

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
Corporate information	1
Statement by the Chairman	2
Independent auditor's report	3
Consolidated balance sheet (Form B 01 – DN/HN)	5
Consolidated income statement (Form B 02 – DN/HN)	8
Consolidated cash flow statement (Form B 03 – DN/HN)	9
Notes to the consolidated financial statements (Form B 09 – DN/HN)	10

## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

### CORPORATE INFORMATION

#### Enterprise registration certificate

No. 0300452060 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest (the 21th) amended Enterprise registration certificate dated 21 February 2023.

#### Board of Directors

Mr. Phung Tuan Ha	Chairman
Mr. Vu Tien Duong	Member
Ms. Pham Thi Hong Diep	Member
Mr. Trinh Thanh Can	Member (from 28 June 2022)
Mr. Nguyen Quy Thinh	Member (from 28 June 2022)
Ms. Vu Viet Anh	Member (until 28 June 2022)
Ms. Le Thi Chien	Member (until 28 June 2022)

#### Board of Internal Audit

Mr. Nguyen Dang Khoa	Head (from 12 December 2022)
Ms. Nguyen Thi Thu Trang	Head (until 1 October 2022)
Mr. Le Minh Kha	Member
Mr. Nguyen Minh Tan	Member (from 1 May 2022)

#### 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

#### Legal representative

Mr. Phung Tuan Ha	Chairman
-------------------	----------

#### Registered office

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

#### Auditor

PwC (Vietnam) Limited

## PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

### STATEMENT OF THE CHAIRMAN

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

The Chairman of the Board of Directors ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Parent Company") is responsible for preparing the consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Corporation") which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Chairman is required to:

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

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

#### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby approve the accompanying consolidated financial statements as set out on pages 5 to 60 which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2022, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Phung Tuan Ha  
Chairman

Ho Chi Minh City, SR Vietnam  
31 March 2023





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

We have audited the accompanying consolidated financial statements of PetroVietnam General Services Joint Stock Company ("the Parent Company") and its subsidiaries (together, "the Corporation") which were prepared and approved by the Chairman on 31 March 2023. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 60.

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

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

### **Auditor's Responsibility**

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

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

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

### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

### Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM13739  
Ho Chi Minh City, 31 March 2023

  
\_\_\_\_\_  
Cheng Kien/Hung  
Audit Practising Licence No.  
5038-2019-006-1



CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>7,756,288,698,651</b>	<b>7,164,336,982,272</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>1,092,691,918,027</b>	<b>2,576,476,734,565</b>
111	Cash		581,241,918,027	781,387,734,565
112	Cash equivalents		511,450,000,000	1,795,089,000,000
<b>120</b>	<b>Short-term investments</b>		<b>1,827,844,604,510</b>	<b>416,534,730,377</b>
121	Trading securities	4(a)	10,630,458,870	231,617,305,031
122	Provision for diminution in value of trading securities	4(a)	(856,545,694)	(3,412,791,882)
123	Investments held to maturity	4(b)	1,818,070,691,334	188,330,217,228
<b>130</b>	<b>Short-term receivables</b>		<b>2,034,571,901,721</b>	<b>2,494,856,930,482</b>
131	Short-term trade accounts receivable	5	2,075,760,903,555	2,517,021,445,807
132	Short-term prepayments to suppliers	6	116,232,242,327	170,222,662,352
136	Other short-term receivables	7(a)	206,578,362,831	165,127,908,561
137	Provision for doubtful debts – short term	8	(363,999,606,992)	(357,515,086,238)
<b>140</b>	<b>Inventories</b>	<b>9</b>	<b>2,418,587,093,352</b>	<b>1,447,149,643,236</b>
141	Inventories		2,474,958,959,872	1,477,490,784,121
149	Provision for decline in value of inventories		(56,371,866,520)	(30,341,140,885)
<b>150</b>	<b>Other current assets</b>		<b>382,593,181,041</b>	<b>229,318,943,612</b>
151	Short-term prepaid expenses	10(a)	24,361,462,490	13,009,589,070
152	Value Added Tax ("VAT") to be reclaimed	17(a)	353,402,047,497	214,578,146,601
153	Tax and other receivables from the State	17(a)	4,829,671,054	1,731,207,941

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

**CONSOLIDATED BALANCE SHEET**  
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>1,283,206,880,473</b>	<b>1,328,803,383,725</b>
<b>210</b>	<b>Long-term receivables</b>		<b>32,091,651,820</b>	<b>31,001,277,688</b>
216	Other long-term receivables	7(b)	32,091,651,820	31,001,277,688
<b>220</b>	<b>Fixed assets</b>		<b>272,480,822,101</b>	<b>261,165,890,304</b>
221	Tangible fixed assets	11(a)	98,673,849,192	90,416,199,619
222	Historical cost		379,473,532,070	362,382,870,566
223	Accumulated depreciation		(280,799,682,878)	(271,966,670,947)
227	Intangible fixed assets	11(b)	173,806,972,909	170,749,690,685
228	Historical cost		183,081,926,598	179,113,843,937
229	Accumulated amortisation		(9,274,953,689)	(8,364,153,252)
<b>230</b>	<b>Investment properties</b>	12	<b>593,348,354,875</b>	<b>633,175,184,506</b>
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(258,725,803,703)	(218,898,974,072)
<b>240</b>	<b>Long-term assets in progress</b>		<b>38,316,282,184</b>	<b>38,316,282,184</b>
242	Construction in progress	13	38,316,282,184	38,316,282,184
<b>250</b>	<b>Long-term investments</b>		<b>114,421,182,687</b>	<b>119,509,551,307</b>
252	Investments in associates	4(c)	110,915,986,088	116,576,659,708
253	Investments in other entities	4(d)	22,465,000,000	22,465,000,000
254	Provision for long-term investments	4(d)	(22,366,834,272)	(22,366,834,272)
255	Investments held to maturity	4(b)	3,407,030,871	2,834,725,871
<b>260</b>	<b>Other long-term assets</b>		<b>232,548,586,806</b>	<b>245,635,197,736</b>
261	Long-term prepaid expenses	10(b)	226,427,056,806	237,983,285,236
269	Goodwill	14	6,121,530,000	7,651,912,500
<b>270</b>	<b>TOTAL ASSETS</b>		<b>9,039,495,579,124</b>	<b>8,493,140,365,997</b>

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



**CONSOLIDATED BALANCE SHEET**  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND (Reclassified - Note 41)
<b>300</b>	<b>LIABILITIES</b>		<b>6,977,084,341,606</b>	<b>6,553,412,395,338</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>6,860,575,272,473</b>	<b>6,382,140,764,625</b>
311	Short-term trade accounts payable	15	1,747,164,698,116	2,241,130,193,754
312	Short-term advances from customers	16	82,106,959,163	117,106,483,725
313	Tax and other payables to the State	17(b)	22,394,264,814	47,070,734,631
314	Payable to employees		64,328,334,658	132,907,494,288
315	Short-term accrued expenses	18	28,190,586,232	24,335,359,969
318	Short-term unearned revenue	19(a)	42,099,750,441	375,387,094
319	Other short-term payables	20(a)	1,217,873,849,669	461,351,438,473
320	Short-term borrowings	21(a)	3,626,666,260,624	3,323,315,205,199
321	Provision for short-term liabilities		-	854,856,756
322	Bonus and welfare funds	24	29,750,568,756	33,693,610,736
<b>330</b>	<b>Long-term liabilities</b>		<b>116,509,069,133</b>	<b>171,271,630,713</b>
337	Other long-term payables	20(b)	37,117,088,359	72,509,630,110
338	Long-term borrowings	21(b)	76,091,980,774	95,462,000,603
341	Deferred income tax liabilities	23	3,300,000,000	3,300,000,000
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>2,062,411,237,518</b>	<b>1,939,727,970,659</b>
<b>410</b>	<b>Capital and reserves</b>		<b>2,062,411,237,518</b>	<b>1,939,727,970,659</b>
411	Owners' capital	25, 26	904,501,240,000	904,501,240,000
411a	- Ordinary shares with voting rights		904,501,240,000	904,501,240,000
412	Share premium	26	159,572,337,789	159,572,337,789
414	Owners' other capital	26	253,823,860,000	141,776,000,000
415	Treasury shares	26	(5,427,873,108)	(3,994,616,440)
418	Investment and development funds	26	271,777,466,354	271,777,466,354
421	Undistributed earnings	26	350,657,121,022	342,604,773,541
421a	- Undistributed post-tax profits of previous years		211,755,069,325	68,411,210,206
421b	- Post-tax profits of current year		138,902,051,697	274,193,563,335
429	Non-controlling interests		127,507,085,461	123,490,769,415
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>9,039,495,579,124</b>	<b>8,493,140,365,997</b>

Hoang Van Vung  
Preparer

Tran Quang Huy  
Chief Accountant



Phung Tuan Ha  
Chairman  
31 March 2023

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

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	17,773,883,971,911	17,920,843,437,814
02	Less deductions	(230,561,366,824)	(322,605,838,228)
10	Net revenue from sales of goods and rendering of services	17,543,322,605,087	17,598,237,599,586
11	Cost of goods sold and services rendered	(16,576,218,727,069)	(16,659,038,153,375)
20	Gross profit from sales of goods and rendering of services	967,103,878,018	939,199,446,211
21	Financial income	184,676,642,171	107,687,614,374
22	Financial expenses	(450,169,496,292)	(98,532,741,997)
23	- Including: Interest expenses	(175,767,092,310)	(81,065,460,546)
24	Losses sharing from investments in associates	(5,660,673,620)	(605,715,281)
25	Selling expenses	(336,201,939,859)	(284,855,285,475)
26	General and administration expenses	(146,822,803,006)	(271,461,913,218)
30	Net operating profit	212,925,607,412	391,431,404,614
31	Other income	19,899,945,685	28,609,000,991
32	Other expenses	(19,730,037,536)	(4,700,337,334)
40	Net other income	169,908,149	23,908,663,657
50	Net accounting profit before tax	213,095,515,561	415,340,068,271
51	Business income tax ("BIT") - current	(45,677,031,816)	(103,881,323,223)
52	BIT - deferred	-	-
60	Net profit after tax	167,418,483,745	311,458,745,048
Attributable to:			
61	Owners of the parent company	110,430,234,145	264,843,501,811
62	Non-controlling interests	56,988,249,600	46,615,243,237
70	Basic earnings per share	1,206	2,933
71	Diluted earnings per share	1,206	2,933

Hoang Van Vung  
Preparer

Tran Quang Huy  
Chief Accountant



Phung Tuan Ha  
Chairman  
31 March 2023

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



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

		Year ended 31 December	
Code	Note	2022 VND	2021 VND (Reclassified - Note 41)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net accounting profit before tax</b>	<b>213,095,515,561</b>	<b>415,340,068,271</b>
	Adjustments for:		
02	Depreciation, amortisation and allocation of good will	66,492,474,653	62,312,402,589
03	Provisions	29,104,143,445	88,163,391,267
04	Unrealised foreign exchange losses	2,552,959,866	931,194,529
05	Profits from investing activities	(96,460,883,741)	(42,743,891,614)
06	Interest expense	175,767,092,310	81,065,460,546
08	<b>Operating profit before changes in working capital</b>	<b>390,551,302,094</b>	<b>605,068,625,588</b>
09	Decrease/(increase) in receivables	313,564,686,139	(605,540,310,280)
10	Increase in inventories	(997,468,175,751)	(662,563,884,206)
11	Increase in payables	168,195,189,389	1,167,627,149,047
12	Decrease in prepaid expenses	204,355,010	3,033,259,989
13	Decrease/(increase) in trading securities	220,986,846,161	(231,617,304,931)
14	Interest paid	(171,464,451,918)	(83,380,442,545)
15	Business income tax paid	(75,499,446,733)	(91,233,368,842)
17	Other payments on operating activities	(16,910,043,038)	(15,264,575,215)
20	<b>Net cash (outflows)/inflow from operating activities</b>	<b>(167,839,738,647)</b>	<b>86,129,148,605</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets	(40,097,706,520)	(21,867,540,521)
22	Proceeds from disposals of fixed assets	5,208,751,259	4,426,042,513
23	Term deposits over 3 months placed at banks	(1,997,014,520,141)	(175,500,000,000)
24	Term deposits over 3 months collected	366,701,741,035	135,503,319,177
25	Investments in other entities	(864,150,000)	(7,993,700,000)
26	Proceeds from divestment in other entities	4,027,952,299	9,452,382,096
27	Interest received	89,642,193,062	44,017,675,608
30	<b>Net cash outflows from investing activities</b>	<b>(1,572,395,739,006)</b>	<b>(11,961,821,127)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
31	Proceeds from reissuance off treasury shares	2,680,000,000	98,727,842,518
33	Proceeds from borrowings	13,188,531,174,558	8,715,068,376,698
34	Repayments of borrowings	(12,904,550,138,962)	(8,011,382,703,293)
36	Dividends paid	(30,210,374,481)	(109,310,316,623)
40	<b>Net cash inflows from financing activities</b>	<b>256,450,661,115</b>	<b>693,103,199,300</b>
50	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,483,784,816,538)</b>	<b>767,270,526,778</b>
60	<b>Cash and cash equivalents at beginning of year</b> 3	<b>2,576,476,734,565</b>	<b>1,808,197,263,570</b>
61	Effect of foreign exchange differences	-	(2,579,451)
70	<b>Cash and cash equivalents at end of year</b> 3	<b>1,092,691,918,027</b>	<b>2,575,465,210,897</b>

Hoang Van Vung  
Preparer



Tran Quang Huy  
Chief Accountant

Phung Tuan Ha  
Chairman  
31 March 2023

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1 GENERAL INFORMATION**

PetroVietnam General Services Joint Stock Company ("the Parent Company") is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 0300452060 dated 29 September 2006 and the latest (the 21th) amended Enterprise registration Certificate dated 21 February 2023 to update the charter capital after completing the issuance of shares for dividend paid (Note 42). The Parent Company was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group (the "Group" or "PVN").

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

The shareholders of the Parent Company are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 25.

The Parent Company and its subsidiaries's (together, "the Corporation") business activities are providing services and trading of commodity.

The principal activities of the Corporation include:

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

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

As at 31 December 2022, the Corporation had 2,937 employees (as at 31 December 2021: 2,711 employees).

As at 31 December 2022, the Parent Company had 11 direct subsidiaries, 3 indirect subsidiaries, 3 direct associates, 2 indirect associates. In addition, the Parent Company has 1 dependent accounting unit that does not have legal status (as at 31 December 2021, the Parent Company had 11 direct subsidiaries, 4 indirect subsidiaries, 2 direct associates, 3 indirect associates. In addition, the Parent Company has 1 dependent accounting unit that does not have legal status).



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**1 GENERAL INFORMATION (continued)**

Name	Place of incorporation	Principal activities	31.12.2022		31.12.2021	
			Voting right %	Ownership %	Voting right %	Ownership %
I - Direct subsidiaries						
Petroleum General Distribution Services Joint Stock Company ("PSD")	Ho Chi Minh City	Distribution of telecommunication and electronic equipment	79.97	79.97	79.97	79.97
Petroleum Offshore Trading and Services Company Limited ("POTS")	Ho Chi Minh City	Trading and rendering of services	60	60	60	60
Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Ba Ria – Vung Tau Province	Rendering of services	70	70	70	70
Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Quang Ngai Province	Trading and rendering of services	99.79	99.79	99.79	99.79
PetroVietnam Assets Management Joint Stock Company ("PSA")	Ha Noi City	Operating in property management and services	71.46	71.46	71.46	71.46
Petrosetco SSG Company Limited ("PSSSG") (i)	Ho Chi Minh City	Real estate business	51	21.46	51	21.46
Smart Convergence Joint Stock Company ("Smartcom")	Ho Chi Minh City	Distributing equipment, electronic, components, peripheral devices and software	55	55	55	55
Petrosetco Retail Services Joint Stock Company ("PSR")	Ho Chi Minh City	Retail of mobile phones	75	72.75	75	72.75
Petroleum Logistics Service Joint Stock Company ("PSL") (ii)	Ho Chi Minh City	Transportation support service	66.67	44	66.67	44
Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Ho Chi Minh City	Distributing equipment, electronic components and peripheral devices	51	51	51	51
Petroleum Saigon General Services Company Limited ("PSG") (iii)	Ho Chi Minh City	Stopped operations and on liquidation process	100	100	100	100

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**1 GENERAL INFORMATION (continued)**

Name	Place of incorporation	Principal activities	31.12.2022		31.12.2021	
			Voting right %	Owners hip %	Voting right %	Owners hip %
II – Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh") (iv)	Ho Chi Minh City	Trading of electronic devices, refrigeration appliances and electronic household appliances	92.5	73.97	51	40.78
Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Khanh Hoa Province	Wholesale of solid, liquid and gaseous fuels and related products	100	99.79	100	99.79
Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale") (v)	Ho Chi Minh City	Providing heavy transportation and lifting services	-	-	51	22.44
An Lac Nhon Trach Single-member Limited Liability Company ("An Lac Nhon Trach") (vi)	Dong Nai province	Packing service for paper products	100	80.68	100	80.68
III – Direct associates						
Petro Tower Limited Company	Ba Ria - Vung Tau Province	Office for lease	24	24	24	24
Vinh Hoa Emerald Bay International Hospitality Company Limited (vii)	Phu Yen Province	Hospitality service	20	20	20	20
PEDACO Green Environment Joint Stock Company (viii)	Binh Thuan province	Wastage treatment	48.5	48.5	-	-
IV – Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (ix)	Ha Noi City	Trading of electronic components, information technology, technology transfer services and delivery services	20	16	20	16
PEDACO Green Environment Joint Stock Company (viii)	Binh Thuan province	Wastage treatment	-	-	48.5	21.34
Petro Environmental and Energy Services Joint Stock Company (x)	Ho Chi Minh City	Manufacturing electricity	45	27	45	27
V – The dependent accounting unit that does not have legal status						
Petroleum Industrial Material Distribution branch ("PIMD")	Ho Chi Minh City	Trading solid, liquid, gas fuels and related products	100	100	100	100



**1 GENERAL INFORMATION (continued)**

- (i) As at 31 December 2022 and as at 31 December 2021, although the Corporation's ownership in PSSSG was only 21.46%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSSSG through its 51% representatives in the Board of Directors of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG was classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (ii) As at 31 December 2022 and as at 31 December 2021, although the Corporation's ownership in PSL was only 44%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSL through its 2/3 representatives in the Board of Directors of PSL. Therefore, the Corporation controls PSL and PSL was classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iii) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. From 2013 until now, PSG has had no business activities incurred.
- (iv) As at 24 April 2022, according to Resolution No. 8A/NQ-PSD-HDQT, PSD approved to receive shares transferred and increased its ownership/voting right in Binh Minh Electronics Refrigeration Joint Stock Company from 51% to 92.5%,
- (v) According to the Minutes of the General Meeting of Shareholders No. 01/2022 - ALE dated 5 August 2022, Petroleum Logistics Service Joint Stock Company completed divestment in Petrosetco - ALE Heavy Transportation and Lifting Joint Stock Company.
- (vi) Since 30 June 2020, PSD acquired 100% owner's capital of An Lac Nhon Trach with the purpose to re-sell this company within 12 months from the completion date of the acquisition transaction. However, as at 31 December 2022, PSD has not yet sold this investment. Accordingly, this investment was classified and presented as an indirect subsidiary of the Corporation for consolidation reporting purpose.
- (vii) According to Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 31 December 2022, the Corporation contributed VND16 billion.
- (viii) As at 14 June 2022, Petroleum Logistics Service Joint Stock Company transferred all investments in PEDACO Green Environment Joint Stock Company to the Parent Company.
- (ix) Vietecom is in liquidation progress.
- (x) According to the Decision No. 125A/DVTHDK-KHĐT dated 12 June 2020, POTS, a subsidiary, agreed to contribute its capital to establish Petro Environmental and Energy Services Joint Stock Company ("Petro") with the share capital of VND9 billion, accounting for 45% of the voting right and ownership of Petro, equivalent to 27% of the ownership of the Parent Company.

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

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

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

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

**2.2 Fiscal year**

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

**2.3 Currency**

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

**2.4 Exchange rates**

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

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



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

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

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

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

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

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

The financial statements of the subsidiaries are prepared for the same accounting period of the Group for the consolidation purpose. If there are differences in end dates, the gap must not exceed 3 months. Adjustments are made to reflect impacts of significant transactions and events occurring between the end dates of the subsidiaries' accounting period and that of the Group's. The length of the reporting period and differences in reporting date must be consistent between years.

**Non-controlling transactions and interests**

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

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

**Associates**

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

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

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

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

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

**2.6 Goodwill**

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

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

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

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

**2.7 Cash and cash equivalents**

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

**2.8 Receivables**

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

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



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Inventories**

Inventories include merchandise and properties for sales being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation; and other inventories.

Inventories are stated at the lower of cost and net realisable value. Cost of properties for sales includes land costs and construction costs of infrastructure, other direct and overhead expenses. Cost of other inventories includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

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

The Corporation applies the perpetual system for inventories.

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

**2.10 Investments****(a) Trading securities**

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the end of year. The provision for diminution in value of trading securities is made when their cost is higher than their fair value. Changes in the provision balance during the accounting year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

The Corporation recognises trading securities when it has ownership of the assets, specifically as follows: listed securities are recorded at the time of orders matching.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.10 Investments (continued)****(b) Investments held-to-maturity**

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

Investments held-to-maturity include term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the end of year.

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

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

**(c) Investment in associates**

Investments in associates are accounted for using the equity method in the consolidated financial statements (Note 2.5).

**(d) Investments in other entities**

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

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.



**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 Fixed assets***Tangible and intangible fixed assets*

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

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The principal annual rates of each asset class are as follows:

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

Land use rights granted by the State for which land use fees are collected, land use rights acquired in a legitimate transfer, and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted.

Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of its purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

Indefinite land use rights are stated at costs and not amortised.

*Disposals*

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

*Construction in progress*

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.12 Operating leases**

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

**2.13 Investment properties**

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

*Depreciation and amortisation*

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

Plant and buildings	2% - 33%
---------------------	----------

*Disposals*

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

**2.14 Prepaid expenses**

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

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

Prepayments for land rental contracts which are not recorded as intangible assets as described in Note 2.11 are recorded as prepaid expenses and allocated using the straight-line basis over the prepaid lease term.

**2.15 Payables**

Classifications of payables are based on their nature as follows:

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

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



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

### **2.16 Borrowing**

Borrowings include borrowings from banks and others.

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

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

### **2.17 Accrued expenses**

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

### **2.18 Provisions**

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

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

### **2.19 Provision for severance allowances**

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for full 12 months or longer are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee contract's average salary for the six-month period prior to the consolidated balance sheet date.

This allowance will be paid as a lump sum when employees terminate their labour contracts in accordance with current regulations.

### **2.20 Unearned revenue**

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.21 Capital and reserves****(a) Owners' capital**

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

**(b) Share premium**

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

**(c) Owners' other capital**

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

**(d) Treasury shares**

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

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

**(e) Undistributed earnings**

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

**2.22 Appropriation of profit**

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

The Corporation's dividends are recognised as a liability in the consolidated financial statements in the year in which the dividends are approved by the General Meeting of Shareholders.

The Corporation's funds are as below:

**(a) Investment and development fund**

The investment and development fund is appropriated from net profit after BIT of the Corporation and approved by shareholders in the Annual General Meeting of Shareholders. This fund is used for expanding and developing the business of the Corporation.

**(b) Bonus and welfare fund**

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



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

**2.23 Revenue recognition**

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

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

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

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

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

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

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

- The real estate asset has been completed, and the Corporation has transferred to the buyer the significant risks and rewards of ownership of the real estate asset;
- The Corporation no longer holds the right to manage the real estate asset as the real estate's owner nor the right to control the real estate asset;
- The amount of revenue can be measured reliably;
- The Corporation has received or entitled to receive economic benefits from the sale of the real estate asset; and
- The costs incurred or to be incurred in respect of the real estate asset can be measured reliably.

**(c) Revenue from rendering of services**

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

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

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

**2.23 Revenue recognition (continued)**

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

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

**(e) Interest income**

Interest income is recognised on an earned basis.

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

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

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

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

**2.24 Sales deductions**

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

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

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

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

**2.26 Financial expenses**

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



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

**2.27 Selling expenses**

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

**2.28 General and administration expenses**

General and administration expenses represent expenses that are incurred for administrative purposes.

**2.29 Current and deferred income tax**

Income tax includes all income tax which is based on taxable profits. Income tax expense comprises current tax expense and deferred tax expense.

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

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

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

**2.30 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 of the Corporation and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.31 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.

**2.32 Critical accounting estimates**

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

The areas involving significant estimates and assumptions are as follows:

- Estimation of provision for investments (Note 2.10);
- Estimated useful life of fixed assets (Note 2.11);
- Estimated useful life of fixed assets (Note 2.13); and
- Provision for doubtful debt (Note 2.18)

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

**3 CASH AND CASH EQUIVALENTS**

	<b>2022</b> <b>VND</b>	<b>2021</b> <b>VND</b>
Cash on hand	13,770,317,500	18,203,597,755
Cash at bank	567,471,600,527	763,184,136,810
Cash equivalents (*)	511,450,000,000	1,795,089,000,000
	<u>1,092,691,918,027</u>	<u>2,576,476,734,565</u>

(\*) As at 31 December 2022, cash equivalents represented bank term deposits with an original maturity of 3 months or less at commercial banks and earned interest at the average rates from 5.2% per annum to 8.15% per annum (as at 31 December 2021: 3.5% per annum to 4.95% per annum).

As at 31 December 2022 and as at 31 December 2021, a term deposit with maturity of 1 month amount of VND1billion was pledged as collateral asset for borrowings granted to a subsidiary.



**4 INVESTMENTS**

**(a) Trading securities**

	2022		
	Cost VND	Fair value (*) VND	Provision VND
<b>Listed shares</b>			
Vietnam Commercial Joint Stock Export Import Bank ("EIB")	5,116,701,255	5,310,500,000	-
DABACO Group Joint Stock Company ("DBC")	3,625,793,459	3,525,000,000	-
Others	1,887,964,156	797,164,000	(856,545,694)
	<u>10,630,458,870</u>	<u>9,632,664,000</u>	<u>(856,545,694)</u>
	2021		
	Cost VND	Fair value (*) VND	Provision VND
<b>Listed shares</b>			
Vietnam Electrical Equipment Joint Stock Corporation ("GEX")	27,767,640,065	30,161,852,850	-
SAM Holdings Joint Stock Company ("SAM")	26,239,518,047	32,478,475,000	-
VIX Securities Joint Stock Company ("VIX")	25,800,828,415	47,155,350,000	-
Others	151,809,318,504	153,801,365,000	(3,412,791,882)
	<u>231,617,305,031</u>	<u>263,597,042,850</u>	<u>(3,412,791,882)</u>

(\*) At as 31 December 2022 and 31 December 2021, the fair value was determined based on the closing price of listed shares on the Ho Chi Minh and Ha Noi Stock Exchanges of the nearest date from the consolidated balance sheet date and quantity of shares held by the Corporation.

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

**i. Short-term**

As at 31 December 2022, the balance represents term deposits represented bank deposits in VND with original terms exceeding 3 months but the remaining maturity not exceeding 12 months, earning interest at the average rates from 2.5% per annum to 11% per annum (as at 31 December 2021: from 3% per annum to 7.5% per annum).

As at 31 December 2022 and as at 31 December 2021, a term deposit amount of VND2.5billion was pledged as collateral asset for borrowings granted to a subsidiary.

**ii. Long-term**

As at 31 December 2022, the balance represents term deposits represented bank deposits in VND with the remaining maturity from 12 months and more, earning interest at the average rates from 3.4% per annum to 7.2% per annum (as at 31 December 2021: from 4% per annum to 7% per annum).

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**4 INVESTMENTS (continued)**

**(c) Investments in associates**

Details of investments in associates are presented as follows:

	2022				2021			
	Cost VND	Book value VND	Fair value VND	Provision VND	Cost VND	Book value VND	Fair value VND	Provision VND
Petro Tower Limited Company	14,359,957,249	13,606,119,708	(*)	-	14,359,957,249	13,606,119,708	(*)	-
Vietcom Digital Trade and Investment								
Joint Stock Company	853,268,080	-	(*)	-	853,268,080	-	(*)	-
Vinh Hoa Emerald Bay International								
Hospitality Company Limited	16,000,000,000	16,000,000,000	(*)	-	16,000,000,000	16,000,000,000	(*)	-
Petro Environmental and Energy Services								
Joint Stock Company	9,000,000,000	9,000,000,000	(*)	-	9,000,000,000	9,000,000,000	(*)	-
PEDACO Green Environment								
Joint Stock Company	77,842,500,000	72,309,866,380	(*)	-	77,842,500,000	77,970,540,000	(*)	-
	<u>118,055,725,329</u>	<u>110,915,986,088</u>			<u>118,055,725,329</u>	<u>116,576,659,708</u>		

(\*) As at 31 December 2022 and 31 December 2021, the Group had not determined the fair value of these investments for disclose in the consolidated financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

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

	2022 VND	2021 VND
Beginning of the year	116,576,659,708	39,339,874,989
New investment during the year	-	77,842,500,000
Losses sharing in associates	(5,660,673,620)	(605,715,281)
End of the year	<u>110,915,986,088</u>	<u>116,576,659,708</u>



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

**4 INVESTMENTS (continued)**

**(d) Investments in other entities**

Details of investments in other entities were presented as follows:

	2022			2021		
	Cost value VND	Fair value VND	Provision VND	Cost value VND	Fair value VND	Provision VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	(2,000,000,000)	2,000,000,000	(*)	(2,000,000,000)
Vietnam Coolpad Co., Ltd	20,160,000,000	(*)	(20,160,000,000)	20,160,000,000	(*)	(20,160,000,000)
Vietnam - Korea Petroleum Industrial Gas Joint Stock Company	305,000,000	(*)	(206,834,272)	305,000,000	(*)	(206,834,272)
	<u>22,465,000,000</u>		<u>(22,366,834,272)</u>	<u>22,465,000,000</u>		<u>(22,366,834,272)</u>

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

	2022 VND	2021 VND
Beginning of the year	22,366,834,272	22,213,301,287
Increase provision of the year	-	153,532,985
End of the year	<u>22,366,834,272</u>	<u>22,366,834,272</u>

(\*) As at 31 December 2022 and 31 December 2021, the Group had not determined the fair value of these investments for disclose in the consolidated financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2022 VND</b>	<b>2021 VND</b>
Third parties	1,894,515,919,915	2,325,298,195,923
Related parties (Note 38(b))	181,244,983,640	191,723,249,884
	<u>2,075,760,903,555</u>	<u>2,517,021,445,807</u>

As at 31 December 2022 and 31 December 2021, there were no third-party customers who had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

As at 31 December 2022 and 31 December 2021, the balances of short-term trade accounts receivable which were past due were reviewed and made provision for doubtful debts as presented in Note 8.

**6 SHORT-TERM PREPAYMENTS TO SUPPLIERS**

	<b>2022 VND</b>	<b>2021 VND</b>
Global Consulting and Mechanical Services LLC	79,376,752,057	98,596,383,963
B&T Hi -Tech Trading & Service Company Limited	15,289,091,068	-
Others	21,566,399,202	71,626,278,389
	<u>116,232,242,327</u>	<u>170,222,662,352</u>

**7 OTHER RECEIVABLES**

**(a) Short-term**

	<b>2022 VND</b>	<b>2021 VND</b>
Supporting receivable from suppliers	149,958,113,436	114,019,054,594
Receivables from interest income	13,121,056,748	2,202,931,507
Others	43,499,192,647	48,905,922,460
	<u>206,578,362,831</u>	<u>165,127,908,561</u>
In which:		
Third parties	197,607,824,170	157,040,405,822
Related parties (Note 38(b))	8,970,538,661	8,087,502,739
	<u>206,578,362,831</u>	<u>165,127,908,561</u>



**7 OTHER RECEIVABLES (continued)**

**(b) Long-term**

As at 31 December 2022 and 31 December 2021, the balances of other receivables are long-term deposits.

As at 31 December 2022 and 31 December 2021, the balances of other receivables which were past due were reviewed and made provision for doubtful debts (Note 8).

**8 DOUBTFUL DEBTS – SHORT-TERM**

<b>2022</b>				
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Number of overdue days</b>
Receivables from sales of telecommunication equipment	136,482,661,562	-	(136,482,661,562)	Over 3 years
Receivables from supporting of suppliers	79,849,349,317	-	(79,849,349,317)	Over 3 years
Others	173,752,194,110	26,084,597,997	(147,667,596,113)	Over 6 months
	<u>390,084,204,989</u>	<u>26,084,597,997</u>	<u>(363,999,606,992)</u>	
<b>2021</b>				
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Number of overdue days</b>
Receivables from sales of telecommunications equipment	136,482,661,562	-	(136,482,661,562)	Over 3 years
Receivables from supporting of suppliers	79,849,349,317	-	(79,849,349,317)	Over 3 years
Others	153,663,760,058	12,480,684,699	(141,183,075,359)	Over 6 months
	<u>369,995,770,937</u>	<u>12,480,684,699</u>	<u>(357,515,086,238)</u>	

**9 INVENTORIES**

	<b>2022</b>		<b>2021</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Goods in transit	128,286,042,614	-	652,394,489,519	-
Raw materials	4,342,717,122	-	10,835,531,258	-
Tools and supplies	2,884,821,509	-	4,192,468,769	-
Merchandise	2,314,565,690,562	(56,371,866,520)	749,959,244,827	(30,341,140,885)
Goods on consignment	24,879,688,065	-	60,109,049,748	-
	<u>2,474,958,959,872</u>	<u>(56,371,866,520)</u>	<u>1,477,490,784,121</u>	<u>(30,341,140,885)</u>

**10 PREPAID EXPENSES**

**(a) Short-term**

	<b>2022 VND</b>	<b>2021 VND</b>
Payment guarantee expense	15,270,118,167	4,969,241,683
Others	9,091,344,323	8,040,347,387
	<u>24,361,462,490</u>	<u>13,009,589,070</u>

**(b) Long-term**

	<b>2022 VND</b>	<b>2021 VND</b>
Prepaid operating lease	129,295,556,249	133,191,365,026
Prepaid gas cylinders	82,489,587,090	100,435,856,527
Prepaid L/C service fee	7,715,063,790	-
Others	6,926,849,677	4,356,063,683
	<u>226,427,056,806</u>	<u>237,983,285,236</u>



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

**11 FIXED ASSETS**

**(a) Tangible fixed assets**

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND
<b>Historical cost</b>					
As at 1 January 2022	97,970,337,282	98,424,119,161	152,262,908,585	13,725,505,538	362,382,870,566
New purchases	4,644,787,900	12,978,073,950	13,855,477,236	4,651,284,773	36,129,623,859
Disposals	-	(2,304,726,590)	(16,734,235,765)	-	(19,038,962,355)
As at 31 December 2022	102,615,125,182	109,097,466,521	149,384,150,056	18,376,790,311	379,473,532,070
<b>Accumulated depreciation</b>					
As at 1 January 2022	70,103,258,620	83,121,086,117	105,366,234,589	13,376,091,621	271,966,670,947
Charge for the year	5,518,188,477	4,657,290,163	12,726,038,479	1,322,944,966	24,224,462,085
Disposals	-	(2,237,726,590)	(13,153,723,564)	-	(15,391,450,154)
As at 31 December 2022	75,621,447,097	85,540,649,690	104,938,549,504	14,699,036,587	280,799,682,878
<b>Net book value</b>					
As at 1 January 2022	27,867,078,662	15,303,033,044	46,896,673,996	349,413,917	90,416,199,619
As at 31 December 2022	26,993,678,085	23,556,816,831	44,445,600,552	3,677,753,724	98,673,849,192

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2022 was VND185 billion (as at 31 December 2021: VND164.3 billion).

As at 31 December 2022, tangible fixed assets with net book value of VND7.6 billion (as at 31 December 2021: VND4.9 billion) were pledged with banks as collateral assets for borrowings granted to the Corporation (Note 21(b)).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
<b>Historical cost</b>			
As at 1 January 2022	172,812,781,739	6,301,062,198	<b>179,113,843,937</b>
New purchases	-	3,968,082,661	<b>3,968,082,661</b>
As at 31 December 2022	<u>172,812,781,739</u>	<u>10,269,144,859</u>	<u><b>183,081,926,598</b></u>
<b>Accumulated amortisation</b>			
As at 1 January 2022	3,182,402,537	5,181,750,715	<b>8,364,153,252</b>
Charge for the year	-	910,800,437	<b>910,800,437</b>
As at 31 December 2022	<u>3,182,402,537</u>	<u>6,092,551,152</u>	<u><b>9,274,953,689</b></u>
<b>Net book value</b>			
As at 1 January 2022	<u>169,630,379,202</u>	<u>1,119,311,483</u>	<u><b>170,749,690,685</b></u>
As at 31 December 2022	<u><u>169,630,379,202</u></u>	<u><u>4,176,593,707</u></u>	<u><u><b>173,806,972,909</b></u></u>

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2022 was VND4.89 billion (as at 31 December 2021: VND4.57 billion).

As at 31 December 2022 and 31 December 2021, land use right at No. 274 Xo Viet Nghe Tinh street, Ward 25, Binh Thanh District, Ho Chi Minh City were pledged with banks as collateral assets for borrowings granted to the Corporation (Note 21(b)).



12 INVESTMENT PROPERTIES

	<b>Buildings VND</b>
<b>Historical cost</b>	
As at 1 January 2022 and 31 December 2022	852,074,158,578
<b>Accumulated depreciation</b>	
As at 1 January 2022	218,898,974,072
Charge for the year	39,826,829,631
As at 31 December 2022	258,725,803,703
<b>Net book value</b>	
As at 1 January 2022	633,175,184,506
As at 31 December 2022	593,348,354,875

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

As at 31 December 2022 and 31 December 2021, all investment properties were pledged as collateral assets for the Corporation's borrowings (Note 21(b)).

For year ended 31 December 2022, revenue from investment properties is VND93,830,491,153 (for year ended 31 December 2021: VND109,942,180,540). Direct expenses (including tools and supplies, utilities and management fee) incurred from investment properties relating to revenue from leasing in 2022 are VND20,700,311,052 (in 2021: VND21,448,783,630).

The Corporation was unable to collect sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 31 December 2022 was not disclosed in the consolidated financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the consolidated balance sheet date.

**13 CONSTRUCTION IN PROGRESS**

Details of construction in progress are presented as follows:

	2022 VND	2021 VND
Cape Pearl Project	37,509,649,278	37,509,649,278
Others	806,632,906	806,632,906
	<u>38,316,282,184</u>	<u>38,316,282,184</u>

**14 GOODWILL**

Binh Minh Electronics  
Refrigeration Joint  
Stock Company  
VND

<b>Historical cost</b>	
As at 1 January 2022 and 31 December 2022	19,125,000,000
<b>Accumulated depreciation</b>	
As at 1 January 2022	11,473,087,500
Charge in the year	1,530,382,500
As at 31 December 2022	<u>13,003,470,000</u>
<b>Net book value</b>	
As at 1 January 2022	7,651,912,500
As at 31 December 2022	<u>6,121,530,000</u>

**15 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2022 VND	2021 VND
Third parties		
Apple Vietnam Limited Liability Company	755,105,026,055	708,709,527,680
Others	607,238,622,091	837,779,246,060
Related parties (Note 38(b))	384,821,049,970	444,887,707,914
	<u>1,747,164,698,116</u>	<u>2,241,130,193,754</u>

As at 31 December 2022 and 31 December 2021, the Chairman believed that the Corporation was able to fully repay all short-term trade accounts payable as and when they fall due. There was no balance of short-term trade accounts payable which was past due.



**16 SHORT-TERM ADVANCES FROM CUSTOMERS**

	<b>2022 VND</b>	<b>2021 VND</b>
Third parties	6,429,675,561	21,044,575,562
Related parties (Note 38(b))	75,677,283,602	96,061,908,163
	<u>82,106,959,163</u>	<u>117,106,483,725</u>

As at 31 December 2022 and 31 December 2021, there was no third-party customer who had a balance accounting for 10% or more of the total balance of short-term advances from customers.

**17 TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE**

	<b>2022 VND</b>	<b>2021 VND</b>
<b>(a) Tax receivables</b>		
VAT to be reclaimed	353,402,047,497	214,578,146,601
BIT	3,338,047,499	204,075,346
Personal income tax ("PIT")	-	499,025,394
Others	1,491,623,555	1,028,107,201
	<u>358,231,718,551</u>	<u>216,309,354,542</u>
<b>(b) Tax payables</b>		
VAT	8,101,531,882	9,594,281,405
BIT	9,519,776,906	36,208,219,670
PIT	4,772,956,026	1,268,233,556
	<u>22,394,264,814</u>	<u>47,070,734,631</u>

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

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

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

	As at 1.1.2022 VND	Receivable/payable VND	Payment VND	Net off VND	As at 31.12.2022 VND
<b>(a) Receivables</b>					
VAT to be reclaimed	214,578,146,601	2,721,278,570,195	-	(2,582,454,669,299)	353,402,047,497
BIT	204,075,346	-	-	3,133,972,153	3,338,047,499
PIT	499,025,394	-	-	(499,025,394)	-
Others	1,028,107,201	2,296,872,712	(1,337,965,764)	(495,390,594)	1,491,623,555
	<u>216,309,354,542</u>	<u>2,723,575,442,907</u>	<u>(1,337,965,764)</u>	<u>(2,580,315,113,134)</u>	<u>358,231,718,551</u>
<b>(b) Payables</b>					
BIT	36,208,219,670	45,677,031,816	(75,499,446,733)	3,133,972,153	9,519,776,906
VAT	9,594,281,405	3,010,104,450,695	(429,142,530,919)	(2,582,454,669,299)	8,101,531,882
PIT	1,268,233,556	38,500,239,462	(34,496,491,598)	(499,025,394)	4,772,956,026
Others	-	44,080,064,317	44,575,454,911)	(495,390,594)	-
	<u>47,070,734,631</u>	<u>3,138,361,786,290</u>	<u>(583,713,924,161)</u>	<u>(2,580,315,113,134)</u>	<u>22,394,264,814</u>

(\*) As at 31 December 2022 and 31 December 2021, included in the VAT to be claimed is the VAT that has been filed by the Corporation for refund in the amount of VND67.6 billion and is awaiting results from the tax authorities.



**18 SHORT-TERM ACCRUED EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Allowances for employees	5,041,251,700	4,574,793,800
Interest expense	5,672,941,018	1,370,300,626
Others	17,476,393,514	18,390,265,543
	<u>28,190,586,232</u>	<u>24,335,359,969</u>

**19 SHORT-TERM UNEARNED REVENUE**

As at 31 December 2022, the balance mainly includes interest income received in advance from bank deposits.

**20 OTHER PAYABLES**

**(a) Short-term**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Letter of credit payables (*)	1,018,980,988,218	237,209,014,201
Trade discount payable to customers	128,633,454,196	119,251,789,866
Dividend payable (Note 22)	17,378,195,277	23,690,320,623
Others	52,881,211,978	81,200,313,783
	<u>1,217,873,849,669</u>	<u>461,351,438,473</u>
In which:		
Third parties	1,204,004,306,932	453,986,541,507
Related parties (Note 38(b))	13,869,542,737	7,364,896,966
	<u>1,217,873,849,669</u>	<u>461,351,438,473</u>

(\*) The balance represents the letter of credit payable from entering UPAS Letter Credit services at a commercial bank to pay the supplier within 1 year and bear interest.

**(b) Long-term**

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Gas cylinders deposits	23,711,892,186	30,216,483,162
Other deposits	11,146,232,189	41,526,888,013
Others	2,258,963,984	766,258,935
	<u>37,117,088,359</u>	<u>72,509,630,110</u>
In which:		
Third parties	35,257,569,813	66,170,881,960
Related parties (Note 38(b))	1,859,518,546	6,338,748,150
	<u>37,117,088,359</u>	<u>72,509,630,110</u>

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

**21 BORROWINGS**

**(a) Short-term**

Short-term borrowings represented outstanding bank borrowings and margin borrowings. Details were as follows:

	31.12.2022 VND	31.12.2021 VND
<b>Bank loans</b>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,013,228,894,498	783,106,028,075
Bank for Investment and Development of Vietnam	687,476,290,044	267,903,386,416
Vietnam Prosperity Joint-Stock Commercial Bank	104,154,594,500	142,564,793,066
Military Commercial Joint Stock Bank	38,864,898,148	273,718,497,874
HSBC Bank Vietnam Limited	737,675,342,442	325,122,884,317
Vietnam Joint Stock Commercial Bank for Industry and Trade	452,342,553,744	718,387,785,332
Vietnam Export Import Commercial Joint Stock Bank	393,161,051,408	398,136,744,214
Vietnam International Commercial Joint Stock Bank	134,540,938,032	-
Shinhan Commercial Bank	65,221,697,808	-
Asia Commercial Joint Stock Bank	-	105,638,234,274
Public Joint Stock Commercial Bank	-	5,610,953,136
Vietnam Technological and Commercial Joint- Stock Bank	-	73,200,000,000
An Binh Commercial Joint Stock Bank	-	187,209,014,201
	<b>3,626,666,260,624</b>	<b>3,280,598,320,905</b>
<b>Margin trading loans</b>		
VNDIRECT Securities Corporation	-	32,310,397,777
Viet Dragon Securities Corporation	-	10,406,486,517
	<b>3,626,666,260,624</b>	<b>3,323,315,205,199</b>



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

**21 BORROWINGS (continued)**

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

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

As at 31 December 2022, collateral assets of these borrowings were as follows:

- Guarantee commitments of the Parent Company for its subsidiaries' borrowings with total the value of VND5,055 billion (as at 31 December 2021: VND3,595 billion) (Note 39(b));
- A deposit with an amount of VND576 billion (as at 31 December 2021: VND143 billion) (Note 4); and
- Land use rights at No. 274, Xo Viet Nghe Tinh Street, Ward 25, Binh Thanh District, Ho Chi Minh City (Note 11(b)).

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

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

Movements of short-term bank borrowings during the year were as follows:

	As at 1.1.2022 VND	Increase VND	Decrease VND	Current portion of long-term borrowing VND	As at 31.12.2022 VND
Short-term borrowings	3,213,481,471,454	12,987,430,939,652	(12,639,467,848,290)	-	3,561,444,562,816
Long-term loan to maturity	109,833,733,745	-	(109,833,733,745)	65,221,697,808	65,221,697,808
	<u>3,323,315,205,199</u>	<u>12,987,430,939,652</u>	<u>(12,749,301,582,035)</u>	<u>65,221,697,808</u>	<u>3,626,666,260,624</u>

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**21 BORROWINGS (continued)**

**(b) Long-term**

	As at 1.1.2022 VND	Increase VND	Decrease VND	Current portion of long-term borrowing VND	As at 31.12.2022 VND
Asia Commercial Joint Stock Bank	95,462,000,603	-	(95,462,000,603)	-	-
Shinhan Commercial Bank (*)	-	201,100,234,906	(59,786,556,324)	(65,221,697,808)	76,091,980,774
	<u>95,462,000,603</u>	<u>201,100,234,906</u>	<u>(155,248,556,927)</u>	<u>(65,221,697,808)</u>	<u>76,091,980,774</u>

(\*) The borrowings with Shinhan Commercial Bank had a credit limit of VND217.8 billion and born fixed interest of 7.8%.

The purpose of borrowings was to finance the construction of Nghi Son Project. The maturity is on 2 February 2025 and the borrowings were secured by assets formed from Nghi Son Project (Note 12); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project.



**22 DIVIDENDS**

	<b>2022 VND</b>	<b>2021 VND</b>
Beginning of year	23,690,320,623	25,093,118,026
Dividends payable during the year (Note 26)	23,898,249,135	108,190,518,500
Dividends paid in cash	(30,210,374,481)	(109,310,316,623)
Others	-	(282,999,280)
End of year (Note 20(a))	<u>17,378,195,277</u>	<u>23,690,320,623</u>

**23 DEFERRED INCOME TAX**

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

Details were as follows:

	<b>2022 VND</b>	<b>2021 VND</b>
Deferred income tax liabilities to be repaid within 12 months	<u>3,300,000,000</u>	<u>3,300,000,000</u>

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

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

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

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

**24 BONUS AND WELFARE FUND**

	<b>2022 VND</b>	<b>2021 VND</b>
Beginning of year	33,693,610,736	34,530,151,930
Appropriation from undistributed earnings (Note 26)	12,967,001,058	14,428,034,021
Utilisation	(16,910,043,038)	(15,264,575,215)
End of year	<u>29,750,568,756</u>	<u>33,693,610,736</u>

**25 OWNERS' CAPITAL**

**(a) Number of shares**

	2022		2021	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	90,450,124	-	90,450,124	-
Number of shares issued	90,450,124	-	90,450,124	-
Number of shares repurchased	(612,700)	-	(612,700)	-
Number of existing shares in circulation	89,837,424	-	89,837,424	-

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

	2022		2021	
	Ordinary shares	Ownership %	Ordinary shares	Ownership %
PVN	20,973,851	23.2%	20,973,851	23.2%
Other shareholders	68,863,573	76.1%	68,863,573	76.1%
Treasury shares	612,700	0.7%	612,700	0.7%
Number of shares issued	90,450,124	100%	90,450,124	100%

**(c) Movement of share capital**

	Number of shares	Ordinary shares VND	Total VND
As at 1 January 2021	86,600,124	866,001,240,000	866,001,240,000
New shares issued	3,850,000	38,500,000,000	38,500,000,000
As at 31 December 2021	90,450,124	904,501,240,000	904,501,240,000
As at 31 December 2022	90,450,124	904,501,240,000	904,501,240,000

Par value per share: VND10,000.



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**26 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND	Non-controlling interests VND	Total capital and reserves VND
As at 1 January 2021	866,001,240,000	120,755,669,603	131,776,000,000	(25,405,790,772)	272,167,291,300	177,703,293,718	1,542,997,703,849	120,168,292,173	1,663,165,996,022
New shares issuance during the year	38,500,000,000	-	-	-	-	-	38,500,000,000	-	38,500,000,000
Other contributed capital	-	-	10,000,000,000	-	(389,824,946)	(4,710,175,054)	4,900,000,000	(4,900,000,000)	-
Net profit for the year	-	-	-	-	-	264,843,501,811	264,843,501,811	46,615,243,237	311,458,745,048
Appropriation to bonus and welfare fund	-	-	-	-	-	(11,661,322,934)	(11,661,322,934)	(2,766,711,087)	(14,428,034,021)
Dividends paid	-	-	-	-	-	(83,570,524,000)	(83,570,524,000)	(24,619,994,500)	(108,190,518,500)
Reissuance of treasury shares	-	38,816,668,186	-	21,411,174,332	-	-	60,227,842,518	-	60,227,842,518
Decrease due to the divestment from a subsidiary	-	-	-	-	-	-	-	(11,006,060,409)	(11,006,060,409)
As at 31 December 2021	904,501,240,000	159,572,337,789	141,776,000,000	(3,994,616,440)	271,777,466,354	342,604,773,541	1,816,237,201,244	123,490,769,414	1,939,727,970,658
Capital increased during the year	-	-	112,047,860,000	-	-	(84,464,213,448)	27,583,646,552	(27,583,646,552)	-
Profit for the year (i)	-	-	-	-	-	110,430,234,145	110,430,234,145	56,988,249,600	167,418,483,745
Appropriation to bonus and welfare fund (ii)	-	-	-	-	-	(11,244,932,306)	(11,244,932,306)	(1,722,068,752)	(12,967,001,058)
Dividends paid (ii)	-	-	-	-	-	-	-	(23,898,249,135)	(23,898,249,135)
Changes in ownership of a controlled subsidiary (iii)	-	-	-	-	-	(6,668,740,910)	(6,668,740,910)	6,357,490,910	(311,250,000)
Decrease due to the divestment from a subsidiary (iv)	-	-	-	-	-	-	-	(6,125,460,024)	(6,125,460,024)
Other	-	-	-	(1,433,256,668)	-	-	(1,433,256,668)	-	(1,433,256,668)
As at 31 December 2022	904,501,240,000	159,572,337,789	253,823,860,000	(5,427,873,108)	271,777,466,354	350,657,121,022	1,934,904,152,057	127,507,085,461	2,062,411,237,518

**26 MOVEMENTS IN OWNERS' EQUITY (continued)**

- (i) According to the Minutes of the General Meeting of Shareholders No. 49/NQ-PHTD-DHĐCD dated 22 September 2022, the General Meeting of Shareholders of Petroleum High Technology Products Distribution Joint Stock Company approved the decision to increase capital from undistributed earnings amounted to VND20 billion.

Additionally, according to Resolution No. 22/NQ-PSD-HĐQT dated 19 August 2022 and Resolution No. 29/NQ-PSD-HĐQT dated 5 December 2022, the Board of Directors of Petroleum General Distribution Services Joint Stock Company ("PSD") approved the plan to issue shares to pay 2021 dividends in accordance with the plan approved by Resolution No. 02/NQ-PSD-DHĐCD dated 18 August 2022 at the Extraordinary General Meeting of Shareholders. Accordingly, PSD has paid dividends in stock at the rate of 30% of share capital.

- (ii) During the year, the General Meeting of Shareholders of the Corporation approved the appropriation to the bonus and welfare fund in 2022 with a total amount of VND12,967,001,058 and dividend in cash with a total amount of VND23,898,249,135.
- (iii) As at 25 April 2022, according to Resolution No. 8A/NQ-PSD-HĐQT, PSD approved to receive shares transferred and increased its ownership/voting right in Binh Minh Electronics Refrigeration Joint Stock Company from 51% to 92.5%.
- (iv) According to the Minutes of the General Meeting of Shareholders No. 01/2022 - ALE dated 5 August 2022, Petroleum Logistics Service Joint Stock Company completed the divestment in Petrosetco - ALE Heavy Transportation and Lifting Joint Stock Company.

**27 BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE**

**(a) Basic earnings per share**

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

	For the year ended	
	31.12.2022	31.12.2021
	VND	VND
		(Restated)
Net profit after tax attributable to shareholders (VND)	110,430,234,145	264,843,501,811
Less amount allocated to bonus and welfare funds (VND) (*)	(2,051,260,229)	(13,842,527,197)
Net profit for the year attributable to shareholders (VND)	108,378,973,916	251,000,974,614
Weighted average number of ordinary shares in issue (shares)	89,837,424	85,584,735
Basic earnings per share (VND)	1,206	2,933

- (\*) The appropriation to bonus and welfare fund for the year ended 31 December 2021 was adjusted compared to the figures represented in the consolidated financial statements of 2021 to represent the 2021 actual appropriation from undistributed earning of 2021, attributable to the Parent Company which was approved by the shareholders at the Annual General Meeting.

For the year ended 31 December 2022, the Corporation had provisionally appropriated the net profit to bonus and welfare fund based on the 2022 plan approved by shareholders at the Annual General Meeting of Shareholders.



**27 MOVEMENTS IN OWNERS' EQUITY (continued)**

**(a) Basic earnings per share (continued)**

Basic earnings per share of the year ended 31 December 2021 were recalculated as follows:

	For the year ended 31.12.2021		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	264,843,501,811	-	264,843,501,811
Actual deduction of bonus and welfare fund (VND) (*)	(11,661,322,934)	(2,181,204,263)	(13,842,527,197)
Net profit after tax attributable to shareholders (VND)	253,182,178,877	(2,181,204,263)	251,000,974,614
Weighted average number of ordinary shares in issue (shares)	85,584,735	-	85,584,735
Basic earnings per share (VND)	<u>2,958</u>	<u>-</u>	<u>2,933</u>

**(b) Diluted earnings per share**

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

**28 OFF CONSOLIDATED BALANCE SHEET ITEMS**

**(a) Foreign currencies**

As at 31 December 2022, included in cash and cash equivalents were balances held in foreign currency of USD1,229,229, EUR80 and GBP1,187 (as at 31 December 2021: USD1,709,940, EUR97 and GBP6,612).

**(b) Commitments**

The future minimum lease payments under non-cancellable operating leases were presented in Note 39(a).

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

	<b>2022 VND</b>	<b>2021 VND</b>
<b>Revenue</b>		
Revenue from sales of merchandises	15,661,314,837,970	16,221,486,124,088
Revenue from rendering of services	2,112,569,133,941	1,699,357,313,726
	<u>17,773,883,971,911</u>	<u>17,920,843,437,814</u>
<b>Sales deductions</b>		
Trade discounts	(142,278,920,955)	(219,000,642,410)
Sales allowances	(42,757,199,020)	(49,005,260,845)
Sales returns	(45,525,246,849)	(54,599,934,973)
	<u>(230,561,366,824)</u>	<u>(322,605,838,228)</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from sales of merchandises	15,430,753,471,146	15,898,880,285,860
Net revenue from rendering of services	2,112,569,133,941	1,699,357,313,726
	<u>17,543,322,605,087</u>	<u>17,598,237,599,586</u>

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

	<b>2022 VND</b>	<b>2021 VND</b>
Cost of merchandises sold	15,168,553,411,389	15,627,382,016,493
Cost of services rendered	1,401,808,304,767	1,028,836,696,097
Provision for decline in value of inventories (Note 9)	5,857,010,913	2,819,440,785
	<u>16,576,218,727,069</u>	<u>16,659,038,153,375</u>

**31 FINANCIAL INCOME**

	<b>2022 VND</b>	<b>2021 VND</b>
Interest income	100,560,318,303	41,068,846,937
Profit from trading securities	46,756,070,650	39,746,560,297
Foreign exchange gains	33,296,688,234	19,825,716,206
Others	4,063,564,984	7,046,490,934
	<u>184,676,642,171</u>	<u>107,687,614,374</u>



**32 FINANCIAL EXPENSES**

	<b>2022 VND</b>	<b>2021 VND</b>
Interest expenses	175,767,092,310	81,065,460,546
Loss from trading securities	252,874,737,653	5,074,403,025
Foreign exchange losses	19,813,892,159	5,824,650,530
Provision for diminution in value of investments	-	1,047,810,553
Others	1,713,774,170	5,520,417,343
	<u>450,169,496,292</u>	<u>98,532,741,997</u>

**33 SELLING EXPENSES**

	<b>2022 VND</b>	<b>2021 VND</b>
Staff costs	99,598,311,674	98,033,082,502
Advertising and marketing	23,624,313,014	30,248,253,994
Transportation	34,171,167,006	28,107,682,477
Rental expenses	23,162,020,820	18,519,469,261
Depreciation and amortisation	1,437,771,172	1,058,007,019
Others	154,208,356,173	108,888,790,222
	<u>336,201,939,859</u>	<u>284,855,285,475</u>

**34 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2022 VND</b>	<b>2021 VND</b>
Staff costs	82,789,381,641	104,290,132,873
Provision for doubtful debts	6,484,520,754	81,777,625,615
Depreciation and amortisation	6,119,493,359	7,364,471,631
Others	51,429,407,252	78,029,683,099
	<u>146,822,803,006</u>	<u>271,461,913,218</u>

**35 OTHER INCOME AND OTHER EXPENSES**

	2022 VND	2021 VND
<b>Other income</b>		
Allocation of gas cylinders deposits	5,965,411,896	6,493,530,809
Contractual fines received	-	14,500,281,815
Others	13,934,533,789	7,615,188,367
	<u>19,899,945,685</u>	<u>28,609,000,991</u>
<b>Other expenses</b>		
Contractual fines charged	14,890,722,948	-
Others	4,839,314,588	4,700,337,334
	<u>19,730,037,536</u>	<u>4,700,337,334</u>

**36 CORPORATE INCOME TAX (CIT)**

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

	2022 VND	2021 VND
Net accounting profit before tax	213,095,515,561	415,340,068,271
Tax calculated at a rate of 20%	42,619,103,112	83,068,013,654
Effect of:		
Non-deductible expenses	4,555,517,612	14,492,577,957
Tax losses for which no deferred income tax asset was recognised	-	1,805,412,332
Utilisation of tax losses for which no deferred income tax asset was recognised previously	307,823,424	5,022,351,162
Under-provision in previous years	(1,805,412,332)	-
Tax deduction	-	(507,031,882)
CIT charge (*)	<u>45,677,031,816</u>	<u>103,881,323,223</u>
Charged to consolidated income statement:		
CIT – current	45,677,031,816	103,881,323,223
CIT – deferred (Note 23)	-	-
	<u>45,677,031,816</u>	<u>103,881,323,223</u>

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



**37 COST OF OPERATION BY FACTOR**

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

	<b>2022</b>	<b>2021</b>
	<b>VND</b>	<b>VND</b>
Raw materials for meals supply services	614,735,451,506	563,564,628,812
Raw materials for building management services	111,428,528,164	65,816,862,018
Staff costs	563,282,408,887	545,499,612,510
Sanitation services	88,895,362,905	68,200,549,996
Depreciation and amortisation	64,962,092,153	60,782,020,089
Advertising	23,624,313,014	30,248,253,994
Transportation	34,171,167,006	28,107,682,477
Others	265,861,964,800	225,753,725,679
	<u>1,766,961,288,435</u>	<u>1,587,973,335,575</u>

**38 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is PVN, who owns 23,2% of share capital of the Corporation (Note 25).

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

Details of subsidiaries and associates are as in Note 1.

Details of the main related parties and relationships with transactions and balances with the Corporation during the year are as follows:

<b>Name</b>	<b>Relationship</b>
Vietnam Oil and Gas Corporation	Shareholder
Pedaco Green Environment Joint Stock Company	Associate
Petrochemical and Fertilizer Corporation	Affiliate companies of PVN
Nghi Son Refining and Petrochemical Co., Ltd	Affiliate companies of PVN
Vietsovetro Joint Venture	Affiliate companies of PVN
Cuu Long Joint Venture Company	Affiliate companies of PVN
Vietnam Gas Corporation - Joint Stock Company	Affiliate companies of PVN
PetroVietnam Technical Services Corporation	Affiliate companies of PVN
Vietnam Oil Corporation - Joint Stock Company	Affiliate companies of PVN
Vietnam Public Commercial Joint Stock Bank	Affiliate companies of PVN
Southern Gas Trading Joint Stock Company	Affiliate companies of PVN
PVI Insurance Corporation	Affiliate companies of PVN
Oil and Gas Works Maintenance - Repair Corporation - Joint Stock Company	Affiliate companies of PVN

**(a) Related party transactions**

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

52



38 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	2022 VND	2021 VND
(i) Short-term trade accounts receivable (Note 5)		
PVN	274,517,432	11,361,710,811
Affiliate companies of PVN	180,970,466,208	180,361,539,073
	<u>181,244,983,640</u>	<u>191,723,249,884</u>
(ii) Other short-term receivables (Note 7(a))		
Affiliate companies of PVN	466,468,014	62,502,739
Key managements	8,504,070,647	8,025,000,000
	<u>8,970,538,661</u>	<u>8,087,502,739</u>
(iii) Short-term trade accounts payable (Note 15)		
PVN	159,268,366,734	247,919,580,280
Affiliate companies of PVN	225,552,683,236	196,968,127,634
	<u>384,821,049,970</u>	<u>444,887,707,914</u>
(iv) Short-term advances from customers (Note 16)		
Affiliate companies from PVN	<u>75,677,283,602</u>	<u>96,061,908,163</u>
(v) Other short-term payables (Note 20(a))		
PVN	8,249,167,947	7,327,835,466
Affiliate companies of PVN	5,620,374,790	37,061,500
	<u>13,869,542,737</u>	<u>7,364,896,966</u>
(vi) Other long-term payables (Note 20(b))		
Affiliate companies of PVN	<u>1,859,518,546</u>	<u>6,338,748,150</u>

**39 COMMITMENTS****(a) Commitments under operating leases****(i) The Corporation as the lessee**

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

	2022 VND	2021 VND
Within one year	45,977,538,237	42,324,253,826
Between one and five years	73,511,390,006	73,205,020,932
Over five years	57,945,884,609	52,370,976,602
Total minimum payments	<u>177,434,812,852</u>	<u>167,900,251,360</u>

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

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

	2022 VND	2021 VND
Within one year	226,802,910,061	143,336,268,252
Between one and five years	484,519,485,970	407,594,261,424
Over five years	91,596,322,057	55,512,529,295
Total minimum receivables	<u>802,918,718,088</u>	<u>606,443,058,971</u>

**(b) Credit guarantee commitment**

As at 31 December 2022, the Corporation has an irrevocable guarantee commitment for bank loans of its subsidiaries with a total guarantee limit of VND5,055 billion and USD\$10 million (as at 31 December 31 2021: VND3,520 billion); and has an irrevocable guarantee for the trade payables of its subsidiaries totaling VND235 billion and US\$8.2 million (as at 31 December 2021: US\$11.6 million). Accordingly, the Corporation is responsible for repaying principal, interest, guarantee costs and other costs to suppliers and banks in case the subsidiaries are unable to pay or make late payments.



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**39 COMMITMENTS (continued)**

**(c) Capital contribution commitments**

As at 31 December 2022 and 31 December 2021, the progress of charter capital contribution commitments was as follows:

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

(\*) In December 2010, the Parent Company agreed to a capital contribution plan amounting to VND229.5 billion into PSSSG, accounting for 51% of the ownership. Until 31 December 2022, the Parent Company contributed VND10.7 billion.

(\*\*) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Board of Directors approved in principal the investment in ITS in which the Parent Company owns 40% of ITS's charter capital, equivalent to VND20 billion. Until 31 December 2022, the shareholders of ITS have not yet fulfilled their capital obligations.

(\*\*\*) According to the Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Parent Company agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with the charter capital of VND111.2 billion, accounting for 20% of the voting right and ownership. Until 31 December 2022, the Parent Company contributed VND16 billion.

**40 SEGMENT REPORTING***Geographical segments*

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

*Business activity segments*

For management purposes, the Corporation's business is currently organised by fields based on relatively distinctive operations of subsidiaries.

The Corporation's business by fields is divided into the following segments:

- Electronic products business activities, including:
  - o PetroVietnam General Services Joint Stock Company
  - o Petroleum General Distribution Services Joint Stock Company
  - o Smart Convergence Joint Stock Company
  - o Petroleum High Technology Products Distribution Joint Stock Company
  - o Binh Minh Electronics Refrigeration Joint Stock Company
  - o Petrosetco Retail Services Joint Stock Company
- Wholesale business activities of plastic products, fiber, gas, including:
  - o Mien Trung Petroleum Services and Trading Joint Stock Company
  - o Nha Trang Petroleum Services Trading Company Limited
- Other services, including:
  - o Petroleum Offshore Trading and Services Company Limited
  - o Petroleum Vung Tau General Services Joint Stock Company
  - o PetroVietnam Assets Management Joint Stock Company
  - o Petrosetco SSG Company Limited
  - o Petroleum Logistics Service Joint Stock Company
  - o Petroleum Saigon General Services Company Limited
  - o Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company
  - o An Lac Nhon Trach Single-member Limited Liability Company



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**40 SEGMENT REPORTING (continued)**

**Segment assets and liabilities**

	<b>2022</b>			
	<b>Electronic products VND</b>	<b>Plastic resins, textile fibers and gas distribution VND</b>	<b>Other services VND</b>	<b>Total VND</b>
Segment assets	7,802,286,633,129	285,592,879,733	971,789,780,984	9,059,669,293,846
Segment liabilities	6,114,442,015,863	306,023,545,996	576,792,494,469	6,997,258,056,328

	<b>2021</b>			
	<b>Electronic products VND</b>	<b>Plastic resins, textile fibers and gas distribution VND</b>	<b>Other services VND</b>	<b>Total VND</b>
Segment assets	6,915,260,899,114	458,394,139,307	1,119,485,327,576	8,493,140,365,997
Segment liabilities	5,455,980,841,475	375,785,979,541	721,645,574,322	6,553,412,395,338

**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

Form B 09 – DN/HN

**40 SEGMENT REPORTING (continued)**

Segment information based on the geographical location

	Electronic products VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Net revenue from external sales	14,140,054,383,757	1,477,974,776,069	1,925,293,445,261	17,543,322,605,087
Cost of goods sold and services rendered	(13,376,747,885,990)	(1,420,447,084,166)	(1,779,023,756,913)	(16,576,218,727,069)
Gross profit from sales of goods and rendering of services	763,306,497,767	57,527,691,903	146,269,688,348	967,103,878,018
Financial income	162,620,551,145	448,585,917	21,607,505,109	184,676,642,171
Financial expenses	(397,529,150,087)	(5,388,826,527)	(47,251,519,678)	(450,169,496,292)
Loss in associate company	-	-	(5,660,673,620)	(5,660,673,620)
Selling expenses	(271,402,813,355)	(48,434,780,900)	(16,364,345,604)	(336,201,939,859)
General and administration expenses	(83,548,148,983)	(10,058,601,963)	(53,216,052,060)	(146,822,803,006)
Other income	4,172,037,702	7,177,841,477	8,550,066,506	19,899,945,685
Other expenses	(18,762,652,849)	(419,443,817)	(547,940,870)	(19,730,037,536)
Net accounting profit/(loss) before tax	158,856,321,340	852,466,090	53,386,728,131	213,095,515,561



**PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY**

**Form B 09 – DN/HN**

**40 SEGMENT REPORTING (continued)**

**Segment information based on the geographical location (continued)**

	Electronic products VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Net revenue from external sales	13,971,912,873,892	1,723,716,617,241	1,902,608,108,453	17,598,237,599,586
Cost of goods sold and services rendered	(13,261,772,968,510)	(1,661,220,355,341)	(1,736,044,829,524)	(16,659,038,153,375)
Gross profit from sales of goods and rendering of services	710,139,905,382	62,496,261,900	166,563,278,929	939,199,446,211
Financial income	97,331,837,441	174,746,425	10,181,030,508	107,687,614,374
Financial expenses	(86,548,948,173)	(3,128,680,963)	(8,855,112,861)	(98,532,741,997)
Loss in associate company	-	-	(605,715,281)	(605,715,281)
Selling expenses	(220,638,882,315)	(43,190,018,518)	(21,026,384,642)	(284,855,285,475)
General and administration expenses	(183,442,447,782)	(12,585,066,463)	(75,434,398,973)	(271,461,913,218)
Other income	5,834,693,977	7,208,226,498	15,566,080,516	28,609,000,991
Other expenses	(929,219,677)	(1,554,764,755)	(2,216,352,902)	(4,700,337,334)
Net accounting profit/(loss) before tax	321,746,938,853	9,420,704,124	84,172,425,294	415,340,068,271

41 COMPARATIVE FIGURES

Certain comparative items presented in the consolidated financial statements for the year ended 31 December 2021 have been reclassified by the Corporation to conform with the presentation of the consolidated financial statements for this year as follows:

Consolidated balance sheet (extract):

Code		As at 31 December 2021		
		Reported VND	Reclassified (*) VND	After reclassified VND
319	Other short-term payables	224,142,424,272	237,209,014,201	461,351,438,473
320	Short-term borrowings	3,560,524,219,400	(237,209,014,201)	3,323,315,205,199

Consolidated cash flows statement (extract):

Code		As at 31 December 2021		
		Reported VND	Reclassified (*) VND	After reclassified VND
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
11	Increase in payables	930,418,134,846	237,209,014,201	1,167,627,149,047
20	<b>Net cash outflows from operating activities</b>	<b>(151,079,865,596)</b>	<b>237,209,014,201</b>	<b>86,129,148,605</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from borrowings	9,576,276,985,161	(861,208,608,463)	8,715,068,376,698
34	Repayments of borrowings	(8,635,382,297,555)	623,999,594,262	(8,011,382,703,293)
40	<b>Net cash inflows from financing activities</b>	<b>930,312,213,501</b>	<b>(237,209,014,201)</b>	<b>693,103,199,300</b>

(\*) Reclassification of letters of credit payables from entering UPAS Letter Credit services at a commercial bank from short-term loans to other short-term payables.

42 EVENTS AFTER THE CONSOLIDATED BALANCE SHEET DATE

According to the Resolution of the Board of Directors No. 61/NQ-DVTHDK dated 1 December 2022, the Chairman of the Board of Directors of the Corporation approved the execution of the plan to issue shares to pay dividends at a rate of 10% of the total number of outstanding shares. According to the report on the results of issuing shares to pay dividends No. 21/DVTHDK-TCKT dated 1 February 2023, the Corporation has completed the issuance of shares to pay dividends, accordingly, 8,981,873 shares were issued.

The consolidated financial statements were approved by the Chairman on 31 March 2023.



Hoang Van Vung  
Preparer



Tran Quang Huy  
Chief Accountant



Phung Tuan Ha  
Chairman