

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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TABLE OF CONTENTS	PAGE
Corporate information	1
Statement by the Chairman	2
Report on review of interim separate financial information	3
Interim separate balance sheet (Form B 01a – DN)	5
Interim separate income statement (Form B 02a – DN)	8
Interim separate cash flow statement (Form B 03a – DN)	9
Notes to the interim separate financial statements (Form B 09a – DN)	10

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise registration certificate

No. 4103005338 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest 20th amended Enterprise registration certificate dated 24 January 2022.

Board of Directors

Mr. Phung Tuan Ha	Chairman
Mr. Vu Tien Duong	Member
Ms. Pham Thi Hong Diep	Member
Mr. Trinh Thanh Can	Member (to 28 June 2022)
Mr. Nguyen Quy Thinh	Member (to 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

Ms. Nguyen Thi Thi Trang	Head
Mr. Le Minh Kha	Member
Mr. Nguyen Minh Tan	Member (to 28 June 2022)
Mr. Tran Cong Luan	Member (until 28 June 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
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Registered office

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

Auditor

PwC (Vietnam) Limited

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The Chairman of the Board of Directors ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Corporation") is responsible for preparing the interim separate financial statements of the Corporation which give a true and fair view of the interim separate financial position of the Corporation as at 30 June 2022, the interim separate results of its operations, and its interim separate cash flows for the six-month period then ended. In preparing these interim separate financial statements, the Chairman is required to:

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

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

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying interim separate financial statements as set out on pages 5 to 57 which give a true and fair view of the interim separate financial position of the Corporation as at 30 June 2022, of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements.

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2022 in order to obtain full information of the interim consolidated financial position, interim consolidated results of operations, and interim consolidated cash flows of the Corporation and its subsidiaries.



Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
26 August 2022



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

We have reviewed the accompanying interim separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared and approved by the Chairman of the Corporation on 26 August 2022. The interim separate financial statements comprise the interim separate balance sheet as at 30 June 2022, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements including significant accounting policies, as set out on pages 5 to 57.

The Chairman's Responsibility

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

Auditor's Responsibility

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

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements does not present fairly, in all material respects, the interim separate financial position as at 30 June 2022, interim separate financial performance and interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim separate financial statements.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM12687
Ho Chi Minh City, 26 August 2022

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2022 VND	31.12.2021 VND
100	CURRENT ASSETS		2,991,502,987,185	3,528,207,745,430
110	Cash and cash equivalents	3	1,341,941,114,715	1,231,430,530,788
111	Cash		426,941,114,715	377,430,530,788
112	Cash equivalents		915,000,000,000	854,000,000,000
120	Short-term investments		486,762,112,450	311,924,062,712
121	Trading securities	4(a)	309,099,639,116	170,671,035,983
122	Provision for diminution in value of trading securities	4(a)	(132,337,526,666)	(1,746,973,271)
123	Investments held to maturity	4(b)	310,000,000,000	143,000,000,000
130	Short-term receivables		893,409,764,694	1,414,691,108,072
131	Short-term trade accounts receivable	5	512,466,965,737	977,244,254,697
132	Short-term prepayments to suppliers	6	2,216,082,911	12,132,087,477
136	Other short-term receivables	7(a)	470,783,888,208	535,457,030,688
137	Provision for doubtful debts – short term	8	(92,057,172,162)	(110,142,264,790)
140	Inventories	9	236,403,432,612	491,520,633,647
141	Inventories		236,403,432,612	491,520,633,647
150	Other current assets		32,986,562,714	78,641,410,211
151	Short-term prepaid expenses	10(a)	3,030,710,518	6,824,043,847
152	Value Added Tax ("VAT") to be reclaimed	14(a)	29,768,404,796	70,937,680,847
153	Tax and other receivables from the State	14(a)	187,447,400	879,685,517

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS (continued)	Note	As at	
			30.6.2022 VND	31.12.2021 VND
200	LONG-TERM ASSETS		1,344,884,975,614	1,285,373,034,372
210	Long-term receivable		24,737,000,000	25,037,000,000
216	Other long-term receivables	7(b)	24,737,000,000	25,037,000,000
220	Fixed assets		111,344,791,128	113,978,485,691
221	Tangible fixed assets	11(a)	13,007,481,747	15,641,176,310
222	Historical cost		74,313,766,291	80,844,207,093
223	Accumulated depreciation		(61,306,284,544)	(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	613,228,764,631	633,175,184,506
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(238,845,393,947)	(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		476,441,610,745	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)	(34,072,818,630)	(29,394,062,059)
260	Other long-term asset		118,326,176,204	109,097,863,953
261	Long-term prepaid expenses	10(b)	118,326,176,204	109,097,863,953
270	TOTAL ASSETS		4,336,387,962,799	4,813,580,779,802

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

INTERIM SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at	
			30.6.2022 VND	31.12.2021 VND
300	LIABILITIES		2,851,396,560,245	3,336,289,358,930
310	Short-term liabilities		2,740,269,872,458	3,238,267,488,993
311	Short-term trade accounts payable	13	836,003,977,418	980,583,705,076
312	Short-term advances from customers		60,012,289	401,760,729
313	Tax and other payables to the State	14(b)	88,667,819	10,278,828,797
314	Payable to employees		641,783,193	25,591,171,443
315	Short-term accrued expenses		1,286,599,795	157,500,002
319	Other short-term payables	15(a)	47,780,226,539	30,989,108,893
320	Short-term borrowings	16(a)	1,845,309,171,740	2,179,256,118,308
322	Bonus and welfare funds	17	9,099,433,665	11,009,295,745
330	Long-term liabilities		111,126,687,787	98,021,869,937
337	Other long-term payables	15(b)	2,423,858,109	2,559,869,334
338	Long-term borrowings	16(b)	108,702,829,678	95,462,000,603
400	OWNERS' EQUITY		1,484,991,402,554	1,477,291,420,872
410	Capital and reserves		1,484,991,402,554	1,477,291,420,872
411	Owners' capital	18, 19	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	19	172,734,720,800	172,734,720,800
415	Treasury shares	19	(5,427,873,108)	(5,427,873,108)
418	Investment and development funds	19	259,111,461,673	259,111,461,673
421	Undistributed earnings	19	154,071,853,189	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 period/year		14,618,306,309	115,305,410,456
440	TOTAL RESOURCES		4,336,387,962,799	4,813,580,779,802



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
26 August 2022

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

INTERIM SEPARATE INCOME STATEMENT

Code	Note	For the six-month period ended	
		30.6.2022 VND	30.6.2021 VND
01	Revenue from sales of goods and rendering of services	3,516,572,918,488	3,192,751,308,753
02	Less deductions	(59,790,534,669)	(32,524,607,485)
10	Net revenue from sales of goods and rendering of services	3,456,782,383,819	3,160,226,701,268
11	Cost of goods sold and services rendered	(3,324,267,783,752)	(3,105,161,250,321)
20	Gross profit from sales of goods and rendering of services	132,514,600,067	55,065,450,947
21	Financial income	63,514,038,056	14,854,971,809
22	Financial expenses	(175,274,197,169)	(23,490,426,028)
23	- Including: Interest expenses	(36,244,710,232)	(17,929,707,428)
25	Selling expenses	(2,630,088,250)	(3,508,018,623)
26	General and administration expenses	(4,133,208,788)	(22,602,388,377)
30	Net operating profit	13,991,143,916	20,319,589,728
31	Other income	1,668,266,994	1,500,433
32	Other expenses	(218,427,769)	(58,122,577)
40	Net other income/(expenses)	1,449,839,225	(56,622,144)
50	Net accounting profit before tax	15,440,983,141	20,262,967,584
51	Corporate income tax ("CIT") - current	(822,676,832)	(3,667,943,298)
52	Corporate income tax - deferred	-	-
60	Net profit after tax	14,618,306,309	16,595,024,286



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
26 August 2022

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

INTERIM SEPARATE CASH FLOW STATEMENT
(Indirect method)

		For the six-month period ended	
		30.6.2022	30.6.2021
Code	Note	VND	VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	15,440,983,141	20,262,967,584
	Adjustments for:		
02	Depreciation and amortisation	21,572,817,795	21,945,095,777
03	Provisions	117,184,217,338	2,971,039,063
05	Profits from investing activities	(38,887,599,481)	-7,442,403,470
06	Interest expense	36,244,710,232	17,929,707,428
08	Operating profit before changes in working capital	151,555,129,025	55,666,406,382
09	Decrease in receivables	575,471,138,112	304,588,387,058
10	Decrease in inventories	255,117,201,035	208,260,198,795
11	Decrease in payables	(165,161,416,018)	(827,075,984,364)
12	Increase in prepaid expenses	(5,434,978,922)	(1,512,041,244)
13	Increase in trading securities	(138,428,603,133)	(33,743,339,725)
14	Interest paid	(33,405,783,705)	(17,929,707,428)
15	Corporate income tax paid	(11,030,277,679)	(6,918,305,869)
17	Other payments on operating activities	(8,828,186,707)	(1,658,477,778)
20	Net cash inflows/(outflows) from operating activities	619,854,222,008	(320,322,864,173)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	-	(1,295,631,818)
22	Proceeds from disposals of fixed assets	2,675,563,637	-
23	Proceeds from bank deposits with term above 3 months	(410,000,000,000)	-
24	Collection of bank deposits with term above 3 months	243,000,000,000	10,000,000,000
25	Investments in other entities	(77,842,500,000)	-
27	Dividends and interest received	53,529,415,775	29,847,888,859
30	Net cash (outflows)/inflows from investing activities	(188,637,520,588)	38,552,257,041
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	3,531,781,376,557	2,165,888,571,267
34	Repayments of borrowings	(3,852,487,494,050)	(1,724,116,526,466)
36	Dividends paid to shareholders	-	(80,729,840,150)
40	Net cash (outflows)/inflows from financing activities	(320,706,117,493)	361,042,204,651
50	Net increase in cash and cash equivalents	110,510,583,927	79,271,597,519
60	Cash and cash equivalents at beginning of period	3 1,231,430,530,788	416,155,354,668
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of period	3 1,341,941,114,715	495,426,952,187

As at beginning and end of period, included in cash at bank was VND 1 billion which was restricted (Note 3).



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
26 August 2022

The notes on pages 10 to 57 are an integral part of these interim separate financial statements.

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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. 4103005338 dated 29 September 2006 and the latest (the 20th) amended Enterprise registration certificate dated 24 Jan 2022 which were issued by the Department of Planning and Investment of Ho Chi Minh City. The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group ("the Group" or "PVN").

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

The shareholders of the Corporation are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 18.

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 30 June 2022, the Company had 61 employees (as at 31 December 2021: 61 employees).

As at 30 June 2022, the Corporation had 11 direct subsidiaries, 4 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 09a – DN

1 GENERAL INFORMATION (continued)

Name	Place of incorporation and operation	Principal activities	30.6.2022		31.12.2021	
			Voting right %	Ownership %	Voting right %	Ownership %
Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Ho Chi Minh City	Trading of electronic devices, refrigeration appliances and electronic household appliances	51	40.81	51	40.81
Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Khanh Hoa Province	Wholesale of solid, liquid and gaseous fuels and related products	100	99.79	100	99.79
Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	Ho Chi Minh City	Providing heavy transportation and lifting services	51	22.44	51	22.44
An Lac Nhon Trach Single-member Limited Liability Company ("An Lac Nhon Trach") (i)	Dong Nai Province	Packaging services for the paper products	80.68	80.68	80.68	80.68
Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (ii)	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")	Binh Thuan province	Wastage treatment	-	-	48.5	21.34
Petro Environmental and Energy Services Joint Stock Company ("Petro") (iii)	Ho Chi Minh City	Manufacturing electricity	45	27	45	27
The dependent accounting unit that does not have legal status						
Petroleum Industrial Material Distribution Company ("PIMD")	Ho Chi Minh City	Trading solid, liquid, gas fuels and related products	100	100	100	100

1 GENERAL INFORMATION (continued)

- (i) As at 30 June 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 30 June 2022, PSD has not yet sold this investment. Accordingly, this investment was classified and presented as an indirect subsidiary of the Corporation for interim consolidation reporting purpose.
- (ii) Vietecom is in liquidation progress.
- (iii) According to the Decision No. 125A/DVTHDK-KHĐT dated 12 June 2020, POTS, a subsidiary, agreed to contribute its capital to establish 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 Corporation.

As at 30 June 2022, the Corporation had 61 employees (as at 31 December 2021: 61 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of interim separate financial statements

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

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

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

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

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2022 in order to obtain full information of the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the Corporation and its subsidiaries.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Fiscal year

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

2.3 Currency

The interim separate financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company'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 interim separate income statement.

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

2.5 Cash and cash equivalents

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Receivables

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

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

2.7 Inventories

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

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

The Corporation applies the perpetual system for inventories.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments

(a) Trading securities

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

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

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

- Listed securities are recorded at the time of orders matching.

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

(b) Investments held-to-maturity

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Investments (continued)

(c) Investments in subsidiaries

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

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

(d) Investments in associates

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

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

(e) Investment in other entity

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

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

Provision for investments in subsidiaries, associates and other entities is made when there is a diminution in value of the investments at the period 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 can not be determined reliably, the provision is calculated similarly to provision for investments in subsidiaries and associates.

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)

2.9 Fixed assets

Tangible and intangible fixed assets

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

Depreciation and amortisation

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

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

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

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

Disposals

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

Construction in progress

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

2 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 interim 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 interim separate income statement when incurred.

Depreciation and amortisation

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

Buildings and structures	2% - 33%
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Disposals

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

2.12 Prepaid expenses

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

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 interim separate balance sheet based on the remaining period from the interim 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 interim separate balance sheet based on their remaining terms from the interim separate balance sheet date to the maturity date.

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

2.15 Accrued expenses

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

2.16 Provisions

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

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

2 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 interim 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 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.

(d) Undistributed earnings

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

2.19 Appropriation of profit after CIT

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

Net profit after 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 after CIT (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 interim 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 interim separate income statement when all five (5) following conditions are satisfied:

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

No revenue is 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.

(b) Revenue from real estate sale

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

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

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

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

(d) Revenue from rendering of operating lease services

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

(e) Interest income

Interest income is recognised on an earned basis.

(f) Income from dividend paid and profit shared

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

2.21 Cost of goods sold and services rendered

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

2.22 Financial expenses

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

2.23 Selling expenses

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

2.24 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

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

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

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

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

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

2.26 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Corporation, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Corporation. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, key management personnel, including Chairman, 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Segment reporting**

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

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

2.28 Critical accounting estimates

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

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); 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

	30.6.2022 VND	31.12.2021 VND
Cash on hand	634,138,501	539,217,036
Cash at bank (*)	426,306,976,214	376,891,313,752
Cash equivalents (**)	915,000,000,000	854,000,000,000
	<u>1,341,941,114,715</u>	<u>1,231,430,530,788</u>

(*) As at 30 June 2022 and 31 December 2021, included in cash at bank was VND1abillion which was transferred by PetroVietnam Assets Management Joint Stock Company ("PSA") into the bank account of the Corporation from the assets recovered from Ha Noi Oil and Gas Trading Services One Member Company Limited upon the liquidation of this company. As at 30 June 2022, the Corporation is working with the relevant parties to determine the right and obligations of this amount.

(**) As at 30 June 2022 and 31 December 2021, 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 2.9% per annum to 4.35% per annum (as at 31 December 2021: from 3.5% per annum to 4,0% per annum).

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

4 INVESTMENTS

(a) Trading securities

	As at 30.6.2022			As at 31.12.2021		
	Cost VND	Fair value (*) VND	Provision VND	Cost VND	Fair value (*) VND	Provision VND
Listed shares						
VIX Securities Joint Stock Company ("VIX")	74,743,242,783	37,704,560,000	(37,038,682,783)	25,800,828,415	47,155,350,000	-
Vietnam Electrical Equipment Joint Stock Corporation ("GEX")	49,604,130,403	29,078,454,950	(20,525,675,453)	27,767,640,065	30,161,852,850	-
Vietnam Germany Steel Pipe Joint Stock Company - VG PIPE ("VGS")	42,913,496,474	21,228,240,000	(21,685,256,474)	-	-	-
SAM Holdings Corporation ("SAM")	32,453,884,863	19,676,298,500	(12,777,586,363)	18,805,034,608	23,200,750,000	-
Vietnam Commercial Joint Stock Bank for Private Enterprises ("VPB")	27,125,861,085	21,903,700,000	(5,222,161,085)	-	-	-
Thanh Dat Investment Development Joint Stock Company ("DTD")	23,284,354,667	12,279,680,000	(11,004,674,667)	18,909,793,143	20,817,540,000	-
Others	58,974,668,841	34,891,179,000	(24,083,489,841)	79,387,739,752	80,676,135,000	(1,746,973,271)
	309,099,639,116	176,762,112,450	(132,337,526,666)	170,671,035,983	202,011,627,850	(1,746,973,271)

(*) At as 30 June 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 interim separate balance sheet date and quantity of shares held by the Corporation.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

4 INVESTMENTS (continued)

(b) Investments held-to-maturity

	As at 30.6.2022		As at 31.12.2021	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	310,000,000,000	310,000,000,000	143,000,000,000	143,000,000,000

As at 30 June 2022, term deposits include the VND bank deposits with the remaining maturity of less than 12 months, and earn interest at the rate from 3.9% per annum to 6.5% per annum (as at 31 December 2021: 4.0% per annum).

As at 30 June 2022 and as at 31 December 2021, the above term deposits with the amount of VND10 billion were pledged as collateral assets for borrowings granted to Smart Convergence Joint Stock Company, a subsidiary of the Corporation.

(c) Equity investments in other entities

	As at 30.6.2022			As at 31.12.2021		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Investments in subsidiaries (i)	400,311,972,126	374,520,955,636	(25,791,016,490)	400,311,972,126	374,520,955,636	(25,791,016,490)
Investments in associates (ii)	108,202,457,249	101,920,655,109	(6,281,802,140)	30,359,957,249	28,756,911,680	(1,603,045,569)
Investment in other entity (iii)	2,000,000,000	-	(2,000,000,000)	2,000,000,000	-	(2,000,000,000)
	510,514,429,375	476,441,610,745	(34,072,818,630)	432,671,929,375	403,277,867,316	(29,394,062,059)

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – 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 30.6.2022					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 rendering of services	Ho Chi Minh City	80.68	80.68	113,600,000,000	537,373,440,000	-	80.68	80.68	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	Petrosetto 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	Petrosetto 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	66.6	6,600,000,000	(*)	-	44	66.6	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 09a – DN

4 INVESTMENTS (continued)

(c) Equity investments in other entities (continued)

(i) Investments in subsidiaries (continued)

(*) As at 30 June 2022 and 31 December 2021, the Corporation has not determined the fair value of these investments to disclose on the interim separate financial statements because they do not have listed prices.

(i) The fair value of the investment in PSD was determined based on the closing price of the closest transaction date before 30 June 2022 and 31 December 2021.

(ii) As at 30 June 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 30 June 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 09a – 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 30.6.2022				As at 31.12.2021			
				Cost VND	Fair value VND	Provision VND	Ownership and voting right %	Cost VND	Fair value VND	Provision VND	
Pedaco Green Environment Join Stock Company	Waste water treatment	Binh Thuan province	48.5%	77,842,500,000	(*)	(4,678,756,571)	-	-	-	-	-
Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau Province	24	14,359,957,249	(*)	(1,603,045,569)	24	14,359,957,249	(*)	(1,603,045,569)	
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		(6,281,802,140)		30,359,957,249		(1,603,045,569)	

(*) As at 30 June 2022 and 31 December 2021, the Corporation has not determined the fair value of these investments to disclose on the interim separate financial statements because they do not have listed prices.

(**) According to the Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND11.2 billion, accounting for 20% of the voting right and ownership. As at 30 June 2022 and 31 December 2021, the Corporation has contributed VND16 billion.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – 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 31.6.2022				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 30 June 2022 and 31 December 2021, the Company has not determined the fair value of this investment to disclose on the interim separate financial statements because it does not have listed prices.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	30.6.2022 VND	31.12.2021 VND
Third parties	8,523,724,165	19,012,642,978
Related parties (Note 29(b))	503,943,241,572	958,231,611,719
	<u>512,466,965,737</u>	<u>977,244,254,697</u>

As at 30 June 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 30 June 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.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	30.6.2022 VND	31.12.2021 VND
Third parties	<u>2,216,082,911</u>	<u>12,132,087,477</u>

7 OTHER RECEIVABLES

(a) Short-term

	As at 30.6.2022		As at 31.12.2021	
	Book value VND	Provision VND	Book value VND	Provision VND
Other receivables from related parties (Note 29(b))	439,587,612,156	(91,286,493,942)	518,932,577,917	(89,078,093,929)
Interest receivables	7,879,808,219	-	2,202,931,507	-
Others	23,316,467,833	(770,678,220)	14,321,521,264	(3,571,937,923)
	<u>470,783,888,208</u>	<u>(92,057,172,162)</u>	<u>535,457,030,688</u>	<u>(92,650,031,852)</u>

As at 30 June 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 30.6.2022		As at 31.12.2021	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits (*)	23,655,000,000	-	23,655,000,000	-
Others	1,082,000,000	-	1,382,000,000	-
	<u>24,737,000,000</u>	<u>-</u>	<u>25,037,000,000</u>	<u>-</u>

(*) As at 30 June 2022 and 31 December 2021, the balance represented deposits for the project invested in Phu Yen Province whose the expected investment period was assessed by the Chairman to be more than 12 months from the interim separate balance sheet date.

8 DOUBTFUL DEBTS

As at 30 June 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:

	As at 30.6.2022			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
A subsidiary relating to support working capital	271,581,804,797	180,295,310,855	91,286,493,942	Over 3 years
Others	26,615,936,411	25,845,258,191	770,678,220	From 1 year to 3 years
	<u>298,197,741,208</u>	<u>206,140,569,046</u>	<u>92,057,172,162</u>	

	As at 31.12.2021			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days
A subsidiary relating to support working capital	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

	As at 30.6.2022		As at 31.12.2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	218,103,830,896	-	471,706,199,546	-
Real estate merchandise (*)	3,111,210,072	-	3,111,210,072	-
Other merchandise (**)	15,188,391,644	-	16,703,224,029	-
	<u>236,403,432,612</u>	<u>-</u>	<u>491,520,633,647</u>	<u>-</u>

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

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

10 PREPAID EXPENSES

(a) Short-term

	30.6.2022 VND	31.12.2021 VND
Guarantee payment services expenses	1,467,884,734	4,969,241,683
Others	1,562,825,784	1,854,802,164
	<u>3,030,710,518</u>	<u>6,824,043,847</u>

(b) Long-term

	30.6.2022 VND	31.12.2021 VND
Operating leases (*)	104,946,120,920	106,356,477,086
Others	13,380,055,284	2,741,386,867
	<u>118,326,176,204</u>	<u>109,097,863,953</u>

10 PREPAID EXPENSES (continued)

(*) Included in operating lease mainly were:

- The prepayment to PVN for office leasing with the remaining amount of VND89.692.343.454 which was allocated to the interim separate income statement on a straight-line basis over a period of 50 years from 2010; and
- The prepayment for land rental with the remaining amount of VND15,476,450,732 which was allocated to the interim separate income statement on a straight-line basis over a period of 36 years from 2020.

Movements of long-term prepaid expenses during the period/year were as follows:

	For the six-month period ended 30.6.2022 VND	For the year ended 31.12.2021 VND
Beginning of period/year	109,097,863,953	111,985,402,257
Increase	13,644,237,217	-
Allocation in period/year	(4,415,924,966)	(2,887,538,304)
End of period/year	<u>118,326,176,204</u>	<u>109,097,863,953</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – 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	-	-	(6,530,440,802)	-	(6,530,440,802)
As at 30 June 2022	61,670,169,589	7,509,514,795	2,166,452,527	2,967,629,380	74,313,766,291
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 period	954,947,205	227,612,169	401,135,604	42,702,942	1,626,397,920
Disposals	-	-	(5,523,144,159)	-	(5,523,144,159)
As at 30 June 2022	50,367,291,416	7,235,694,309	772,292,478	2,931,006,341	61,306,284,544
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 30 June 2022	11,302,878,173	273,820,486	1,394,160,049	36,623,039	13,007,481,747

The historical cost of fully depreciated tangible fixed assets but still in use as at 30 June 2022 was VND28.128 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 30 June 2022	98,337,309,381	1,078,622,900	99,415,932,281
Accumulated amortisation			
As at 1 January 2022 and 30 June 2022	-	1,078,622,900	1,078,622,900
Net book value			
As at 1 January 2022 and 30 June 2022	98,337,309,381	-	98,337,309,381

The historical cost of fully amortised intangible fixed assets but still in use as at 30 June 2022 and 31 December 2021 was VND1,078,622,900.

12 INVESTMENT PROPERTIES

	Buildings VND
Historical cost	
As at 1 January 2022 and 30 June 2022	852,074,158,578
Accumulated depreciation	
As at 1 January 2022	218,898,974,072
Charge for the period	19,946,419,875
As at 30 June 2022	238,845,393,947
Net book value	
As at 1 January 2022	633,175,184,506
As at 30 June 2022	613,228,764,631

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

As at 30 June 2022 and 31 December 2021, all investment properties have been pledged as collateral assets for the bank loans (Note 16).

12 INVESTMENT PROPERTIES (continued)

In the first six-month period of 2022, revenue from investment properties is VND46,651,056,127 (in the first six-month period of 2021: VND57,101,564,439). Direct expenses (including tools and supplies, utilities and management fee) incurred from investment properties relating to revenue from leasing in the first six-month period of 2022 are VND10,643,825,317 (in the first six-month period of 2021: VND10,377,017,519).

The Corporation was unable to collect sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 30 June 2022 has not been disclosed in the interim separate financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the interim separate balance sheet date.

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	As at 30.6.2022		As at 31.12.2021	
	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>	616,785,473,200	616,785,473,200	708,709,527,680	708,709,527,680
<i>Others</i>	9,221,317,067	9,221,317,067	12,305,520,525	12,305,520,525
	<u>626,006,790,267</u>	<u>626,006,790,267</u>	<u>721,015,048,205</u>	<u>721,015,048,205</u>
Related parties				
(Note 29(b))	209,997,187,151	209,997,187,151	259,568,656,871	259,568,656,871
	<u>836,003,977,418</u>	<u>836,003,977,418</u>	<u>980,583,705,076</u>	<u>980,583,705,076</u>

As at 30 June 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 09a – DN

14 TAX AND OTHER PAYABLES TO THE STATE

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

	As at 1.1.2022 VND	Receivable/ payable VND	Payment VND	Netting-off/ reclassification VND	As at 30.6.2022 VND
(a) Tax receivables					
VAT to be reclaimed	70,937,680,847	311,221,299,919	-	(352,390,575,970)	29,768,404,796
CIT	-	-	-	11,453,170	11,453,170
Others	879,685,517	-	-	(703,691,287)	175,994,230
	<u>71,817,366,364</u>	<u>311,221,299,919</u>	<u>-</u>	<u>(353,082,814,087)</u>	<u>29,955,852,196</u>
(b) Tax payables					
CIT	10,196,147,677	822,676,832	(11,030,277,679)	11,453,170	-
VAT	-	352,390,575,970	-	(352,390,575,970)	-
Personal income tax	82,681,120	1,555,921,810	(1,549,935,111)	-	88,667,819
Others	-	703,691,287	-	(703,691,287)	-
	<u>10,278,828,797</u>	<u>355,472,865,899</u>	<u>(12,580,212,790)</u>	<u>(353,082,814,087)</u>	<u>88,667,819</u>

15 OTHER PAYABLES

(a) Short-term

	30.6.2022 VND	31.12.2021 VND
Payables to related parties for receipt from working capital support (Note 29(b))	29,289,833,939	18,209,310,193
Payable for the usage of funds appropriated for business activity under requirement of the industry (Note 29(b))	3,098,861,304	3,251,769,464
Other payables to related parties ((Note 29(b))	2,967,817,630	2,967,817,630
Others	12,423,713,666	6,560,211,606
	<u>47,780,226,539</u>	<u>30,989,108,893</u>

(b) Long-term

	30.6.2022 VND	31.12.2021 VND
Payable to the State Budget of the Ba Ria - Vung Tau Province (*)	1,773,442,809	2,222,909,034
Others	650,415,300	336,960,300
	<u>2,423,858,109</u>	<u>2,559,869,334</u>

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

16 BORROWINGS

(a) Short-term

	As at 1.1.2022 VND	Increase VND	Decrease VND	Reclassification VND	As at 30.6.2022 VND
Borrowings from credit institutions (i)	2,073,617,884,005	3,423,078,546,879	(3,651,387,259,144)	-	1,845,309,171,740
Current portion of long-term borrowings (Note 16(b))	105,638,234,303	-	(201,100,234,906)	95,462,000,603	-
	<u>2,179,256,118,308</u>	<u>3,423,078,546,879</u>	<u>(3,852,487,494,050)</u>	<u>95,462,000,603</u>	<u>1,845,309,171,740</u>

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

16 BORROWINGS (continued)

(i) Borrowings from credit institutions

Details of borrowings from credit institutions are as follows:

Lender	Currency	Credit limit (billion)	Interest rate	Collaterals	Maturity date	30.06.2022 VND	31.12.2021 VND
Bank borrowings							
Vietnam Joint Stock Commercial Bank for Industry And Trade	VND	600	Based on each of drawdown	Guarantee from the Corporation	9 September 2022	250,248,691,000	599,985,502,259
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	400	Based on each of drawdown	Guarantee from the Corporation	25 August 2022	398,866,243,994	397,282,352,742
Vietnam Prosperity Joint Stock Commercial Bank	VND	700	Based on each of drawdown	Unsecured	20 April 2022	-	329,773,807,267
Bank for Investment and Development of Vietnam Joint Stock Company	VND	800	Based on each of drawdown	Unsecured	9 August 2022	564,570,502,482	267,903,386,416
Military Commercial Joint Stock Bank	VND	450	Based on each of drawdown	Guarantee from the Corporation	5 August 2022	449,920,634,744	248,718,497,874
Vietnam Commercial Joint Stock Export Import Bank	VND	270	Based on each of drawdown	Unsecured	28 September 2022	49,369,859,000	199,568,567,814
Shinhan Bank Vietnam	VND	217	7.8%	Same pledged assets with current portion of long-term borrowings from banks (Note 16(b))	2 June 2023	65,221,697,808	-
						1,778,197,629,028	2,043,232,114,372
Margin borrowings							
VNDirect Securities Corporation	VND	-	Based on each of drawdown	Securities purchased by margin borrowings		34,170,929,640	19,979,283,116
RongViet Securities Corporation	VND	-	Based on each of drawdown	Securities purchased by margin borrowings		32,940,613,072	10,406,486,517
						1,845,309,171,740	2,073,617,884,005

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09a – DN

16 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2022 VND	Increase VND	Reclassification VND	As at 30.6.2022 VND
Shinhan Bank Vietnam	-	108,702,829,678	-	108,702,829,678
Asia Commercial Joint Stock Bank	95,462,000,603	-	(95,462,000,603)	-
	<u>95,462,000,603</u>	<u>108,702,829,678</u>	<u>(95,462,000,603)</u>	<u>108,702,829,678</u>

Borrowings with Shinhan Bank Vietnam had a credit limit of VND400 billion and born interest at the rates adjustable from time to time which were announced by this bank.

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

17 BONUS AND WELFARE FUND

	30.6.2022 VND	31.12.2021 VND
Beginning of year	11,009,295,745	11,286,689,915
Increase in period/year (Note 19)	6,918,324,627	5,077,972,497
Utilisation	(8,828,186,707)	(5,355,366,667)
End of year	<u>9,099,433,665</u>	<u>11,009,295,745</u>

18 OWNERS' CAPITAL

(a) Number of shares

	As at 30.6.2022		As at 31.12.2021	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>90,450,124</u>	<u>-</u>	<u>90,450,124</u>	<u>-</u>
Number of shares repurchased	<u>(612,700)</u>	<u>-</u>	<u>(612,700)</u>	<u>-</u>
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

	As at 30.6.2022		As at 31.12.2021	
	Ordinary shares	%	Ordinary shares	%
PVN	20,973,851	23.3%	20,973,851	23.3%
Other shareholders	68,863,573	76.7%	68,863,573	76.7%
Number of shares	<u>89,837,424</u>	<u>100%</u>	<u>89,837,424</u>	<u>100%</u>

18 OWNERS' CAPITAL (continued)

(c) Movements 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
New shares issued	-	-	-
As at 30 June 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 09a – DN

19 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	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 declared	-	-	-	-	(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
Net profit for the period	-	-	-	-	14,618,306,309	14,618,306,309
Appropriation to bonus and welfare fund (*)	-	-	-	-	(6,918,324,627)	(6,918,324,627)
As at 30 June 2022	904,501,240,000	172,734,720,800	(5,427,873,108)	259,111,461,673	154,071,853,189	1,484,991,402,554

(*) 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 total amount of VND6,918,324,627.

Additionally, the Corporation also approved the plan to pay stock dividend at the rate of 10% of the existing shares in circulation and the plan to issue new shares to existing shareholders at the rate of 2:1. As at the issuance date, these interim separate financial statements, these plans have not yet completely conducted.

20 OFF INTERIM SEPARATE BALANCE SHEET ITEMS

(a) Foreign currency

As at 30 June 2022, included in cash and cash equivalents are balances held in foreign currency of USD4,673 (as at 31 December 2021: USD3,939).

(b) Commitments

As at 30 June 2022 and 31 December 2021, the commitments of the Corporation are presented in Note 30.

21 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	For the six-month period ended	
	30.6.2022	30.6.2021
	VND	VND
Revenue		
Revenue from sale of merchandise	3,415,430,269,362	3,100,724,945,059
Revenue from rendering of operating lease services	76,629,012,762	73,061,863,694
Revenue from rendering of management services to related parties (Note 29(a))	21,650,000,000	16,964,500,000
Revenue from other services	2,863,636,364	2,000,000,000
	<u>3,516,572,918,488</u>	<u>3,192,751,308,753</u>
Sales deductions		
Trade discounts	(59,738,140,538)	(32,394,009,405)
Sales returns	(52,394,131)	(130,598,080)
	<u>(59,790,534,669)</u>	<u>(32,524,607,485)</u>
Net revenue		
Net revenue from sales of merchandises	3,355,639,734,693	3,068,200,337,574
Net revenue from rendering of operating lease services	76,629,012,762	73,061,863,694
Net revenue from rendering of management services to related parties (Note 29(a))	21,650,000,000	16,964,500,000
Net revenue from other services	2,863,636,364	2,000,000,000
	<u>3,456,782,383,819</u>	<u>3,160,226,701,268</u>

22 COST OF GOODS SOLD AND SERVICE RENDERED

	For the six-month period ended	
	30.6.2022	30.6.2021
	VND	VND
Cost of merchandises sold	3,269,355,300,032	3,051,809,477,311
Cost of operating lease services rendered	54,912,483,720	53,351,773,010
	<u>3,324,267,783,752</u>	<u>3,105,161,250,321</u>

23 FINANCIAL INCOME

	For the six-month period ended	
	30.6.2022	30.6.2021
	VND	VND
Dividend income (Note 29(a))	14,819,440,000	2,138,080,000
Profit from trading securities	26,294,705,569	7,412,568,339
Interest income	21,755,510,019	4,420,388,190
Income earned from working capital support (Note 29(a))	644,382,468	883,935,280
	<u>63,514,038,056</u>	<u>14,854,971,809</u>

24 FINANCIAL EXPENSES

	For the six-month period ended	
	30.6.2022	30.6.2021
	VND	VND
Interest expenses	36,244,710,232	17,929,707,428
Loss from trading securities	1,322,828,971	2,584,883,875
Provision for diminution in value of trading securities	130,590,553,395	2,189,495,662
Provision for diminution in value of long-term investments	4,678,756,571	-
Others	2,437,348,000	786,339,063
	<u>175,274,197,169</u>	<u>23,490,426,028</u>

25 SELLING EXPENSES

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Staff costs	1,384,919,906	1,525,956,057
Others	1,245,168,344	1,982,062,566
	<u>2,630,088,250</u>	<u>3,508,018,623</u>

26 GENERAL AND ADMINISTRATION EXPENSES

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Staff costs	7,639,312,172	7,640,155,224
Depreciation	1,090,045,242	1,118,408,399
Tax and legal fee	1,424,167,698	1,284,048,531
(Reversal of provision)/provision for doubtful debts	(18,085,092,628)	2,184,700,000
Others	12,064,776,304	10,375,076,223
	<u>4,133,208,788</u>	<u>22,602,388,377</u>

27 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:

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Net accounting profit before tax	15,440,983,141	20,262,967,584
Tax calculated at a rate of 20%	3,088,196,628	4,052,593,517
Effect of:		
Income not subject to tax	(2,963,888,000)	(427,616,000)
Non-deductible expenses	698,368,204	42,965,781
Corporate income tax charge	822,676,832	3,667,943,298
Charged to income statement:		
CIT – current	822,676,832	3,667,943,298
CIT– deferred	-	-
	822,676,832	3,667,943,298

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

28 COSTS OF OPERATION BY FACTOR

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

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
Depreciation	21,572,817,795	21,945,095,777
(Reversal of provision)/provision for doubtful debts	(18,085,092,628)	2,184,700,000
Staff costs	9,024,232,078	9,166,111,281
Management fee from Nghi Son Project	10,810,472,277	10,500,507,827
Rentals	10,758,422,440	9,187,566,900
Others	27,594,928,796	26,478,198,225
	<u>61,675,780,758</u>	<u>79,462,180,010</u>

29 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 23.3% of the Corporation's share capital (Note 18) for the six-month period ended 30 June 2022.

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

Details of the key related parties and relationship are given as below:

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

29 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

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

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
(i) Sales of goods and services		
Subsidiaries	3,441,017,178,712	3,126,330,073,827
Affiliate companies in PVN	43,523,249,116	54,044,584,933
(ii) Purchases of goods and services		
PVN	4,000,189,500	7,999,884,000
Subsidiaries	1,080,531,491	1,097,406,553
Affiliate companies in PVN	394,929,906	540,577,247
(iii) Compensation of key management		
Gross salaries and other benefits	2,684,112,850	2,999,073,302
In which:		
Phung Tuan Ha - Chairman	593,022,570	789,229,816
Vu Tien Duong – General Director	551,022,570	591,922,362
Ho Minh Viet - Deputy Director	473,022,570	526,153,211
Pham Thi Hong Diep - Deputy Director	498,022,570	460,384,060
Tran Quang Huy – Chief Accountant	569,022,570	631,383,853
(iv) Management fee		
Fee charged to subsidiaries (Note 21)	21,650,000,000	16,964,500,000
Fee charged by a subsidiary	7,764,480,000	8,169,195,672
(v) Interest income from working capital support (Note 23)		
Subsidiaries	2,782,510,055	883,935,280
(vi) Dividend income (Note 23)		
Subsidiaries	14,819,440,000	2,138,080,000

29 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	For the six-month period ended	
	30.6.2022 VND	30.6.2021 VND
(vii) Dividend distribution to		
PVN	-	20,973,851,000
Subsidiaries	-	116,430,000
(viii) Capital support		
Collection of capital support from the subsidiaries	2,407,000,000,000	2,866,681,835,428
Proceed of capital support to the subsidiaries	2,153,453,040,000	3,461,013,514,711
(ix) Proceeds from disposals of fixed assets		
Subsidiaries	2,675,563,637	-

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

	30.6.2022 VND	31.12.2021 VND
Short-term trade accounts receivable (Note 5)		
Subsidiaries	485,436,893,423	924,387,581,743
Affiliate companies in PVN	18,506,348,149	33,844,029,976
	503,943,241,572	958,231,611,719
Other short-term receivables after provisions (Note 7)		
Subsidiaries	348,301,118,214	429,854,483,988
Short-term trade accounts payable (Note 13)		
PVN	209,614,383,631	259,181,283,511
Subsidiaries	162,803,520	167,373,360
Affiliate companies in PVN	220,000,000	220,000,000
	209,997,187,151	259,568,656,871
Other short-term payables (Note 15(a))		
PVN	-	6,219,587,094
Subsidiaries	35,356,512,873	18,209,310,193
	35,356,512,873	24,428,897,287

30 COMMITMENTS

(a) Commitments under operating leases

(i) The Corporation as the lessee

As at 30 June 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:

	30.6.2022 VND	31.12.2021 VND
Within one year	8,401,644,000	15,999,768,000
Between one and five years	4,333,622,676	3,847,031,048
Over five years	49,863,544,292	50,350,135,920
Total minimum payments	<u>62,598,810,968</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:

	Office rental	
	30.6.2022 VND	31.12.2021 VND
Within one year	110,310,730,419	111,553,525,419
Between one and five years	284,584,470,250	339,665,335,460
Total minimum payments	<u>394,895,200,669</u>	<u>451,218,860,879</u>

30 COMMITMENTS (continued)

(b) Capital contribution commitments

As at 30 June 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. As at 30 June 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. As at 30 June 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. As at 30 June 2022, the Corporation has contributed VND16 billion.

(c) Commitments of credit guarantees

As at 30 June 2022, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with a total amount of VND4,610 billion (as at 31 December 2021: VND3,628.2 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with a total amount of USD8 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 09a – DN

31 SEGMENT REPORTING

Geographical segment

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

Business activity segment

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

	For the six-month period ended 30 June 2022		
	Operating leases VND	Management services and other service VND	Others VND
Net revenue	76,629,012,762	24,513,636,364	3,355,639,734,693
Cost of goods sold	(54,912,483,720)	-	(3,269,355,300,032)
Gross profit	21,716,529,042	24,513,636,364	86,284,434,661
			132,514,600,067

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

The interim separate financial statements were approved by the Chairman on 26 August 2022.



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phùng Tuan Ha
Chairman