short-term prepaid expenses	12(a)	3,300,425,574	344,615,178
152	Value Added Tax ("VAT") to be reclaimed	15(a)	33,515,176,162	61,021,202,217
153	Tax and other receivables from the State	15(a)	175,994,230	175,994,230
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,308,605,984,477</b>	<b>1,331,096,763,236</b>
<b>210</b>	<b>Long-term receivable</b>		<b>25,037,000,000</b>	<b>25,037,000,000</b>
216	Other long-term receivables	7(b)	25,037,000,000	25,037,000,000
<b>220</b>	<b>Fixed assets</b>		<b>115,643,525,285</b>	<b>116,129,236,598</b>
221	Tangible fixed assets	10(a)	17,306,215,904	17,791,927,217
222	Historical cost		80,844,207,093	79,548,575,275
223	Accumulated depreciation		(63,537,991,189)	(61,756,648,058)
227	Intangible fixed assets	10(b)	98,337,309,381	98,337,309,381
228	Historical cost		99,415,932,281	99,415,932,281
229	Accumulated amortisation		(1,078,622,900)	(1,078,622,900)
<b>230</b>	<b>Investment properties</b>	<b>11</b>	<b>653,299,325,865</b>	<b>673,463,078,511</b>
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(198,774,832,713)	(178,611,080,067)
<b>240</b>	<b>Long-term asset in progress</b>		<b>806,632,906</b>	<b>806,632,906</b>
242	Construction in progress		806,632,906	806,632,906
<b>250</b>	<b>Long-term investments</b>		<b>403,277,867,316</b>	<b>403,675,412,964</b>
251	Investments in subsidiaries	4(b)	400,311,972,126	400,311,972,126
252	Investments in associates	4(b)	30,359,957,249	30,359,957,249
253	Investments in other entities	4(b)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(b)	(29,394,062,059)	(28,996,516,411)
<b>260</b>	<b>Other long-term asset</b>		<b>110,541,633,105</b>	<b>111,985,402,257</b>
261	Long-term prepaid expenses	12(b)	110,541,633,105	111,985,402,257
<b>270</b>	<b>TOTAL ASSETS</b>		<b>3,227,874,952,718</b>	<b>3,649,227,541,907</b>

The notes on pages 9 to 54 are an integral part of these interim separate financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01a – DN

INTERIM SEPARATE BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			30.6.2021 VND	31.12.2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>1,948,021,760,533</b>	<b>2,297,320,877,511</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>1,766,814,373,910</b>	<b>2,088,776,301,679</b>
311	Short-term trade accounts payable	13	348,929,966,383	386,862,770,274
312	Short-term advances from customers	14	51,502,528,908	103,376,660,838
313	Tax and other payables to the State	15(b)	1,470,859,523	4,831,008,962
314	Payable to employees		21,362,736,700	24,911,491,173
315	Short-term accrued expenses	16	10,064,615,155	3,207,751,038
318	Short-term unearned revenue	17	6,818,181,860	20,454,545,492
319	Other short-term payables	18(a)	30,161,234,719	753,912,052,631
320	Short-term borrowings	19(a)	1,281,798,066,028	779,933,331,356
322	Bonus and welfare fund	20	14,706,184,634	11,286,689,915
<b>330</b>	<b>Long-term liabilities</b>		<b>181,207,386,623</b>	<b>208,544,575,832</b>
337	Other long-term payables	18(b)	3,009,335,559	3,248,841,484
338	Long-term borrowings	19(b)	178,198,051,064	205,295,734,348
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>1,279,853,192,185</b>	<b>1,351,906,664,396</b>
<b>410</b>	<b>Capital and reserves</b>		<b>1,279,853,192,185</b>	<b>1,351,906,664,396</b>
411	Owners' capital	21, 22	866,001,240,000	866,001,240,000
411a	- Ordinary shares with voting rights	21	866,001,240,000	866,001,240,000
412	Share premium	22	133,918,052,614	133,918,052,614
415	Treasury shares	22	(26,839,047,440)	(26,839,047,440)
418	Investment and development fund	22	259,111,461,673	259,111,461,673
421	Undistributed earnings	22	47,661,485,338	119,714,957,549
421a	- Undistributed post-tax profits of previous years	22	31,066,461,052	35,082,082,598
421b	- Post-tax profit of current period/year	22	16,595,024,286	84,632,874,951
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>3,227,874,952,718</b>	<b>3,649,227,541,907</b>



Tran Quang Huy  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman  
23 August 2021

The notes on pages 9 to 54 are an integral part of these interim separate financial statements.



INTERIM SEPARATE 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	3,192,751,308,753	157,505,539,102
02	Less deductions	(32,524,607,485)	(14,242,600)
10	Net revenue from sales of goods and rendering of services	25 3,160,226,701,268	157,491,296,502
11	Cost of goods sold and services rendered	26 (3,105,161,250,321)	(129,379,443,242)
20	Gross profit from sales of goods and rendering of services	55,065,450,947	28,111,853,260
21	Financial income	27 14,854,971,809	11,897,640,584
22	Financial expenses	28 (23,490,426,028)	(372,547,908)
23	- Including: Interest expenses	28 17,929,707,428	-
25	Selling expenses	29 (3,508,018,623)	(2,734,862,854)
26	General and administration expenses	30 (22,602,388,377)	(22,035,935,197)
30	Net operating profit	20,319,589,728	14,866,147,885
31	Other income	1,500,433	-
32	Other expenses	(58,122,577)	(565,822,805)
40	Net other expenses	(56,622,144)	(565,822,805)
50	Net accounting profit before tax	20,262,967,584	14,300,325,080
51	Business income tax ("BIT") - current	31 (3,667,943,298)	(1,985,573,090)
52	BIT - deferred	31 -	-
60	Net profit after tax	16,595,024,286	12,314,751,990

  
Tran Quang Huy  
Preparer

  
Nguyen Thi Thanh  
Chief Accountant

  
Phung Tuan Ha  
Chairman  
23 August 2021

The notes on pages 9 to 54 are an integral part of these interim separate financial statements.

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

		For the six-month period ended 30 June	
Code	Note	2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	Net accounting profit before tax	20,262,967,584	14,300,325,080
	Adjustments for:		
02	Depreciation and amortisation	21,945,095,777	22,046,138,986
03	Provisions	2,971,039,063	372,547,908
05	Profits from investing activities	(7,442,403,470)	(11,897,640,584)
06	Interest expense	17,929,707,428	-
08	Operating profit before changes in working capital	55,666,406,382	24,821,371,390
09	Decrease/(increase) in receivables	304,588,387,058	(183,605,247,986)
10	Decrease/(increase) in inventories	208,260,198,795	(21,513,528,305)
11	Decrease in payables	(827,075,984,364)	(4,787,271,588)
12	Increase in prepaid expenses	(1,512,041,244)	(15,711,661,546)
13	Increase in trading securities	(33,743,339,725)	-
14	Interest paid	(17,929,707,428)	-
15	BIT paid	(6,918,305,869)	(12,687,499,324)
17	Other payments on operating activities	(1,658,477,778)	(388,700,000)
20	Net cash outflows from operating activities	(320,322,864,173)	(213,872,537,359)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(1,295,631,818)	(642,820,909)
24	Term deposits collected	10,000,000,000	-
27	Dividends and interest received	29,847,888,859	30,521,412,467
30	Net cash inflows from investing activities	38,552,257,041	29,878,591,558
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
32	Payments for share repurchases	-	(12,243,936,808)
33	Proceeds from borrowings	2,165,888,571,267	1,083,068,000
34	Repayments of borrowings	(1,724,116,526,466)	(14,510,454,794)
36	Dividends paid	(80,729,840,150)	-
40	Net cash inflows/(outflows) from financing activities	361,042,204,651	(25,671,323,602)
50	Net increase/(decrease) in cash and cash equivalents	79,271,597,519	(209,665,269,403)
60	Cash and cash equivalents at beginning of period	3	416,155,354,668
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of period	3	495,426,952,187
			127,464,449,323

Additional information relating to the interim separate cash flow statement is presented in Note 34.



Tran Quang Huy  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman  
23 August 2021

The notes on pages 9 to 54 are an integral part of these interim separate financial statements.



**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

**1 GENERAL INFORMATION**

PetroVietnam General Services Joint Stock Company ("the Corporation") is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 4103005338 dated 29 September 2006 and the latest (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 Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group ("the Group" or "PVN").

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

The shareholders of the Corporation are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 21.

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

The principal activities of the Corporation include:

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

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

As at 30 June 2021, the Corporation had 11 direct subsidiaries, 4 indirect subsidiaries, 2 direct associates, 2 indirect associates, 1 joint venture and 1 dependent accounting unit that does not have legal status.

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

**1 GENERAL INFORMATION (continued)**

No.	Name	Principal activities	Place of incorporation and operation	Ownership %	Voting right %
<b>Indirect subsidiaries</b>					
1	Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Trading of electronic devices, refrigeration appliances, and electronic household appliances	Ho Chi Minh City	40.81	51
2	Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Wholesale of solid, liquid and gaseous fuels and related products	Khanh Hoa province	99.79	100
3	Petrosetco - ALE Heavy Transportation and Lifting Joint-Stock Company ("Petrosetco - Ale")	Providing heavy transportation and lifting services	Ho Chi Minh City	22.44	51
4	Green Technology Import Export Joint Stock Company	Trading of medical equipment and supplies	Ho Chi Minh City	40.02	50
<b>Indirect associates</b>					
1	Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom")	Trading of electronic components, information technology, technology transfer services and delivery services	Ha Noi city	16	20
2	PEDACO Green Environment Joint Stock Company	Wastage treatment	Binh Thuan province	21.3	48.5
<b>Joint venture</b>					
1	Petro Environmental and Energy Services Joint Stock Company	Manufacturing electricity	Ho Chi Minh city	27	45
<b>The dependent accounting unit that does not have legal status</b>					
1	Petroleum Industrial Material Distribution Company ("PIMD")	Trading solid, liquid, gas fuels and related products	Ho Chi Minh City	100	100

As at 30 June 2021, the Corporation had 60 employees (as at 31 December 2020: 53 employees).



## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2021 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Corporation and its subsidiaries.

### **2.2 Fiscal year**

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

### **2.3 Currency**

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

In addition, the Corporation also uses this currency to raise financial resources and/or regularly collects this currency from business operation and savings.



## **2 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 separate income statement.

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

### **2.5 Cash and cash equivalents**

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

### **2.6 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the 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 separate balance sheet based on the remaining period from the interim separate balance sheet date to the maturity date.

### **2.7 Inventories**

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

The Corporation applies the perpetual system for inventories.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 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 separate 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 bank term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the period end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the 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 separate balance sheet based on remaining period from the interim separate balance sheet date to the maturity date.



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

**2.8 Investments (continued)**

**(c) Investments in subsidiaries**

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

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

**(d) Investments in associates**

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

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

**(e) Investment in other entity**

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

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

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

Changes in the provision balance during the 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

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

Buildings and structures	2% - 20%
Machinery and equipment	14% - 50%
Motor vehicles	10% - 17%
Office equipment	20% - 33%
Computer software	12.5%

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

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

*Construction in progress*

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

**2.10 Operating leases**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Investment properties**

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

*Depreciation and amortisation*

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

Buildings and structures	2% - 33%
--------------------------	----------

*Disposals*

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

**2.12 Prepaid expenses**

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

**2.13 Payables**

Classifications of payables are based on their nature as follows:

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

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



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

### **2.14 Borrowing**

Borrowings include borrowings from banks.

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

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

### **2.15 Accrued expenses**

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

### **2.16 Provisions**

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

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

### **2.17 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers 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 is recognised as revenue in the interim separate income statement to the extent that recognition criteria have been met.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.18 Capital and reserves

#### (a) Owners' capital

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

#### (b) Share premium

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

#### (c) Treasury shares

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

#### (d) Undistributed earnings

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

### 2.19 Appropriation of profit after BIT

The Corporation's dividends are recognised as a liability in the interim separate financial statements in the period in which the dividends are approved by shareholders at the Annual General Meeting of Shareholders and the list of shareholders receiving dividends is approved in accordance with the Resolution of the Board of Directors.

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

The Corporation's funds are as below:

#### (a) Investment and development fund

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

#### (b) Bonus and welfare fund

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.20 Revenue recognition

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

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

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

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

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

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

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

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

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

**2.20 Revenue recognition (continued)**

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

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

**(e) Interest income**

Interest income is recognised on an earned basis.

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

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

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

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

**2.22 Financial expenses**

Financial expenses are expenses incurred in the 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; and losses from foreign exchange differences.

**2.23 Selling expenses**

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

**2.24 General and administration expenses**

General and administration expenses represent expenses for administrative purposes.



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

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

Current income tax is the amount of income taxes payable or recoverable in respect of the current period taxable profits at the 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 separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the 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 separate balance sheet date.

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

**2.26 Related parties**

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

### 2.27 Segment reporting

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

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

### 2.28 Accounting estimates

The preparation of interim separate financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements requires the Chairman to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the interim separate financial statements and the reported amounts of revenues and expenses during the 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	356,783,113	583,260,808
Cash at banks (*)	267,070,169,074	301,572,093,860
Cash equivalents (**)	228,000,000,000	114,000,000,000
	<u>495,426,952,187</u>	<u>416,155,354,668</u>

(\*) As at 30 June 2021 and as at 31 December 2020, included in cash at bank was VND1 billion which was transferred by PetroVietnam Assets Management Joint Stock Company ("PSA") into the bank account of the Corporation 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 represented the VND term deposits with an original maturity of three months or less, and earn interest at the average rates from 2.8% per annum to 4% per annum (as at 31 December 2020: from 3.5% per annum to 4% per annum).



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09a – DN

**4 INVESTMENTS**

**(a) Trading securities**

	30.6.2021			31.12.2020		
	Cost VND	Fair value (*) VND	Provision VND	Cost VND	Fair value VND	Provision VND
Listed shares						
Vietnam Electrical Equipment Joint Stock Corporation	24,362,697,637	24,571,800,000	-	-	-	-
VIX Securities Joint Stock Company	17,891,635,179	18,099,775,000	-	-	-	-
Hoa Phat Group Joint Stock Company	10,136,438,140	9,862,250,000	(274,188,140)	-	-	-
Others	14,347,575,356	15,725,830,000	(114,605,275)	-	-	-
	<u>66,738,346,312</u>	<u>68,259,655,000</u>	<u>(388,793,415)</u>	<u>-</u>	<u>-</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 separate balance sheet date and quantity of shares held by the Corporation.

**(b) Long-term investments**

	30.6.2021			31.12.2020		
	Cost VND	Provision VND	Net book value VND	Cost VND	Provision VND	Net book value VND
Investments in subsidiaries (i)	400,311,972,126	(25,791,016,490)	374,520,955,636	400,311,972,126	(25,791,016,490)	374,520,955,636
Investments in associates (ii)	30,359,957,249	(1,603,045,569)	28,756,911,680	30,359,957,249	(1,205,499,921)	29,154,457,328
Investment in other entity (iii)	2,000,000,000	(2,000,000,000)	-	2,000,000,000	(2,000,000,000)	-
	<u>432,671,929,375</u>	<u>(29,394,062,059)</u>	<u>403,277,867,316</u>	<u>432,671,929,375</u>	<u>(28,996,516,411)</u>	<u>403,675,412,964</u>

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**4 INVESTMENTS (continued)**

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

**(i) Investments in subsidiaries**

Details of investments in subsidiaries are as follows:

No	Company	Principal activities	Place of Incorporation and operation	30.6.2021					31.12.2020				
				Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND
1	Petroleum General Distribution Services Joint Stock Company ("PSD") (i)	Distribution of telecommunication and electronic equipment	Ho Chi Minh City	80.68	80.68	113,600,000,000	409,777,920,000	-	80.68	80.68	113,600,000,000	370,517,780,000	-
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai province	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-
3	PetroVietnam Assets Management Joint Stock Company ("PSA") (ii)	Operating in property management and services	Ha Noi city	71.46	71.46	58,962,908,969	(*)	-	71.46	71.46	58,962,908,969	(*)	-
4	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Ba Ria - Vung Tau province	70	70	64,341,999,232	(*)	-	70	70	64,341,999,232	(*)	-
5	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	31,681,662,678	(*)	-	60	60	31,681,662,678	(*)	-
6	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic components, peripheral devices and software	Ho Chi Minh City	55	55	16,500,000,000	(*)	(16,500,000,000)	55.00	55.00	16,500,000,000	(*)	(16,500,000,000)
7	Petrosetco SSG Company Limited ("PSSSG") (iii)	Real estate business	Ho Chi Minh City	21.46	51	10,733,401,247	(*)	-	21.46	51	10,733,401,247	(*)	-
8	Petrosetco Retail Services Joint Stock Company ("PSR")	Mobile phones retailing	Ho Chi Minh City	72.83	75	7,650,000,000	(*)	(7,650,000,000)	72.83	75	7,650,000,000	(*)	(7,650,000,000)
9	Petroleum Logistics Service Joint Stock Company ("PSL") (iv)	Transportation service	Ho Chi Minh City	44	66.67	6,600,000,000	(*)	-	44	66.67	6,600,000,000	(*)	-
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-
11	Petroleum Saigon General Services Company Limited ("PSG") (v)	Stopped operations and on liquidation process	Ho Chi Minh City	100	100	10,400,000,000	(*)	(1,641,016,490)	100	100	10,400,000,000	(*)	(1,641,016,490)
				400,311,972,126					400,311,972,126				
				(25,791,016,490)					(25,791,016,490)				



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**4 INVESTMENTS (continued)**

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

*(i) Investments in subsidiaries (continued)*

- (\*) 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 separate financial statements because they do not have listed prices.
- (i) The fair value of the investment in PSD was determined based on the closing price of the closest transaction date before 30 June 2021 and 31 December 2020.
- As at 30 June 2021 and 31 December 2020, 24,537,600 shares of PSD were pledged as collateral assets for the unearned revenue advanced from Nghi Son Refinery and Petrochemical Limited Liability Company (Note 17).
- (ii) As at 30 June 2021 and 31 December 2020, 5,345,200 shares of PSA were pledged as collateral assets for the bank loan of the Corporation (Note 19).
- (iii) As at 30 June 2021 and 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 51% voting right from its 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.
- (iv) As at 30 June 2021 and 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 2/3 voting rights from its 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.
- (v) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. From 2013 until now, PSG has had no business activities incurred.

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**4 INVESTMENTS (continued)**

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

*(ii) Investment in associates*

Details of investments in associates are as follows:

	30.6.2021						31.12.2020					
	Principal activities	Place of incorporation and operation	Ownership and voting right %	Cost VND	Fair value VND	Provision VND	Ownership and voting right %	Cost VND	Fair value VND	Provision VND		
Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau Province	24	14,359,957,249	(*)	(1,603,045,569)	24	14,359,957,249	(*)	(1,205,499,921)		
Vinh Hoa Emerald Bay International Hospitality Company Limited (**)	Hospitality service	Phu Yen Province	20	16,000,000,000	(*)	-	20	16,000,000,000	(*)	-		
				30,359,957,249		(1,603,045,569)		30,359,957,249		(1,205,499,921)		

(\*) 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 separate financial statements because they do not have listed prices.

(\*\*) According to the Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 30 June 2021 and 31 December 2020, the Corporation has contributed VND16 billion.



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**4 INVESTMENTS (continued)**

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

*(iii) Investment in other entity*

Detail of investment in other entity is as follows:

Company	30.6.2021				31.12.2020			
	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND
PetroVietnam Central Biofuels Joint Stock Company	0.2	2,000,000,000	(2,000,000,000)	-	0.2	2,000,000,000	(2,000,000,000)	-

As at 30 June 2021 and 31 December 2020, the Company has not determined the fair value of this investment to disclose on the interim separate financial statements because it does not have listed prices.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	30.6.2021 VND	31.12.2020 VND
Third parties	20,562,949,716	19,337,349,686
Related parties (Note 33(b))	457,308,104,508	922,765,833,897
	<u>477,871,054,224</u>	<u>942,103,183,583</u>

As at 30 June 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due were considered for provision of doubtful debts as presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	30.6.2021 VND	31.12.2020 VND
Third parties	<u>13,780,651,786</u>	<u>228,291,446,508</u>

**7 OTHER RECEIVABLES**

**(a) Short-term**

	30.6.2021		31.12.2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Dividend receivables from related parties (Note 33(b))	47,795,295,290	-	70,194,815,290	-
Other receivables from related parties (Note 33(b))	817,494,734,988	(68,500,000,000)	416,116,586,848	(68,500,000,000)
Interest receivables	341,731,507	-	347,696,896	-
Others	9,479,354,015	-	9,196,939,077	-
	<u>875,111,115,800</u>	<u>(68,500,000,000)</u>	<u>495,856,038,111</u>	<u>(68,500,000,000)</u>

As at 30 June 2021 and 31 December 2020, the balances of other short-term receivables which were past due were considered for provision of doubtful debts as presented in Note 8.



**7 OTHER RECEIVABLES (continued)**

**(b) Long-term**

	<b>30.6.2021</b>		<b>31.12.2020</b>	
	<b>Book value VND</b>	<b>Provision VND</b>	<b>Book value VND</b>	<b>Provision VND</b>
Deposits (*)	23,655,000,000	-	23,655,000,000	-
Others	1,382,000,000	-	1,382,000,000	-
	<u>25,037,000,000</u>	<u>-</u>	<u>25,037,000,000</u>	<u>-</u>

(\*) As at 30 June 2021 and 31 December 2020, the balance represented deposits for the project invested in Phu Yen Province whose the expected investment period was assessed by the Chairman to be more than 12 months from the interim separate balance sheet date.

**8 DOUBTFUL DEBTS**

<b>As at 30.6.2021</b>				
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Number of overdue days</b>
A subsidiary relating to supporting working capital	265,983,711,051	197,483,711,051	68,500,000,000	Over 3 years
Human Resources Development Company Limited	10,923,500,000	-	10,923,500,000	Over 3 years
Others	2,183,219,703	384,454,913	1,798,764,790	From 1 year to 3 years
	<u>279,090,430,754</u>	<u>197,868,165,964</u>	<u>81,222,264,790</u>	
<b>As at 31.12.2020</b>				
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Number of overdue days</b>
A subsidiary relating to supporting working capital	265,983,711,051	197,483,711,051	68,500,000,000	Over 3 years
Human Resources Development Company Limited	10,923,500,000	2,184,700,000	8,738,800,000	From 2 year to 3 years
Others	2,183,219,703	384,454,913	1,798,764,790	From 1 year to 3 years
	<u>279,090,430,754</u>	<u>200,052,865,964</u>	<u>79,037,564,790</u>	

9 INVENTORIES

	30.6.2021		31.12.2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	12,541,793,650	-	218,273,543,590	-
Real estate merchandise (*)	3,111,210,072	-	3,111,210,072	-
Other merchandise (**)	19,307,306,449	-	21,835,755,304	-
	<u>34,960,310,171</u>	<u>-</u>	<u>243,220,508,966</u>	<u>-</u>

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

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



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>					
As at 1 January 2021	61,670,169,589	7,509,514,795	7,401,261,511	2,967,629,380	79,548,575,275
New purchases	-	-	1,295,631,818	-	1,295,631,818
As at 30 June 2021	61,670,169,589	7,509,514,795	8,696,893,329	2,967,629,380	80,844,207,093
<b>Accumulated depreciation</b>					
As at 1 January 2021	47,298,584,525	6,552,857,748	5,105,320,239	2,799,885,546	61,756,648,058
Charge for the period	1,120,170,834	227,612,196	387,845,190	45,714,911	1,781,343,131
As at 30 June 2021	48,418,755,359	6,780,469,944	5,493,165,429	2,845,600,457	63,537,991,189
<b>Net book value</b>					
As at 1 January 2021	14,371,585,064	956,657,047	2,295,941,272	167,743,834	17,791,927,217
As at 30 June 2021	13,251,414,230	729,044,851	3,203,727,900	122,028,923	17,306,215,904

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2021 was VND22.925 billion (as at 31 December 2020: VND22.549 billion).

**10 FIXED ASSETS (continued)**

**(b) Intangible fixed assets**

	Land use rights VND	Computer software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2021 and 30 June 2021	98,337,309,381	1,078,622,900	99,415,932,281
<b>Accumulated amortisation</b>			
As at 1 January 2021 and 30 June 2021	-	1,078,622,900	1,078,622,900
<b>Net book value</b>			
As at 1 January 2021 and 30 June 2021	98,337,309,381	-	98,337,309,381

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2021 and 31 December 2020 was VND1,078,622,900.

**11 INVESTMENT PROPERTIES**

	Buildings and structures VND
<b>Historical cost</b>	
As at 1 January 2021 and 30 June 2021	852,074,158,578
<b>Accumulated depreciation</b>	
As at 1 January 2021	178,611,080,067
Charge for the period	20,163,752,646
As at 30 June 2021	198,774,832,713
<b>Net book value</b>	
As at 1 January 2021	673,463,078,511
As at 30 June 2021	653,299,325,865

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

As at 30 June 2021 and 31 December 2020, all investment properties have been pledged as collateral assets for the bank loans (Note 19).



**11 INVESTMENT PROPERTIES (continued)**

In the first 6-months period of 2021, revenue from investment properties is VND57,101,564,439 (in the first 6-months 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-months 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 separate financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the interim separate balance sheet date.

**12 PREPAID EXPENSES**

**(a) Short-term**

Details of short-term prepaid expenses are as follows:

	30.6.2021 VND	31.12.2020 VND
Guarantee payment services expenses	2,941,266,496	-
Tools and supplies	359,159,078	344,615,178
	<u>3,300,425,574</u>	<u>344,615,178</u>

**(b) Long-term**

Details of long-term prepaid expenses are as follows:

	30.6.2021 VND	31.12.2020 VND
Operating leases (*)	108,932,231,829	110,342,587,995
Tools and supplies	1,609,401,276	1,642,814,262
	<u>110,541,633,105</u>	<u>111,985,402,257</u>

(\*) Included in operating leases mainly are:

- The prepayment to PVN for office leasing with the remaining amount of VND93,233,107,831 is allocated to the interim separate income statement on a straight-line basis over a period of 50 years from 2010; and
- The prepayment for land rental with the remaining amount of VND15,699,123,998 is allocated to the interim separate income statement on a straight-line basis over a period of 36 years from 2020.

**12 PREPAID EXPENSES (continued)**

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

Movements of 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 period/year	111,985,402,257	98,505,796,765
Increase	-	16,366,484,999
Allocation	(1,443,769,152)	(2,886,879,507)
End of period/year	<u>110,541,633,105</u>	<u>111,985,402,257</u>

**13 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	30.6.2021		31.12.2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
<i>Apple Vietnam</i>				
<i>Limited Liability</i>				
<i>Company</i>	96,211,070,739	96,211,070,739	133,460,196,872	133,460,196,872
<i>Others</i>	10,309,020,191	10,309,020,191	969,119,148	969,119,148
	<u>106,520,090,930</u>	<u>106,520,090,930</u>	<u>134,429,316,020</u>	<u>134,429,316,020</u>
Related parties				
(Note 33(b))	242,409,875,453	242,409,875,453	252,433,454,254	252,433,454,254
	<u>348,929,966,383</u>	<u>348,929,966,383</u>	<u>386,862,770,274</u>	<u>386,862,770,274</u>

As at 30 June 2021 and 31 December 2020, the Chairman believes that the Corporation is able to fully repay all short-term trade accounts payable as and when they fall due. There was no balance of short-term trade accounts payable which was past due.

**14 ADVANCES FROM CUSTOMERS**

	30.6.2021 VND	31.12.2020 VND
Related parties (Note 33(b))	<u>51,502,528,908</u>	<u>103,376,660,838</u>



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

**(a) Tax receivables**

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
VAT to be reclaimed	33,515,176,162	61,021,202,217
VAT output	71,200,711	71,200,711
Personal income tax overpaid	104,793,519	104,793,519
	<u>33,691,170,392</u>	<u>61,197,196,447</u>

**(b) Tax payables**

	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
BIT	1,357,447,731	4,607,810,302
Personal income tax	64,346,210	163,421,346
Others	49,065,582	59,777,314
	<u>1,470,859,523</u>	<u>4,831,008,962</u>

152  
NG T  
'AN  
/U  
QP  
II  
HIM

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**15 TAX AND OTHER 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	Receivable/payable during the period VND	Payment during the period VND	Net off between VAT to be reclaimed and output VAT during the period VND	As at 30.6.2021 VND
<b>a) Tax receivables</b>					
VAT to be reclaimed	61,021,202,217	286,401,637,965	-	(313,907,664,020)	33,515,176,162
VAT output	71,200,711	-	-	-	71,200,711
Personal income tax overpaid	104,793,519	-	-	-	104,793,519
	<u>61,197,196,447</u>	<u>286,401,637,965</u>	<u>-</u>	<u>(313,907,664,020)</u>	<u>33,691,170,392</u>
<b>b) Tax payables</b>					
BIT	4,607,810,302	3,667,943,298	(6,918,305,869)	-	1,357,447,731
VAT	-	313,907,664,020	-	(313,907,664,020)	-
Personal income tax	163,421,346	828,295,202	(927,370,338)	-	64,346,210
Land using fee	-	1,248,888,272	(1,248,888,272)	-	-
Others	59,777,314	1,783,980,996	(1,794,692,728)	-	49,065,582
	<u>4,831,008,962</u>	<u>321,436,771,788</u>	<u>(10,889,257,207)</u>	<u>(313,907,664,020)</u>	<u>1,470,859,523</u>



**16 SHORT-TERM ACCRUED EXPENSES**

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Office rental expenses	7,999,884,000	-
Interest expenses	1,907,231,155	2,153,945,761
Trademark expenses	-	896,305,277
Others	157,500,000	157,500,000
	<u>10,064,615,155</u>	<u>3,207,751,038</u>

**17 SHORT-TERM UNEARNED REVENUE**

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Advanced rental (*)	<u>6,818,181,860</u>	<u>20,454,545,492</u>

(\*) The balance represents the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and rendering of other services to Nghi Son Project (Note 11 and Note 33(b)).

**18 OTHER PAYABLES**

**(a) Short-term**

	<b>30.6.2021</b> <b>VND</b>	<b>31.12.2020</b> <b>VND</b>
Payables to related parties for receipt from working capital support (Note 33(b))	14,680,771,907	741,367,241,312
Payable for the usage of funds appropriated for business activity under requirement of the industry (Note 33(b))	3,251,769,464	3,251,769,464
Dividends payables (Note 23)	4,703,371,350	1,862,687,500
Other payables to related parties (Note 33(b))	2,967,817,630	2,967,817,630
Others	4,557,504,368	4,462,536,725
	<u>30,161,234,719</u>	<u>753,912,052,631</u>

**18 OTHER PAYABLES (continued)**

**(b) Long-term**

	30.6.2021 VND	31.12.2020 VND
Payable to the State Budget of the Ba Ria - Vung Tau Province (*)	2,672,375,259	3,121,841,484
Others	336,960,300	127,000,000
	<u>3,009,335,559</u>	<u>3,248,841,484</u>

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

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**19 BORROWINGS**

**(a) Short-term**

	As at 1.1.2021 VND	Drawdown during the period VND	Payment during the period VND	Current portion of long-term borrowing VND	As at 30.6.2021 VND
Borrowings from credit institutions (i)	734,813,569,067	2,198,883,577,854	(1,703,294,713,477)	-	1,230,402,433,444
Current portion of long-term borrowings (Note 19(b))	45,119,762,289	-	(20,821,812,989)	27,097,683,284	51,395,632,584
	779,933,331,356	2,198,883,577,854	(1,724,116,526,466)	27,097,683,284	1,281,798,066,028

**(i) Borrowings from credit institutions**

*Details of borrowings from credit institutions are as follows:*

Lender	Currency	Credit limit (billion)	Interest rate %	Pledged assets	Maturity date	30.6.2021 VND	31.12.2020 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	400	Based on each of drawdown	Guarantee from the Corporation	25 August 2021	393,418,707,297	399,837,733,812
Vietnam Joint Stock Company for Industry and Trade	VND	600	4%	Guarantee from the Corporation	16 June 2022	378,792,725,201	249,975,835,290
Asia Commercial Joint Stock Bank	VND	85	Based on each of drawdown	Same pledged assets with current portion of long-term borrowings from banks (Note 19(b))	10 July 2021	-	84,999,999,965
Military Commercial Joint Stock Bank	VND	250	Based on each of drawdown	Guarantee from the Corporation	30 September 2021	239,635,658,762	-
Vietnam Prosperity Joint Stock Commercial Bank	VND	400	Based on each of drawdown	Guarantee from the Corporation	17 August 2022	185,560,335,597	-
Viet Dragon Securities Corporation	VND	30	Based on each of drawdown	Guarantee from the Corporation	-	32,995,006,587	-
						<b>1,230,402,433,444</b>	<b>734,813,569,067</b>



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09a – DN**

**19 BORROWINGS (continued)**

**(a) Short-term (continued)**

The purpose of these short-term borrowings are used to support working capital for the business activities of the Corporation.

**(b) Long-term**

	As at 1.1.2021 VND	Current portion of long-term borrowing VND	As at 30.6.2021 VND
Asia Commercial Joint Stock Bank ("ACB")	205,295,734,348	(27,097,683,284)	178,198,051,064

The borrowings from ACB have credit limit of VND400 billion and bear interest at the rates which are announced by this bank.

The purpose of borrowings are to finance the construction of Nghi Son Project. The term is 9 years from 2016 and the borrowings are secured by assets formed from Nghi Son Project (Note 11); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project and 5,345,200 shares of PSA owned by the Corporation (Note 4(b)).

Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project was capitalised in the value of the investment properties. From October 2016, since Nghi Son Project was put into operation, interest expense is reimbursed by Nghi Son Refinery and Petrochemical Company Limited (Note 26), the lessee of Nghi Son.

**20 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	11,286,689,915	11,071,411,471
Appropriation from undistributed earnings (Note 22)	5,077,972,497	4,624,816,244
Utilisation	(1,658,477,778)	(829,000,000)
Transferred to the subsidiaries	-	(3,585,288,887)
Others	-	4,751,087
End of period/year	<u>14,706,184,634</u>	<u>11,286,689,915</u>

**21 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>-</u>	<u>86,600,124</u>	<u>-</u>
Number of shares repurchased	<u>(3,029,600)</u>	<u>-</u>	<u>(3,029,600)</u>	<u>-</u>
Number of existing shares in circulation	<u>83,570,524</u>	<u>-</u>	<u>83,570,524</u>	<u>-</u>

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

	30.6.2021		31.12.2020	
	Ordinary shares	%	Ordinary shares	%
PVN	20,973,851	25.1	20,973,851	25.1
Other shareholders	62,596,673	74.9	62,596,673	74.9
Number of shares	<u>83,570,524</u>	<u>100</u>	<u>83,570,524</u>	<u>100</u>

**21 OWNERS' CAPITAL (continued)**

**(c) Movements of share capital**

	Number of shares	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2020	86,600,124	866,001,240,000	-	866,001,240,000
As at 31 December 2020	86,600,124	866,001,240,000	-	866,001,240,000
As at 30 June 2021	86,600,124	866,001,240,000	-	866,001,240,000

Par value per share: VND10,000.



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

22 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2020	866,001,240,000	133,918,052,614	(14,595,110,632)	259,111,461,673	123,277,422,842	1,367,713,066,497
Repurchases of treasury shares	-	-	(12,243,936,808)	-	-	(12,243,936,808)
Net profit for the year	-	-	-	-	84,632,874,951	84,632,874,951
Dividends paid	-	-	-	-	(83,570,524,000)	(83,570,524,000)
Appropriation to bonus and welfare fund	-	-	-	-	(4,624,816,244)	(4,624,816,244)
As at 31 December 2020	866,001,240,000	133,918,052,614	(26,839,047,440)	259,111,461,673	119,714,957,549	1,351,906,664,396
Net profit for the period	-	-	-	-	16,595,024,286	16,595,024,286
Dividends paid (*)	-	-	-	-	(83,570,524,000)	(83,570,524,000)
Appropriation to bonus and welfare fund (**)	-	-	-	-	(5,077,972,497)	(5,077,972,497)
As at 30 June 2021	866,001,240,000	133,918,052,614	(26,839,047,440)	259,111,461,673	47,661,485,338	1,279,853,192,185

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

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

**23 DIVIDENDS PAYABLE**

	For the six-month period ended 30.6.2021 VND	For the year ended 31.12.2020 VND
Beginning of period/year	1,862,687,500	1,820,045,100
Dividends payable (Note 22)	83,570,524,000	83,570,524,000
Paid in period/year	(80,729,840,150)	(83,527,881,600)
End of period/year	<u>4,703,371,350</u>	<u>1,862,687,500</u>

**24 OFF INTERIM SEPARATE BALANCE SHEET ITEMS**

**(a) Foreign currency**

As at 30 June 2021, included in cash and cash equivalents are balances held in foreign currency of US\$3,962.61 (as at 31 December 2020: US\$3,939.21).

**(b) Commitments**

As at 30 June 2021 and 31 December 2020, the commitments of the Corporation are presented in Note 35.

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

	For the six-month period ended 30 June	
	2021 VND	2020 VND
<b>Revenue from sales of goods and rendering of services</b>		
Revenue from sale of merchandise	3,100,724,945,059	76,907,362,960
Revenue from rendering of operating lease service	73,061,863,694	71,102,831,892
Revenue from rendering of management services to related parties (Note 33(a))	16,964,500,000	9,495,344,250
Revenue from rendering of other services	2,000,000,000	-
	<u>3,192,751,308,753</u>	<u>157,505,539,102</u>
<b>Sales deductions</b>		
Trade discounts	(32,394,009,405)	-
Sales returns	(130,598,080)	(14,242,600)
	<u>(32,524,607,485)</u>	<u>(14,242,600)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of merchandises	3,068,200,337,574	76,893,120,360
Net revenue from rendering of operating lease services (*)	73,061,863,694	71,102,831,892
Net revenue from rendering of management services to related parties (Note 33(a))	16,964,500,000	9,495,344,250
Net revenue from rendering of other services	2,000,000,000	-
	<u>3,160,226,701,268</u>	<u>157,491,296,502</u>

(\*) Included VND13,967,515,705 of interest expenses refunded from Nghi Son Project (Note 26)

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

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Cost of merchandises sold	3,051,809,477,311	75,939,791,461
Cost of leasing services rendered (*)	39,384,257,305	39,910,500,368
Interest expense refunded from Nghi Son Project (Note 19)	13,967,515,705	13,529,151,413
	<u>3,105,161,250,321</u>	<u>129,379,443,242</u>

(\*) Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project was capitalised in the value of the investment properties. From 10 October 2016, since Nghi Son Project was put into operation, interest expense is reimbursed by Nghi Son Refinery and Petrochemical Company Limited (Note 19(b)), the lessee of Nghi Son.

**26 FINANCIAL INCOME**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Profit from trading securities	7,412,568,339	-
Interest income	4,420,388,190	3,313,410,192
Dividend income (Note 33(a))	2,138,080,000	4,707,120,000
Income earned from working capital support (Note 33(a))	883,935,280	3,877,110,392
	<u>14,854,971,809</u>	<u>11,897,640,584</u>

**27 FINANCIAL EXPENSES**

	<b>For the six-month period ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Interest expenses	17,929,707,428	-
Loss from trading securities	2,584,883,875	-
Guarantee expenses	2,189,495,662	-
Provision for diminution in value of investments	786,339,063	372,547,908
	<u>23,490,426,028</u>	<u>372,547,908</u>



**28 SELLING EXPENSES**

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	1,525,956,057	998,011,145
Depreciation and amortisation	53,568,408	24,105,784
Others	1,928,494,158	1,712,745,925
	<u>3,508,018,623</u>	<u>2,734,862,854</u>

**29 GENERAL AND ADMINISTRATION EXPENSES**

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	7,640,155,224	8,735,754,225
Office rental	1,345,545,000	1,345,545,000
Tax, fee and legal fee	1,284,048,531	1,267,704,427
Depreciation and amortisation	1,118,408,399	463,340,359
Professional services expenses	263,769,546	599,530,925
Provision for doubtful debts	2,184,700,000	-
Others	8,765,761,677	9,624,060,261
	<u>22,602,388,377</u>	<u>22,035,935,197</u>

**31 BIT**

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

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Net accounting profit before tax	20,262,967,584	14,300,325,080
Tax calculated at a rate of 20%	4,052,593,517	2,860,065,016
Effect of:		
Income not subject to tax	(427,616,000)	(941,424,000)
Non-deductible expenses	42,965,781	66,932,074
BIT charge	<u>3,667,943,298</u>	<u>1,985,573,090</u>
Charged to the interim separate income statement:		
BIT – current	3,667,943,298	1,985,573,090
BIT – deferred	-	-
	<u>3,667,943,298</u>	<u>1,985,573,090</u>

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

### 32 COSTS OF OPERATION BY FACTOR

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

	For the six-month period ended 30 June	
	2021 VND	2020 VND
Staff costs	9,166,111,281	9,733,765,370
Depreciation and amortisation	21,945,095,777	22,046,138,986
Outside service expenses	10,173,334,055	9,914,661,017
Provision for doubtful debts	2,184,700,000	-
Interest expense reimbursed from Nghi Son Project (Note 26)	13,967,515,705	13,529,151,413
Management fee to related parties (Note 33(a))	8,169,195,672	8,169,195,672
Tools and equipment	1,235,534,802	1,214,055,554
Office rental	9,187,566,900	9,187,566,900
Others	3,433,125,818	4,415,914,920
	<u>79,462,180,010</u>	<u>78,210,449,832</u>

### 33 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 25.1% of the Corporation's share capital (Note 21) in the year 2020.

Accordingly, PVN, affiliate companies in PVN, subsidiaries and associates of the Corporation are considered the Corporation's related parties.

#### (a) Related party transactions

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

	For the six-month period ended 30 June	
	2021 VND	2020 VND
<i><b>i) Revenue from sales of goods and rendering of services</b></i>		
Subsidiaries	3,126,330,073,827	90,163,431,241
Affiliate companies in PVN	54,044,584,933	53,621,333,805
	<u>3,180,374,658,760</u>	<u>143,784,765,046</u>

33 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended 30 June	
	2021 VND	2020 VND
<b>ii) Purchases of goods and services</b>		
PVN	7,999,884,000	7,999,884,000
Subsidiaries	1,097,406,553	4,710,710,293
Affiliate companies in PVN	540,577,247	510,946,130
	<u>9,637,867,800</u>	<u>13,221,540,423</u>
<b>iii) Compensation of key management</b>		
Gross salaries and other benefits	<u>2,999,073,302</u>	<u>2,315,638,136</u>
<b>iv) Management fee</b>		
Fee charged to subsidiaries (Note 25)	16,964,500,000	9,495,344,250
Fee charged by a subsidiary	<u>8,169,195,672</u>	<u>8,169,195,672</u>
<b>v) Interest income from working capital support (Note 27)</b>		
Subsidiaries	<u>883,935,280</u>	<u>3,877,110,392</u>
<b>vi) Dividend income (Note 27)</b>		
Subsidiaries	<u>2,138,080,000</u>	<u>4,707,120,000</u>
<b>vii) Dividend paid</b>		
PVN	20,973,851,000	-
Subsidiaries	<u>116,430,000</u>	<u>-</u>
<b>viii) Working capital support</b>		
Proceeds from working capital support	2,866,681,835,428	1,868,275,816,948
Repayments for working capital support	<u>3,461,013,514,711</u>	<u>1,926,613,802,177</u>



33 RELATED PARTY DISCLOSURES (continued)

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

	30.6.2021 VND	31.12.2020 VND
<b>Short-term trade accounts receivable (Note 5)</b>		
Subsidiaries	409,156,308,699	898,190,473,175
Affiliate companies in PVN	48,151,795,809	24,575,360,722
	<u>457,308,104,508</u>	<u>922,765,833,897</u>
<b>Other short-term receivables after provisions (Note 7)</b>		
Subsidiaries	<u>796,790,030,278</u>	<u>417,811,402,138</u>
<b>Short-term trade accounts payable (Note 13)</b>		
PVN	242,000,000,000	252,047,055,054
Subsidiaries	166,399,200	166,399,200
Affiliate companies in PVN	243,476,253	220,000,000
	<u>242,409,875,453</u>	<u>252,433,454,254</u>
<b>Short-term advance from customers (Note 14)</b>		
A subsidiary	<u>51,502,528,908</u>	<u>103,376,660,838</u>
<b>Short-term unearned revenue (Note 17)</b>		
Affiliate companies in PVN	<u>6,818,181,860</u>	<u>20,454,545,492</u>
<b>Other short-term payables (Note 18(a))</b>		
PVN	6,219,587,094	6,219,587,094
Subsidiaries	14,680,771,907	741,367,241,312
	<u>20,900,359,001</u>	<u>747,586,828,406</u>

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

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

	<u>For the six-month period ended 30 June</u>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Proceeds from borrowings following normal borrowing contracts (Note 19(a))	<u>2,165,888,571,267</u>	<u>1,083,068,000</u>

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

	<u>For the six-month period ended 30 June</u>	
	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Repayments for borrowings following normal borrowing contracts (Note 19(a))	<u>1,724,116,526,466</u>	<u>14,510,454,794</u>

**(c) Increase in trading securities but not in cash**

	<u>For the six-month period ended</u>	
	<b>30.6.2021</b>	<b>30.6.2020</b>
	<b>VND</b>	<b>VND</b>
Total amount of trading securities	<u>32,995,006,587</u>	<u>-</u>

**35 COMMITMENTS**

**(a) Commitments under operating leases**

**(i) The Corporation as the lessee**

The Corporation signed the operating land lease agreement over a period of 70 years from the year 2009 with the Management Board of Nghi Son Economic Zone. Accordingly, the Corporation is exempted from land use fee until 2022. Additionally, the Corporation also signed office lease contracts with suppliers to conduct its business activities. As at 30 June 2021, the future minimum lease payments under non-cancellable operating leases were as follows:

	<u>Land and office rental</u>	
	<b>30.6.2021</b>	<b>31.12.2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	652,747,541	-
Between one and five years	3,352,374,366	2,865,782,737
Over five years	<u>50,844,792,602</u>	<u>51,331,384,231</u>
Total minimum payments	<u>54,849,914,509</u>	<u>54,197,166,968</u>

**35 COMMITMENTS (continued)**

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

**(ii) The Corporation as the lessor**

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

	Office rental	
	30.6.2021 VND	31.12.2020 VND
Within one year	88,476,423,350	88,923,733,304
Between one and five years	340,512,563,214	341,581,358,214
Over five years	47,188,023,467	89,752,093,869
Total minimum receipts	476,177,010,031	520,257,185,387

**(b) Capital contribution commitments**

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

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



**35 COMMITMENTS (continued)****(b) Capital contribution commitments (continued)**

- (\*) In December 2010, the Corporation agreed to contribute its capital obligation into PSSSG with the charter capital of VND229.5 billion, accounting for 51% of the ownership. As at 30 June 2021, the Corporation contributed VND10.7 billion.
- (\*\*) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Management decided to invest in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. As at 30 June 2021, the shareholders of ITS have not yet contributed their capital obligations.
- (\*\*\*) According to the Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute capital into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital contribution of VND111.2 billion accounting for 20% of the voting right and ownership in this Company. As at 30 June 2021, the Corporation has contributed VND16 billion.

**(c) Commitments of credit guarantees**

As at 30 June 2021, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with total amount of VND3,595 billion (as at 31 December 2020: VND3,628.2 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with total amount of USD11.6 million (as at 31 December 2020: USD11.6 million). Accordingly, the Corporation is liable to repayments of principals, interests, guarantee costs and other underwriting expenses to suppliers and bankers in case the Corporation's subsidiaries are not able to repay or repay on a timely manner.

**(d) 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.

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09a – DN

**36 SEGMENT REPORTING**

*Geographical segment*

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

*Business activity segment*

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

	For the six-month period ended 30 June 2021			
	Operating leases VND	Management services and other service VND	Sales of goods VND	Total VND
Net revenue from sales of goods and rendering of services	73,061,863,694	18,964,500,000	3,068,200,337,574	3,160,226,701,268
Cost of goods sold and services rendered	(53,351,773,010)	-	(3,051,809,477,311)	(3,105,161,250,321)
Gross profit from sales of goods and rendering of services	19,710,090,684	18,964,500,000	16,390,860,263	55,065,450,947

	For the six-month period ended 30 June 2020			
	Operating leases VND	Management services and other service VND	Sales of goods VND	Total VND
Net revenue from sales of goods and rendering of services	71,102,831,892	9,495,344,250	76,893,120,360	157,491,296,502
Cost of goods sold and services rendered	(53,439,651,781)	-	(75,939,791,461)	(129,379,443,242)
Gross profit from sales of goods and rendering of services	17,663,180,111	9,495,344,250	953,328,899	28,111,853,260

**37 CONTINGENT LIABILITIES**

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

According to Vietnamese Accounting Standard No. 18 – *Provision and Contingent assets and liabilities* and Circular No. 200/2014/TT-BTC – *Providing guidance on Corporate Accounting System* issued by the Ministry of Finance on 24 December 2014, the Corporation is required to provide for dismantling and restoration costs of the Corporation's leased premises at the end of rental period. However, as at 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 separate financial statements.

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



Tran Quang Huy  
Preparer



Nguyen Thi Thanh  
Chief Accountant



Phung Tuan Ha  
Chairman

