

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2022**

TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Chairman	2
Independent auditor's report	3
Separate balance sheet (Form B 01 – DN)	5
Separate income statement (Form B 02 – DN)	8
Separate cash flow statement (Form B 03 – DN)	9
Notes to the separate financial statements (Form B 09 – DN)	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 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 19 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 SEPARATE FINANCIAL STATEMENTS

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

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

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

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 5 to 55 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2022, of the separate results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position, consolidated results of operations, and consolidated cash flows of the Corporation and its subsidiaries.



Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
31 March 2023

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

We have audited the accompanying separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 31 December 2022 and approved by the Chairman on 31 March 2023. These separate financial statements comprise the separate balance sheet as at 31 December 2022, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements, as set out on pages 5 to 55.

The Chairman's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion


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

Other Matter

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

For and on behalf of PwC (Vietnam) Limited





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

Report reference number: HCM13738
Ho Chi Minh City, 31 March 2023



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

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		2,914,530,591,014	3,528,207,745,430
110	Cash and cash equivalents	3	693,594,309,722	1,231,430,530,788
111	Cash		211,594,309,722	377,430,530,788
112	Cash equivalents		482,000,000,000	854,000,000,000
120	Short-term investments		578,882,039,342	311,924,062,712
121	Trading securities	4(a)	3,324,731,517	170,671,035,983
122	Provision for diminution in value of trading securities	4(a)	(689,267,517)	(1,746,973,271)
123	Investments held to maturity	4(b)	576,246,575,342	143,000,000,000
130	Short-term receivables		1,027,760,915,701	1,414,691,108,072
131	Short-term trade accounts receivable	5	779,145,697,468	977,244,254,697
132	Short-term prepayments to suppliers	6	1,319,702,415	12,132,087,477
136	Other short-term receivables	7(a)	339,804,590,295	535,457,030,688
137	Provision for doubtful debts - short term	8	(92,509,074,477)	(110,142,264,790)
140	Inventories	9	554,328,332,177	491,520,633,647
141	Inventories		566,764,914,571	491,520,633,647
149	Provision for decline in value of inventories		(12,436,582,394)	-
150	Other current assets		59,964,994,072	78,641,410,211
151	Short-term prepaid expenses	10(a)	3,800,347,178	6,824,043,847
152	Value Added Tax ("VAT") to be reclaimed	14(a)	55,989,337,265	70,937,680,847
153	Tax and other receivables from the State	14(a)	175,309,629	879,685,517

The notes on pages 10 to 55 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		1,315,280,181,893	1,285,373,034,372
210	Long-term receivable		25,655,000,000	25,037,000,000
216	Other long-term receivables	7(b)	25,655,000,000	25,037,000,000
220	Fixed assets		109,931,717,731	113,978,485,691
221	Tangible fixed assets	11(a)	11,594,408,350	15,641,176,310
222	Historical cost		73,670,945,382	80,844,207,093
223	Accumulated depreciation		(62,076,537,032)	(65,203,030,783)
227	Intangible fixed assets	11(b)	98,337,309,381	98,337,309,381
228	Historical cost		99,415,932,281	99,415,932,281
229	Accumulated amortisation		(1,078,622,900)	(1,078,622,900)
230	Investment properties	12	593,348,354,875	633,175,184,506
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(258,725,803,703)	(218,898,974,072)
240	Long-term asset in progress		806,632,906	806,632,906
242	Construction in progress		806,632,906	806,632,906
250	Long-term investments		473,774,576,772	403,277,867,316
251	Investments in subsidiaries	4(c)	400,311,972,126	400,311,972,126
252	Investments in associates	4(c)	108,202,457,249	30,359,957,249
253	Investments in other entities	4(c)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(c)	(36,739,852,603)	(29,394,062,059)
260	Other long-term asset		111,763,899,609	109,097,863,953
261	Long-term prepaid expenses	10(b)	111,763,899,609	109,097,863,953
270	TOTAL ASSETS		4,229,810,772,907	4,813,580,779,802

The notes on pages 10 to 55 are an integral part of these separate financial statements.

Form B 01 – DN

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		2,715,832,466,170	3,336,289,358,930
310	Short-term liabilities		2,637,905,093,512	3,238,267,488,993
311	Short-term trade accounts payable	13	912,867,013,051	980,583,705,076
312	Short-term advances from customers		557,604,957	401,760,729
313	Tax and other payables to the State	14(b)	1,136,736,393	10,278,828,797
314	Payable to employees		356,810,227	25,591,171,443
315	Short-term accrued expenses		2,484,600,159	157,500,002
318	Short-term unearned revenue	15	4,686,476,824	-
319	Other short-term payables	16(a)	112,565,603,974	30,989,108,893
320	Short-term borrowings	17(a)	1,595,181,734,261	2,179,256,118,308
322	Bonus and welfare funds	18	8,068,513,666	11,009,295,745
330	Long-term liabilities		77,927,372,658	98,021,869,937
337	Other long-term payables	16(b)	1,835,391,884	2,559,869,334
338	Long-term borrowings	17(b)	76,091,980,774	95,462,000,603
400	OWNERS' EQUITY		1,513,978,306,737	1,477,291,420,872
410	Capital and reserves		1,513,978,306,737	1,477,291,420,872
411	Owners' capital	19, 20	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	20	172,734,720,800	172,734,720,800
415	Treasury shares	20	(5,427,873,108)	(5,427,873,108)
418	Investment and development funds	20	259,111,461,673	259,111,461,673
421	Undistributed earnings	20	183,058,757,372	146,371,871,507
421a	- Undistributed post-tax profits of previous years		139,453,546,880	31,066,461,051
421b	- Post-tax profits of current year		43,605,210,492	115,305,410,456
440	TOTAL RESOURCES		4,229,810,772,907	4,813,580,779,802

Hoang Van Vung
Preparer

Tran Quang Huy
Chief Accountant

Phung Tuan Ha
Chairman
31 March 2023

7

SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from sales of goods and rendering of services	7,263,347,978,270	6,328,747,662,087
02	Less deductions	(266,901,584,762)	(69,259,967,378)
10	Net revenue from sales of goods and rendering of services	6,996,446,393,508	6,259,487,694,709
11	Cost of goods sold and services rendered	(6,778,279,231,966)	(6,114,298,512,933)
20	Gross profit from sales of goods and rendering of services	218,167,161,542	145,189,181,776
21	Financial income	146,729,601,331	127,937,571,336
22	Financial expenses	(269,825,245,271)	(49,189,358,121)
23	- Including: Interest expenses	(83,410,576,199)	(40,183,443,133)
25	Selling expenses	(4,451,084,962)	(11,660,342,680)
26	General and administration expenses	(32,072,195,160)	(80,144,378,995)
30	Net operating profit	58,548,237,480	132,132,673,316
31	Other income	1,733,757,642	1,500,433
32	Other expenses	(15,473,647,171)	(58,122,577)
40	Net other expenses	(13,739,889,529)	(56,622,144)
50	Net accounting profit before tax	44,808,347,951	132,076,051,172
51	Corporate income tax ("CIT") - current	(1,203,137,459)	(16,770,640,717)
52	CIT - deferred	-	-
60	Net profit after tax	43,605,210,492	115,305,410,455



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
31 March 2023

The notes on pages 10 to 55 are an integral part of these separate financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 03 – DN

SEPARATE CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
		2022	2021
Code	Note	VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	44,808,347,951	132,076,051,172
	Adjustments for:		
02	Depreciation and amortisation	42,515,427,863	43,734,276,730
03	Provisions	1,091,476,871	33,249,218,919
05	Profits from investing activities	(122,610,830,598)	(122,846,528,978)
06	Interest expense	83,410,576,199	40,183,443,133
08	Operating profit before changes in working capital	49,214,998,286	126,396,460,976
09	Decrease in receivables	342,902,113,878	194,017,700,035
10	Increase in inventories	(75,244,280,924)	(248,300,124,681)
11	Decrease in payables	(2,909,205,861)	(252,573,847,767)
12	Increase in prepaid expenses	357,661,013	(3,591,890,365)
13	Decrease/(increase) in trading securities	167,346,304,466	(170,671,035,983)
14	Interest paid	(84,376,929,466)	(46,237,202,410)
15	CIT paid	(11,399,285,136)	(11,182,303,342)
17	Other payments on operating activities	(9,859,106,706)	(5,355,366,667)
20	Net cash inflows/(outflows) from operating activities	376,032,269,550	(417,497,610,204)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	-	(1,295,631,818)
22	Proceeds from disposals of fixed assets	3,092,727,273	-
23	Deposits to bank with term above 3 months	(734,466,972,389)	(143,000,000,000)
24	Collection of deposits to bank with term above 3 months	301,220,397,047	10,000,000,000
25	Investments in other entities	(77,842,500,000)	-
27	Dividends and interest received	197,572,261,329	59,625,954,367
30	Net cash outflows from investing activities	(310,424,086,740)	(74,669,677,451)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from reissue of treasury shares	-	98,727,842,518
33	Proceeds from borrowings	7,137,551,892,820	4,736,548,653,623
34	Repayments of borrowings	(7,740,996,296,696)	(3,447,059,600,416)
36	Dividends paid to shareholders	-	(80,774,431,950)
40	Net cash (outflows)/inflows from financing activities	(603,444,403,876)	1,307,442,463,775
50	Net (decrease)/increase in cash and cash equivalents	(537,836,221,066)	815,275,176,120
60	Cash and cash equivalents at beginning of year	3 1,231,430,530,788	416,155,354,668
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	3 693,594,309,722	1,231,430,530,788



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
31 March 2023

The notes on pages 10 to 55 are an integral part of these separate financial statements.

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

1 GENERAL INFORMATION

PetroVietnam General Services Joint Stock Company ("the Corporation") is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 0300452060 dated 29 September 2006 and the latest (the 21th) amended Enterprise registration certificate dated 21 February 2023 which were issued by the Department of Planning and Investment of Ho Chi Minh City to update the charter capital after completing the issuance of shares to pay dividends (Note 34). The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group ("the Group" or "PVN").

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

The shareholders of the Corporation are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 19.

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

The principal activities of the Corporation include:

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

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

As at 31 December 2022, the Corporation had 50 employees (as at 31 December 2021: 61 employees).

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

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

1 GENERAL INFORMATION (continued)

Name	Place of incorporation and operation	Principal activities	31.12.2022		31.12.2021	
			Voting right %	Ownership %	Voting right %	Ownership %
Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh") (i)	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") (ii)	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") (iii)	Dong Nai Province	Packaging services for the paper products	100	79.97	100	79.97
Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (iv)	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 ("Pedaco") (v)	Binh Thuan province	Wastage treatment	-	-	48.5	21.34
Petro Environmental and Energy Services Joint Stock Company ("Petro")	Ho Chi Minh City	Manufacturing electricity	45	27	45	27
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) On 25 April 2022, according to Resolution no. 8A/NQ-PSD-HDQT of Board of Directors, PSD increased its ownership/voting right in Binh Minh Electronics Refrigeration Joint Stock Company from 51% to 92.5%.
- (ii) 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.
- (iii) As at 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. This investment was classified and presented as an indirect subsidiary of the Corporation for consolidation reporting purpose because PSD has not yet to re-sell this company after 12 months from the completion date of the acquisition transaction to the date of these separate financial statements.
- (iv) Vietecom is in liquidation progress.
- (v) As at 14 June 2022, Petroleum Logistics Service Joint Stock Company transferred all shares in Pedaco to the Corporation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of separate financial statements

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

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

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

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

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 2022 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Corporation and its subsidiaries.

2.2 Fiscal year

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.3 Currency**

The separate financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Corporation's accounting currency.

2.4 Exchange rates

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

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

2.5 Cash and cash equivalents

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

2.6 Receivables

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

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

2.7 Inventories

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

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined by the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of properties for sales includes land and construction costs of infrastructure, other direct, and overhead expenses incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the normal course of business less the estimated costs of completion and selling expenses.

The Corporation applies the perpetual system for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments****(a) 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 year end. The provision for diminution in value of trading securities is made when their cost is higher than their fair value. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

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

(b) Investments held-to-maturity

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments (continued)

(c) Investments in subsidiaries

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

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

(d) Investments in associates

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

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

(e) Investment in other entity

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

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

Provision for investments in subsidiaries, associates and other entities is made when there is a diminution in value of the investments at the year end.

Provision for investments in subsidiaries and associates is calculated based on the loss of investees.

Provision for investments in other entities is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries and associates.

Changes in the provision balance during the accounting year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method so as to write off the 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	14% - 50%
Motor vehicles	10% - 17%
Office equipment	20% - 33%
Computer software	12.5%

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 over the terms of the land use right certificates.

Land use rights with indefinite useful life are recorded at historical cost and are 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 separate income statement.

Construction in progress

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Operating leases**

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

2.11 Investment properties

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

Depreciation and amortisation

Investment properties held for lease are depreciated under the straight-line method so as to write off the depreciable amount of the 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 used are as follows:

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

Disposals

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

2.12 Prepaid expenses

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

Prepayments for land rental contracts which are not recorded as intangible assets as described in 2.9 are recorded as prepaid expenses, and allocated using the straight-line basis over the prepaid lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.13 Payables**

Classifications of payables are based on their nature as follows:

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

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

2.14 Borrowing

Borrowings include borrowings from banks and credit institutions.

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

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

2.15 Accrued expenses

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

2.16 Provisions

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Unearned revenue**

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

2.18 Capital and reserves**(a) Owners' capital**

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

(b) Share premium

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

(c) Treasury shares

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

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

(d) Undistributed earnings

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

2.19 Appropriation of profit

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

Net profit after CIT 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Appropriation of profit (continued)

The Corporation's funds are as below:

(a) Investment and development fund

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

(b) Bonus and welfare fund

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

2.20 Revenue recognition

(a) Revenue from sales of goods

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

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

No revenue is 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. If 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 separate income statement.

(b) Revenue from real estate sale

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

- The real estate 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Revenue recognition (continued)

(c) Revenue from rendering of services

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

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

(d) Revenue from rendering of operating lease services

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

(e) Interest income

Interest income is recognised on an earned basis.

(f) Income from dividend paid and profit shared

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

2.21 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 a deduction from the revenue of that year.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Cost of goods sold and services rendered

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

2.23 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities and expenses of borrowing.

2.24 Selling expenses

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

2.25 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.26 Current and deferred income tax

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Related parties

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

2.28 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.

2.29 Critical accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

- Provision for investments (Note 2.8);
- Estimation useful lives of the fixed assets (Note 2.9);
- Estimation useful lives of the investment properties (Note 2.11); and
- Provisions (Note 2.16)

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

	2022 VND	2021 VND
Cash on hand	304,001,359	539,217,036
Cash at bank	211,290,308,363	376,891,313,752
Cash equivalents (*)	482,000,000,000	854,000,000,000
	<u>693,594,309,722</u>	<u>1,231,430,530,788</u>

(*) As at 31 December 2022, cash equivalents represented the term deposits in VND with an original maturity of three months or less, and earn interest at the average rates from 4.6% per annum to 6% per annum (as at 31 December 2021: from 3.5% per annum to 4.0% per annum).

As at 31 December 2022 and as at 31 December 2021, a term deposit with maturity of 1 month amount of VND10billion was pledged as a collateral asset for borrowings granted to a subsidiary of the Corporation.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS

(a) Trading securities

	2022			2021		
	Cost VND	Fair value (*) VND	Provision VND	Cost VND	Fair value (*) VND	Provision VND
Vietnam Export Import Commercial Joint Stock Bank ("EIB")	1,368,850,000	1,425,450,000	-			
VIX Securities Joint Stock Company ("VIX")	-	-	-	25,800,828,415	47,155,350,000	-
Vietnam Electrical Equipment Joint Stock Corporation ("GEX")	-	-	-	27,767,640,065	30,161,852,850	-
SAM Holdings Corporation ("SAM")	-	-	-	18,805,034,608	23,200,750,000	-
Thanh Dat Investment Development Joint Stock Company ("DTD")	-	-	-	18,909,793,143	20,817,540,000	-
Others	1,955,881,517	1,210,014,000	(689,267,517)	79,387,739,752	80,676,135,000	(1,746,973,271)
	<u>3,324,731,517</u>	<u>2,635,464,000</u>	<u>(689,267,517)</u>	<u>170,671,035,983</u>	<u>202,011,627,850</u>	<u>(1,746,973,271)</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 separate balance sheet date and quantity of shares held by the Corporation.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(b) Investments held-to-maturity

	2022		2021	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	576,246,575,342	576,246,575,342	143,000,000,000	143,000,000,000

As at 31 December 2022, term deposits include the VND bank deposits with the original maturity of over 3 months but remaining maturity of less than 12 months, and earn interest at the rate from 2.5% per annum to 11% per annum (as at 31 December 2021: 4.0% per annum).

(c) Investments in other entities

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in subsidiaries (i)	400,311,972,126	(25,791,016,490)	400,311,972,126	(25,791,016,490)
Investments in associates (ii)	108,202,457,249	(8,948,836,113)	30,359,957,249	(1,603,045,569)
Investment in another other entity (iii)	2,000,000,000	(2,000,000,000)	2,000,000,000	(2,000,000,000)
	510,514,429,375	(36,739,852,603)	432,671,929,375	(29,394,062,059)

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(c) Equity investments in other entities (continued)

(i) Investments in subsidiaries

Details of investments in subsidiaries are as follows:

No	Company	Principal activities	Place of incorporation and operation	As at 31.12.2022					As at 31.12.2021				
				Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND
1	Petroleum General Distribution Services Joint Stock Company ("PSD") (i)	Distribution of telecommunication equipment and electronic equipment	Ho Chi Minh City	79.97	79.97	113,600,000,000	539,091,072,000	-	79.97	79.97	113,600,000,000	807,287,040,000	-
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai province	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-
3	PetroVietnam Assets Management Joint Stock Company ("PSA")	Operating in property management and services	Ha Noi city	71.46	71.46	58,962,908,969	(*)	-	71.46	71.46	58,962,908,969	(*)	-
4	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Ba Ria - Vung Tau province	70	70	64,341,999,232	(*)	-	70	70	64,341,999,232	(*)	-
5	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	31,681,662,678	(*)	-	60	60	31,681,662,678	(*)	-
6	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic components, peripheral devices and software	Ho Chi Minh City	55	55	16,500,000,000	(*)	(16,500,000,000)	55	55	16,500,000,000	(*)	(16,500,000,000)
7	Petrolisco SSG Company Limited ("PSSSG") (ii)	Real estate business	Ho Chi Minh City	21.46	51	10,733,401,247	(*)	-	21.46	51	10,733,401,247	(*)	-
8	Petrolisco Retail Services Joint Stock Company ("PSR")	Mobile phones retailing	Ho Chi Minh City	72.75	75	7,650,000,000	(*)	(7,650,000,000)	72.75	75	7,650,000,000	(*)	(7,650,000,000)
9	Petroleum Logistics Service Joint Stock Company ("PSL") (iii)	Transportation service	Ho Chi Minh City	44	66.67	6,600,000,000	(*)	-	44	66.67	6,600,000,000	(*)	-
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-
11	Petroleum Saigon General Services Company Limited ("PSG") (iv)	Stopped operations and on liquidation process	Ho Chi Minh City	100	100	10,400,000,000	(*)	(1,641,016,490)	100	100	10,400,000,000	(*)	(1,641,016,490)
				400,311,972,126					400,311,972,126				
				(25,791,016,490)					(25,791,016,490)				

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(c) Equity investments in other entities (continued)

(i) Investments in subsidiaries (continued)

(*) As at 31 December 2022 and 31 December 2021, the Corporation has not determined the fair value of these investments to disclose on the separate financial statements because they do not have listed prices.

(i) The fair value of the investment in PSD was determined based on the closing price of the closest transaction date before 31 December 2022 and 31 December 2021.

(ii) As at 31 December 2022 and 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 51% voting right from its representatives in the Board of Directors of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.

(iii) As at 31 December 2022 and 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 2/3 voting rights from its representatives in the Board of Directors of PSL. Therefore, the Corporation controls PSL and PSL has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.

(iv) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. From 2013 until now, PSG has had no business activities incurred.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(c) Equity investments in other entities (continued)

(ii) Investment in associates

Details of investments in associates are as follows:

Company	Principal activities	Place of incorporation and operation	Ownership and voting right %	As at 31.12.2022			As at 31.12.2021		
				Cost VND	Fair value VND	Provision VND	Ownership and voting right %	Cost VND	Fair value VND
Pedaco Green Environment	Waste water treatment	Binh Thuan province	48.5	77,842,500,000	(*)	(7,345,790,544)	-	-	-
Join Stock Company	Office leasing service	Ba Ria - Vung Tau Province	24	14,359,957,249	(*)	(1,603,045,569)	24	14,359,957,249	(1,603,045,569)
Petro Tower Limited									
Company									
Vinh Hoa Emerald Bay									
International Hospitality									
Company Limited (**)	Hospitality service	Phu Yen Province	20	16,000,000,000	(*)	-	20	16,000,000,000	(*)
				108,202,457,249		(8,948,836,113)		30,359,957,249	(1,603,045,569)

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

(**) According to the Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND11.2 billion and has contributed VND16 billion.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

4 INVESTMENTS (continued)

(c) Equity investments in other entities (continued)

(iii) Investment in other entity

Detail of investment in other entity is as follows:

Company	As at 31.12.2022				As at 31.12.2021			
	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND
PetroVietnam Central Biofuels Joint Stock Company	0.2	2,000,000,000	(2,000,000,000)	(*)	0.2	2,000,000,000	(2,000,000,000)	(*)

(*) As at 31 December 2022 and 31 December 2021, the Corporation had not determined the fair value of these investments to disclose in the separate 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

	2022 VND	2021 VND
Third parties	10,152,086,936	19,012,642,978
Related parties (Note 31(b))	768,993,610,532	958,231,611,719
	<u>779,145,697,468</u>	<u>977,244,254,697</u>

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

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

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2022 VND	2021 VND
Apple Vietnam Limited Liability Company	-	9,837,938,000
Others	1,319,702,415	2,294,149,477
	<u>1,319,702,415</u>	<u>12,132,087,477</u>

7 OTHER RECEIVABLES

(a) Short-term

	2022		2021	
	Book value VND	Provision VND	Book value VND	Provision VND
Other receivables from related parties (Note 31(b))	270,475,200,796	(89,078,093,929)	387,372,422,627	(89,078,093,929)
Dividend receivables from related parties (Note 31(b))	44,419,104,000	-	131,560,155,290	-
Others	24,910,285,499	(290,637,834)	16,524,452,771	(3,571,937,923)
	<u>339,804,590,295</u>	<u>(89,368,731,763)</u>	<u>535,457,030,688</u>	<u>(92,650,031,852)</u>

As at 31 December 2022 and 31 December 2021, the balances of other short-term receivables which were past due were considered for provision of doubtful debts as presented in Note 8.

7 OTHER RECEIVABLES (continued)

(b) Long-term

As at 31 December 2022 and 31 December 2021, the balance of other long-term receivables mainly include long-term deposits.

8 DOUBTFUL DEBTS

As at 31 December 2022 and 31 December 2021, the balance of short-term receivables from customers and other short-term receivables that are past due have been considered for provision for doubtful debts are presented as follows:

	2022			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
A subsidiary relating to working capital support	262,603,299,106	173,525,205,177	89,078,093,929	Over 3 years
Others	3,430,980,548	-	3,430,980,548	Over 3 years
	<u>266,034,279,654</u>	<u>173,525,205,177</u>	<u>92,509,074,477</u>	
	2021			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
A subsidiary relating to working capital support	307,379,141,852	218,301,047,923	89,078,093,929	Over 3 years
Human Resources Development Company Limited	9,843,500,000	-	9,843,500,000	Over 3 years
Others	36,330,154,411	25,109,483,550	11,220,670,861	From 1 year to 3 years
	<u>353,552,796,263</u>	<u>243,410,531,473</u>	<u>110,142,264,790</u>	

9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	96,698,910,896	-	471,706,199,546	-
Merchandises				
- Air conditioner	457,629,421,281	-	-	-
- Real estate	-	-	3,111,210,072	-
- Others	12,436,582,394	(12,436,582,394)	16,703,224,029	-
	<u>566,764,914,571</u>	<u>(12,436,582,394)</u>	<u>491,520,633,647</u>	<u>-</u>

10 PREPAID EXPENSES

(a) Short-term

	2022 VND	2021 VND
Guarantee payment services expenses	3,747,398,633	4,969,241,683
Others	52,948,545	1,854,802,164
	<u>3,800,347,178</u>	<u>6,824,043,847</u>

(b) Long-term

	2022 VND	2021 VND
Operating leases	103,535,764,754	106,356,477,086
Guarantee payment services expenses	6,512,169,846	-
Others	1,715,965,009	2,741,386,867
	<u>111,763,899,609</u>	<u>109,097,863,953</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2022	61,670,169,589	7,509,514,795	8,696,893,329	2,967,629,380	80,844,207,093
Disposals	-	-	(7,173,261,711)	-	(7,173,261,711)
As at 31 December 2022	61,670,169,589	7,509,514,795	1,523,631,618	2,967,629,380	73,670,945,382
Accumulated depreciation					
As at 1 January 2022	49,412,344,211	7,008,082,140	5,894,301,033	2,888,303,399	65,203,030,783
Charge for the year	1,804,670,361	241,928,562	562,673,328	79,325,981	2,688,598,232
Disposals	-	-	(5,815,091,983)	-	(5,815,091,983)
As at 31 December 2022	51,217,014,572	7,250,010,702	641,882,378	2,967,629,380	62,076,537,032
Net book value					
As at 1 January 2022	12,257,825,378	501,432,655	2,802,592,296	79,325,981	15,641,176,310
As at 31 December 2022	10,453,155,017	259,504,093	881,749,240	-	11,594,408,350

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2022 was VND29,846 billion (as at 31 December 2021: VND24,419 billion).

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2022 and 31 December 2022	98,337,309,381	1,078,622,900	99,415,932,281
Accumulated amortisation			
As at 1 January 2022 and 31 December 2022	-	1,078,622,900	1,078,622,900
Net book value			
As at 1 January 2022 and 31 December 2022	98,337,309,381	-	98,337,309,381

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2022 and 31 December 2021 was VND1,078,622,900.

12 INVESTMENT PROPERTIES

	Buildings VND
Historical cost	
As at 1 January 2022 and 31 December 2022	852,074,158,578
Accumulated depreciation	
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
Net book value	
As at 1 January 2022	633,175,184,506
As at 31 December 2022	593,348,354,875

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

As at 31 December 2022 and 31 December 2021, all investment properties have been pledged as collateral assets for the bank loans (Note 17).

12 INVESTMENT PROPERTIES (continued)

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

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2022		2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
<i>Apple Vietnam</i>				
<i>Limited Liability</i>				
<i>Company</i>	755,105,026,055	755,105,026,055	708,709,527,680	708,709,527,680
<i>Others</i>	1,991,010,912	1,991,010,912	12,305,520,525	12,305,520,525
	<u>757,096,036,967</u>	<u>757,096,036,967</u>	<u>721,015,048,205</u>	<u>721,015,048,205</u>
Related parties				
(Note 31(b))	155,770,976,084	155,770,976,084	259,568,656,871	259,568,656,871
	<u>912,867,013,051</u>	<u>912,867,013,051</u>	<u>980,583,705,076</u>	<u>980,583,705,076</u>

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

14 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2022 VND	Receivable/ payable VND	Paid VND	Reclassify/ net off VND	As at 31.12.2022 VND
(a) Tax receivables					
VAT to be reclaimed	70,937,680,847	686,714,615,327	-	(701,662,958,909)	55,989,337,265
Others	879,685,517	-	-	(704,375,888)	175,309,629
	<u>71,817,366,364</u>	<u>686,714,615,327</u>	<u>-</u>	<u>(702,367,334,797)</u>	<u>56,164,646,894</u>
(b) Tax payables					
CIT	10,196,147,677	1,203,137,459	(11,399,285,136)	-	-
VAT	-	702,074,312,530	(411,353,621)	(701,662,958,909)	-
Personal income tax	82,681,120	3,100,441,257	(2,046,385,984)	-	1,136,736,393
Others	-	704,375,888	-	(704,375,888)	-
	<u>10,278,828,797</u>	<u>707,082,267,134</u>	<u>(13,857,024,741)</u>	<u>(702,367,334,797)</u>	<u>1,136,736,393</u>

15 SHORT-TERM UNEARNED REVENUE

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

16 OTHER PAYABLES

(a) Short-term

	2022 VND	2021 VND
Payables to related parties for working capital support (Note 31(b))	98,706,552,586	18,209,310,193
Other payables to related parties ((Note 31(b))	8,977,048,520	6,219,587,094
Others	4,882,002,868	6,560,211,606
	<u>112,565,603,974</u>	<u>30,989,108,893</u>

(b) Long-term

	2022 VND	2021 VND
Land rental payable	1,323,976,584	2,222,909,034
Others	511,415,300	336,960,300
	<u>1,835,391,884</u>	<u>2,559,869,334</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

17 BORROWINGS

(a) Short-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	Reclassification VND	As at 31.12.2022 VND
Borrowings from credit institutions (i)	2,073,617,884,005	6,936,451,657,914	(7,480,109,505,466)	-	1,529,960,036,453
Current portion of long-term borrowings (Note 17(b))	105,638,234,303	-	(105,638,234,303)	65,221,697,808	65,221,697,808
	<u>2,179,256,118,308</u>	<u>6,936,451,657,914</u>	<u>(7,585,747,739,769)</u>	<u>65,221,697,808</u>	<u>1,595,181,734,261</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

17 BORROWINGS (continued)

(i) Borrowings from credit institutions

Details of borrowings from credit institutions are as follows:

Lender	Currency	Credit limit (billion)	Collaterals	Credit limit expiration date	31.12.2022 VND	31.12.2021 VND
Bank borrowings						
Vietnam Joint Stock Commercial Bank for Industry And Trade	VND	600	Unsecured	31 January 2023	101,626,892,662	599,985,502,259
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	400	Unsecured	12 June 2023	397,192,840,000	397,282,352,742
Vietnam Prosperity Joint Stock Commercial Bank	VND	700	Unsecured	13 May 2023	75,989,496,000	329,773,807,267
Bank for Investment and Development of Vietnam	VND	800	Unsecured	15 December 2023	456,839,266,133	267,903,386,416
Joint Stock Company	VND	450	Unsecured	3 October 2022	-	248,718,497,874
Military Commercial Joint Stock Bank	VND	270	Unsecured	1 March 2023	199,996,062,200	199,568,567,814
Vietnam Commercial Joint Stock Export Import Bank	VND	250	Unsecured	4 July 2023	120,335,094,458	-
Vietnam International Commercial Joint Stock Bank	VND	628	(*)	1 August 2023	177,980,385,000	-
HSBC Bank (Vietnam) Ltd.					1,529,960,036,453	2,043,232,114,372
Margin borrowings						
VNDirect Securities Corporation	VND		Securities purchased by margin borrowings		-	19,979,283,116
RongViet Securities Corporation	VND		Securities purchased by margin borrowings		-	10,406,486,517
					1,529,960,036,453	2,073,617,884,005

(*) The credit limits were secured by guarantee letter from subsidiaries and term deposits (Note 4)

Bank borrowings are for the working capital. the interest rates of the borrowings are determined at the time of disbursement.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

17 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	Reclassification	As at 31.12.2022 VND
Asia Commercial Joint Stock Bank ("ACB")	95,462,000,603	-	(95,462,000,603)	-	-
Shinhan Bank Vietnam	-	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>

Borrowings with Shinhan Bank Vietnam had a credit limit of VND217.8 billion and born interest at the fixed rates of 7.8%. The purpose of borrowings are to finance the construction of Nghi Son Project. The maturity is on 2 February 2025 and the borrowings are secured by assets formed from Nghi Son Project (Note 12); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project.

18 BONUS AND WELFARE FUND

	2022 VND	2021 VND
Beginning of year	11,009,295,745	11,286,689,915
Increase in year (Note 20)	6,918,324,627	5,077,972,497
Utilisation	(9,859,106,706)	(5,355,366,667)
End of year	<u>8,068,513,666</u>	<u>11,009,295,745</u>

19 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	<u>89,837,424</u>	<u>-</u>	<u>89,837,424</u>	<u>-</u>

(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	<u>90,450,124</u>	<u>100%</u>	<u>90,450,124</u>	<u>100%</u>

(c) Movements of share capital

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

Par value per share: VND10,000.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

20 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2021	866,001,240,000	133,918,052,614	(26,839,047,440)	259,111,461,673	119,714,957,549	1,351,906,664,396
ESOP shares issued	38,500,000,000	-	-	-	-	38,500,000,000
Sales of treasury shares	-	38,816,668,186	21,411,174,332	-	-	60,227,842,518
Net profit for the year	-	-	-	-	115,305,410,455	115,305,410,455
Dividends paid	-	-	-	-	(83,570,524,000)	(83,570,524,000)
Appropriation to bonus and welfare fund	-	-	-	-	(5,077,972,497)	(5,077,972,497)
As at 31 December 2021	904,501,240,000	172,734,720,800	(5,427,873,108)	259,111,461,673	146,371,871,507	1,477,291,420,872
Profit for the year	-	-	-	-	43,605,210,492	43,605,210,492
Appropriation to bonus and welfare fund (*)	-	-	-	-	(6,918,324,627)	(6,918,324,627)
As at 31 December 2022	904,501,240,000	172,734,720,800	(5,427,873,108)	259,111,461,673	183,058,757,372	1,513,978,306,737

(*) According to the Corporation's General Shareholders Resolution dated 28 June 2022, the Corporation's General Shareholders approved the appropriation to the bonus and welfare fund from the profit of financial year 2021 with a total amount of VND6,918,324,627 (Note 18).

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 the rate 10% of the total number of outstanding shares and has completed the issuance of shares to pay dividends (Note 34).

21 OFF SEPARATE BALANCE SHEET ITEMS

(a) Foreign currency

As at 31 December 2022, included in cash and cash equivalents are balances held in foreign currency of USD4,637 (as at 31 December 2021: USD3,939).

(b) Commitments

As at 31 December 2022 and 31 December 2021, the commitments of the Corporation are presented in Note 32.

22 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2022 VND	2021 VND
Revenue		
Revenue from sale of merchandise	7,083,012,840,928	6,148,600,815,139
Revenue from rendering of operating lease services	127,056,046,433	144,608,846,948
Revenue from rendering of management services to related parties (Note 31(a))	48,830,000,000	35,538,000,000
Revenue from sale of real estate properties	4,449,090,909	-
	<u>7,263,347,978,270</u>	<u>6,328,747,662,087</u>
Sales deductions		
Trade discounts	(266,033,453,918)	(68,716,464,288)
Sales returns	(868,130,844)	(543,503,090)
	<u>(266,901,584,762)</u>	<u>(69,259,967,378)</u>
Net revenue		
Net revenue from sales of merchandises	6,816,111,256,166	6,079,340,847,761
Net revenue from rendering of operating lease services	127,056,046,433	144,608,846,948
Net revenue from rendering of management services to related parties (Note 31(a))	48,830,000,000	35,538,000,000
Net revenue from sale of real estate properties	4,449,090,909	-
	<u>6,996,446,393,508</u>	<u>6,259,487,694,709</u>

23 COST OF GOODS SOLD AND SERVICE RENDERED

	2022 VND	2021 VND
Cost of merchandises sold	6,667,995,246,474	6,012,250,989,748
Cost of operating lease services rendered	95,253,571,050	102,047,523,185
Cost of real estate properties sold	2,593,832,048	-
Provision for decline in value of inventories	12,436,582,394	-
	<u>6,778,279,231,966</u>	<u>6,114,298,512,933</u>

24 FINANCIAL INCOME

	2022 VND	2021 VND
Dividend income (Note 31(a))	62,238,544,000	76,543,990,000
Profit from trading securities	25,853,328,278	36,218,263,026
Interest income	51,719,971,166	10,702,483,496
Income earned from working capital support (Note 31(a))	6,917,757,887	4,456,195,481
Others	-	16,639,333
	<u>146,729,601,331</u>	<u>127,937,571,336</u>

25 FINANCIAL EXPENSES

	2022 VND	2021 VND
Interest expenses	83,410,576,199	40,183,443,133
Loss from trading securities	178,582,359,381	5,074,403,025
Provision for diminution in value of long-term investments	7,345,790,544	2,144,518,919
Others	486,519,147	1,786,993,044
	<u>269,825,245,271</u>	<u>49,189,358,121</u>

26 SELLING EXPENSES

	2022 VND	2021 VND
Staff costs	2,365,878,167	3,324,659,034
Others	2,085,206,795	8,335,683,646
	<u>4,451,084,962</u>	<u>11,660,342,680</u>

27 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Staff costs	17,036,223,221	19,268,097,088
Depreciation	2,165,244,164	2,521,770,914
Tax and legal fee	2,811,405,590	3,111,935,508
(Reversal of provision)/provision for doubtful debts	(17,633,190,313)	31,104,700,000
Office rental	3,569,922,000	2,691,090,000
Outsource service	13,797,568,239	12,842,009,876
Others	10,325,022,259	8,604,775,609
	<u>32,072,195,160</u>	<u>80,144,378,995</u>

28 OTHER EXPENSES

	2022 VND	2021 VND
Land tax arrears (*)	14,890,722,948	-
Others	582,924,223	58,122,577
	<u>15,473,647,171</u>	<u>58,122,577</u>

(*) This is the land tax arrears at the land no. 1-5 Le Duan, Ben Nghe, District 1, Ho Chi Minh City.

29 CIT

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

	2022 VND	2021 VND
Net accounting profit before tax	44,808,347,951	132,076,051,172
Tax calculated at a rate of 20%	8,961,669,590	26,415,210,234
Effect of:		
Income not subject to tax	(12,447,708,800)	(15,308,798,000)
Non-deductible expenses	4,320,853,813	5,664,228,483
Under-provision in previous years	368,322,856	-
CIT charge	<u>1,203,137,459</u>	<u>16,770,640,717</u>
Charged to separate income statement:		
CIT – current	1,203,137,459	16,770,640,717
CIT– deferred	-	-
	<u>1,203,137,459</u>	<u>16,770,640,717</u>

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

30 COSTS OF OPERATION BY FACTOR

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

	2022 VND	2021 VND
Depreciation	42,515,427,863	43,734,276,730
(Reversal of provision)/provision for doubtful debts	(17,633,190,313)	31,104,700,000
Provision for decline in value of inventories	12,436,582,394	-
Staff costs	19,402,101,388	22,592,756,122
Management fee from Nghi Son Project	13,389,525,822	22,096,488,347
Management fee (Note 31(a))	15,528,960,000	16,136,033,508
Others	58,574,026,412	58,187,990,153
	<u>144,213,433,566</u>	<u>193,852,244,860</u>

31 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 23.3% of the Corporation's share capital (Note 19).

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

Details of subsidiaries and associates are given in Note 1.

Details of the key related parties and relationship which incurred transactions and balances with the Corporation are given as below:

Name	Relationship
Vietnam Oil and Gas Group	Shareholder
Petrosetco Vung Tau General Services JSC	Subsidiary
Viet Nam Petroleum Logistics Services JSC	Subsidiary
Petroleum General Distribution Services JSC	Subsidiary
Petroleum High Technology Products Distribution JSC	Subsidiary
Binh Minh Refrigeration JSC	Subsidiary
Petroleum Offshore Trading and Services Company Limited	Subsidiary
Petrosetco Assets Management JSC	Subsidiary
Smart Convergence JSC	Subsidiary
Mien Trung Petroleum Services and Trading JSC	Subsidiary
PEDACO Green Environment JSC	Associate
PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo)	Fellow group subsidiary
Nghi Son Refinery and Petrochemical LLC	Fellow group subsidiary

31 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

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

	2022 VND	2021 VND
(i) Sales of goods and services		
Subsidiaries	6,885,563,112,764	6,205,292,791,141
Affiliate companies in PVN	87,048,910,133	90,330,307,769
(ii) Purchases of goods and services		
PVN	17,321,276,012	17,852,009,248
Subsidiaries	78,032,819,875	2,365,237,947
Affiliate companies in PVN	394,929,906	585,986,156
(iii) Compensation of key management		
Gross salaries and other benefits	4,377,612,848	3,737,583,335
In which:		
Phung Tuan Ha - Chairman	1,046,500,000	938,789,690
Vu Tien Duong - General Director	915,166,667	817,168,463
Ho Minh Viet - Deputy General Director	667,500,000	632,666,667
Pham Thi Hong Diep - Deputy General Director	729,500,000	762,959,594
Nguyen Quy Thinh - Member of Board of Director	48,000,000	-
Trinh Van Can - Member of Board of Director	48,000,000	-
Huynh Van Ngan - Deputy General Director	26,500,000	23,500,000
Tran Quang Huy - Chief Accountant	896,446,181	562,498,921
(iv) Management fee		
Fee charged to subsidiaries (Note 22)	48,830,000,000	35,538,000,000
Fee charged by a subsidiary	15,528,960,000	16,136,033,508
(v) Interest income from working capital support (Note 24)		
Subsidiaries	6,917,757,887	4,456,195,481

31 RELATED PARTY DISCLOSURES (continued)
(a) Related party transactions (continued)

	2022 VND	2021 VND
(vi) Dividend income (Note 24)		
Subsidiaries	62,238,544,000	76,543,990,000
(vii) Dividend distribution to		
PVN	-	20,973,851,000
Subsidiaries	-	116,430,000
(viii) Capital support (*)		
Collection of capital support from the subsidiaries	5,181,159,597,827	6,041,382,565,044
Proceed of capital support to the subsidiaries	5,065,233,451,397	5,564,109,317,881
(*) This is capital support for subsidiaries to cover business activities during the year and has an interest rate of 4-8% per annum.		
(ix) Proceeds from disposals of fixed assets		
Subsidiaries	3,092,727,273	-

(b) Year-end balances with related parties

	2022 VND	2021 VND
Short-term trade accounts receivable (Note 5)		
Subsidiaries	750,138,832,694	924,387,581,743
Affiliate companies in PVN	18,396,777,838	33,844,029,976
Associates	458,000,000	-
	768,993,610,532	958,231,611,719
Other short-term receivables (Note 7)		
Subsidiaries	314,894,304,796	518,932,577,917

31 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties (continued)

	2022 VND	2021 VND
Short-term trade accounts payable (Note 13)		
PVN	152,446,782,204	259,181,283,511
Subsidiaries	3,324,193,880	167,373,360
Affiliate companies in PVN	-	220,000,000
	<u>155,770,976,084</u>	<u>259,568,656,871</u>
Other short-term payables (Note 16(a))		
PVN	8,977,048,520	6,219,587,094
Subsidiaries	98,706,552,586	18,209,310,193
	<u>107,683,601,106</u>	<u>24,428,897,287</u>

32 COMMITMENTS

(a) Commitments under operating leases

(i) The Corporation as the lessee

As at 31 December 2022 and 31 December 2021, the Corporation is required to pay the minimum rates for future irrevocable operating leases including: land lease, warehouse lease and future office lease as follows:

	2022 VND	2021 VND
Within one year	965,655,872	15,999,768,000
Between one and five years	3,862,623,487	3,847,031,048
Over five years	49,368,887,609	50,350,135,920
Total minimum payments	<u>54,197,166,968</u>	<u>70,196,934,968</u>

(ii) The Corporation as the lessor

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

	2022 VND	2021 VND
Within one year	130,759,756,179	111,553,525,419
Between one and five years	293,893,896,001	339,665,335,460
Over five years	12,940,800,000	-
Total minimum receivables	<u>437,594,452,180</u>	<u>451,218,860,879</u>

31 COMMITMENTS (continued)

(b) Capital contribution commitments

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

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

(*) In December 2010, the Corporation agreed to contribute its capital obligation into PSSSG with the charter capital of VND229.5 billion, accounting for 51% of the ownership. Until 31 December 2022, the Corporation contributed VND10.7 billion.

(**) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Management decided to invest in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. Until 31 December 2022, the shareholders of ITS have not yet contributed their capital obligations.

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

(c) Commitments of credit guarantees

As at 31 December 2022, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with a total amount of VND5,055 billion and USD\$10 million (as at 31 December 2021: VND3,520 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with a total amount of VND235 billion and US\$8.2 million (as at 31 December 2021: USD11.6 million). Accordingly, the Corporation is liable to repayments of principals, interests, guarantee costs and other underwriting expenses to suppliers and bankers in case the Corporation's subsidiaries are not able to repay or repay in a timely manner.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

32 SEGMENT REPORTING

Geographical segment

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

Business activity segment

Total assets and liabilities by segment of the Corporation as below:

	Year ended 31 December 2022			
	Operating leases VND	Management services and other service VND	Electronic products VND	Total VND
Total assets by segment	593,348,354,875	-	3,636,462,418,032	4,229,810,772,907
Total liabilities by segment	-	-	2,715,832,466,170	2,715,832,466,170
	Year ended 31 December 2021			
	Operating leases VND	Management services and other service VND	Electronic products VND	Total VND
Total assets by segment	633,175,184,506	-	4,180,405,595,296	4,813,580,779,802
Total liabilities by segment	-	-	3,336,289,358,930	3,336,289,358,930

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

32 SEGMENT REPORTING (continued)

Business activity segment (continued)

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

	Year ended 31 December 2022			
	Operating leases VND	Management services and other service VND	Electronic products VND	Total VND
Net revenue	127,056,046,433	48,830,000,000	6,820,560,347,075	6,996,446,393,508
Cost of goods sold	(95,253,571,050)	-	(6,683,025,660,916)	(6,778,279,231,966)
Gross profit	31,802,475,383	48,830,000,000	137,534,686,159	218,167,161,542
Financial income				146,729,601,331
Financial expenses				(269,825,245,271)
Selling expenses				(4,451,084,962)
General and administration expenses				(32,072,195,160)
Other income				1,733,757,642
Other expenses				(15,473,647,171)
Net accounting profit before tax				44,808,347,951

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

32 SEGMENT REPORTING (continued)

Business activity segment (continued)

	Year ended 31 December 2021			
	Operating leases VND	Management services and other service VND	Electronic products VND	Total VND
Net revenue	144,608,846,948	35,538,000,000	6,079,340,847,761	6,259,487,694,709
Cost of goods sold	(102,047,523,185)	-	(6,012,250,989,748)	(6,114,298,512,933)
Gross profit	42,561,323,763	35,538,000,000	67,089,858,013	145,189,181,776
Financial income				127,937,571,336
Financial expenses				(49,189,358,121)
Selling expenses				(11,660,342,680)
General and administration expenses				(80,144,378,995)
Other income				1,500,433
Other expenses				(58,122,577)
Net accounting profit before tax				132,076,051,172

33 EVENTS AFTER THE SEPARATE 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 8,981,873 shares to pay dividends.

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



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman

