

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise registration certificate

No. 0300452060 dated 29 September 2006 was initially issued by the Department of Planning and Investment of Ho Chi Minh City and the latest (the 22nd) amended Enterprise registration certificate dated 4 October 2023.

Board of Directors

Mr. Phung Tuan Ha	Chairman
Mr. Vu Tien Duong	Member
Mr. Nguyen Duc Minh	Member
	(from 25 April 2023)
Ms. Pham Thi Hong Diep	Member
	(until 25 April 2023)
Mr. Nguyen Quy Thinh	Independent Member
Mr. Trinh Thanh Can	Independent Member

Board of Internal Audit

Mr. Nguyen Dang Khoa	Head
	(until 30 January 2024)
Mr. Le Minh Kha	Member
Mr. Nguyen Minh Tan	Member
Ms. Tran Thi Phuong Trinh	Member
	(from 7 January 2023)

Board of Management

Mr. Vu Tien Duong	General Director
Mr. Ho Minh Viet	Deputy General Director
Ms. Pham Thi Hong Diep	Deputy General Director
Mr. Huynh Van Ngan	Deputy General Director
Mr. Ho Hoang Nguyen Vu	Deputy General Director
	(from 24 April 2023)
Mr. Nguyen Duc Minh	Deputy General Director
	(from 22 May 2023)

Legal representative

Mr. Phung Tuan Ha	Chairman
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Registered office

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

Auditor

PwC (Vietnam) Limited

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

STATEMENT OF THE CHAIRMAN

RESPONSIBILITY OF THE CHAIRMAN IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Chairman of the Board of Directors ("the Chairman") of PetroVietnam General Services Joint Stock Company ("the Parent Company") is responsible for preparing the consolidated financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Corporation") which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Chairman is required to:

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

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby, approve the accompanying consolidated financial statements as set out on pages 5 to 56 which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.



Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
29 March 2024



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

We have audited the accompanying consolidated financial statements of PetroVietnam General Services Joint Stock Company ("the Parent Company") and its subsidiaries (together, "the Corporation") which were prepared on 31 December 2023 and approved by the Chairman on 29 March 2024. The consolidated financial statements comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements including significant accounting policies, as set out on pages 5 to 56.

The Chairman's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2023, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence
No. 0875-2023-006-1
Authorised signatory



Cheng Kien Hung
Audit Practising Licence
No. 5038-2024-006-1

Report reference number: HCM15328
Ho Chi Minh City, 29 March 2024

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
100	CURRENT ASSETS		8,259,191,973,425	7,756,288,698,651
110	Cash and cash equivalents	3	1,072,386,056,767	1,092,691,918,027
111	Cash		951,820,309,767	581,241,918,027
112	Cash equivalents		120,565,747,000	511,450,000,000
120	Short-term investments		2,596,961,269,672	1,827,844,604,510
121	Trading securities	4(a)	3,926,238,120	10,630,458,870
122	Provision for diminution in value of trading securities	4(a)	(248,553,098)	(856,545,694)
123	Investments held to maturity	4(b)	2,593,283,584,650	1,818,070,691,334
130	Short-term receivables		2,369,008,928,087	2,034,571,901,721
131	Short-term trade accounts receivable	5	2,393,246,041,708	2,075,760,903,555
132	Short-term prepayments to suppliers	6	111,393,648,127	116,232,242,327
136	Other short-term receivables	7(a)	209,504,906,972	206,578,362,831
137	Provision for doubtful debts – short term	8	(345,135,668,720)	(363,999,606,992)
140	Inventories	9	1,902,357,061,407	2,418,587,093,352
141	Inventories		1,915,425,030,586	2,474,958,959,872
149	Provision for decline in value of inventories		(13,067,969,179)	(56,371,866,520)
150	Other current assets		318,478,657,492	382,593,181,041
151	Short-term prepaid expenses	10(a)	14,992,296,836	24,361,462,490
152	Value Added Tax to be reclaimed	17(a)	297,956,703,663	353,402,047,497
153	Tax and other receivables from the State	17(b)	5,529,656,993	4,829,671,054

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

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
200	LONG-TERM ASSETS		1,220,283,674,865	1,283,206,880,473
210	Long-term receivables		28,235,218,879	32,091,651,820
216	Other long-term receivables	7(b)	28,235,218,879	32,091,651,820
220	Fixed assets		266,150,905,633	272,480,822,101
221	Tangible fixed assets	11(a)	96,091,133,382	98,673,849,192
222	Historical cost		391,817,597,588	379,473,532,070
223	Accumulated depreciation		(295,726,464,206)	(280,799,682,878)
227	Intangible fixed assets	11(b)	170,059,772,251	173,806,972,909
228	Historical cost		183,795,926,598	183,081,926,598
229	Accumulated amortisation		(13,736,154,347)	(9,274,953,689)
230	Investment properties	12	553,587,535,363	593,348,354,875
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(298,486,623,215)	(258,725,803,703)
240	Long-term assets in progress		38,525,582,184	38,316,282,184
242	Construction in progress	13	38,525,582,184	38,316,282,184
250	Long-term investments		114,369,751,182	114,421,182,687
252	Investments in associates	4(c)	107,557,435,627	110,915,986,088
253	Investments in other entities	4(d)	22,465,000,000	22,465,000,000
254	Provision for long-term investments	4(c)	(22,456,972,632)	(22,366,834,272)
255	Investments held to maturity	4(c)	6,804,288,187	3,407,030,871
260	Other long-term assets		219,414,681,624	232,548,586,806
261	Long-term prepaid expenses	10(b)	211,410,834,009	226,427,056,806
262	Deferred income tax assets	24	3,412,700,115	-
269	Goodwill	14	4,591,147,500	6,121,530,000
270	TOTAL ASSETS		9,479,475,648,290	9,039,495,579,124

The notes on pages 10 to 56 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
300	LIABILITIES		7,293,215,880,400	6,977,084,341,606
310	Short-term liabilities		7,240,736,850,317	6,860,575,272,473
311	Short-term trade accounts payable	15	1,454,019,185,015	1,747,164,698,116
312	Short-term advances from customers	16	348,147,907,207	82,106,959,163
313	Tax and other payables to the State	17(c)	35,263,126,249	22,394,264,814
314	Payable to employees	18	116,437,312,574	64,328,334,658
315	Short-term accrued expenses	19	23,004,667,420	28,190,586,232
318	Short-term unearned revenue	20	280,790,512	42,099,750,441
319	Other short-term payables	21(a)	723,420,418,413	1,217,873,849,669
320	Short-term borrowings	22(a)	4,515,926,256,500	3,626,666,260,624
322	Bonus and welfare funds	25	24,237,186,427	29,750,568,756
330	Long-term liabilities		52,479,030,083	116,509,069,133
337	Other long-term payables	21(b)	36,381,030,745	37,117,088,359
338	Long-term borrowings	22(b)	10,870,282,966	76,091,980,774
341	Deferred income tax liabilities	24	5,227,716,372	3,300,000,000
400	OWNERS' EQUITY		2,186,259,767,890	2,062,411,237,518
410	Capital and reserves		2,186,259,767,890	2,062,411,237,518
411	Owners' capital	26, 27	1,073,348,310,000	904,501,240,000
411a	- Ordinary shares with voting rights		1,073,348,310,000	904,501,240,000
412	Share premium	27	159,572,337,789	159,572,337,789
414	Owners' other capital	27	349,315,536,105	253,823,860,000
415	Treasury shares	27	(5,427,873,108)	(5,427,873,108)
418	Investment and development funds	27	271,777,466,354	271,777,466,354
421	Undistributed earnings	27	178,591,836,316	350,657,121,022
421a	- Undistributed post-tax profits of previous years		70,468,556,668	211,755,069,325
421b	- Post-tax profit of current year		108,123,279,648	138,902,051,697
429	Non-controlling interests		159,082,154,434	127,507,085,461
440	TOTAL RESOURCES		9,479,475,648,290	9,039,495,579,124



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
29 March 2024

The notes on pages 10 to 56 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services	17,482,769,422,773	17,773,883,971,911
02	Less deductions	(264,977,937,289)	(230,561,366,824)
10	Net revenue from sales of goods and rendering of services	17,217,791,485,484	17,543,322,605,087
11	Cost of goods sold and services rendered	(16,495,454,810,908)	(16,576,218,727,069)
20	Gross profit from sales of goods and rendering of services	722,336,674,576	967,103,878,018
21	Financial income	302,569,769,972	184,676,642,171
22	Financial expenses	(322,296,597,247)	(450,169,496,292)
23	- Including: Interest expenses	(309,587,603,886)	(175,767,092,310)
24	Sharing of loss from associates	(3,358,550,461)	(5,660,673,620)
25	Selling expenses	(336,485,160,178)	(336,201,939,859)
26	General and administration expenses	(193,698,759,159)	(146,822,803,006)
30	Net operating profit	169,067,377,503	212,925,607,412
31	Other income	26,096,690,513	19,899,945,685
32	Other expenses	(12,734,046,302)	(19,730,037,536)
40	Net other income	13,362,644,211	169,908,149
50	Accounting profit before tax	182,430,021,714	213,095,515,561
51	Corporate income tax ("CIT") - current	(44,917,754,141)	(45,677,031,816)
52	CIT - deferred	1,484,983,746	-
60	Profit after tax	138,997,251,319	167,418,483,745
Attributable to:			
61	Owners of the parent company	111,424,903,698	110,430,234,145
62	Non-controlling interests	27,572,347,621	56,988,249,600
70	Basic earnings per share	1,013	983
71	Diluted earnings per share	1,013	983



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
29 March 2024

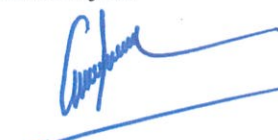
The notes on pages 10 to 56 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	182,430,021,714	213,095,515,561
	Adjustments for:		
02	Depreciation and amortisation	69,029,141,208	66,492,474,653
03	(Reversal of)/increase provisions	(62,685,689,849)	29,104,143,445
04	Unrealised foreign exchange losses	1,093,413,462	2,552,959,866
05	Profits from investing activities	(270,132,728,945)	(96,460,883,741)
06	Interest expense	309,587,603,886	175,767,092,310
08	Operating profit before changes in working capital	229,321,761,476	390,551,302,094
09	(Increase)/decrease in receivables	(232,047,152,779)	313,564,686,139
10	Decrease/(increase) in inventories	559,533,929,286	(997,468,175,751)
11	(Decrease)/increase in payables	(528,452,432,263)	168,195,189,389
12	Decrease in prepaid expenses	24,385,388,451	204,355,010
13	Decrease in trading securities	6,704,220,750	220,986,846,161
14	Interest paid	(304,924,739,786)	(171,464,451,918)
15	CIT paid	(40,056,586,289)	(75,499,446,733)
17	Other payments on operating activities	(14,386,847,959)	(16,910,043,038)
20	Net cash outflows from operating activities	(299,922,459,113)	(167,839,738,647)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(25,539,398,071)	(40,097,706,520)
22	Proceeds from disposals of fixed assets	2,753,350,984	5,208,751,259
23	Deposits to bank with term above 3 months	(5,742,651,452,095)	(1,997,014,520,141)
24	Collection of deposits to bank with term above 3 months	4,964,041,301,463	366,701,741,035
25	Investments in other entities	-	(864,150,000)
26	Proceeds from divestment in other entities	-	4,027,952,299
27	Interest received	249,735,859,289	89,642,193,062
30	Net cash outflows from investing activities	(551,660,338,430)	(1,572,395,739,006)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from reissuance of treasury shares	15,750,000,000	2,680,000,000
33	Proceeds from borrowings	15,109,558,983,025	13,188,531,174,558
34	Repayments of borrowings	(14,285,520,684,957)	(12,904,550,138,962)
36	Dividends paid	(8,511,361,785)	(30,210,374,481)
40	Net cash inflows from financing activities	831,276,936,283	256,450,661,115
50	Net decrease in cash and cash equivalents	(20,305,861,260)	(1,483,784,816,538)
60	Cash and cash equivalents at beginning of year	3 1,092,691,918,027	2,576,476,734,565
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	1,072,386,056,767	1,092,691,918,027



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant

Phung Tuan Ha
Chairman
29 March 2024

The notes on pages 10 to 56 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 GENERAL INFORMATION

PetroVietnam General Services Joint Stock Company ("the Parent Company") is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 0300452060 dated 29 September 2006 and the latest (the 22nd) amended Enterprise registration Certificate dated 4 October 2023 to update the charter capital after completing the issuance of shares for dividend paid. The Parent Company was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group (the "Group" or "PVN").

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

The shareholders of the Parent Company and its subsidiaries (together, "the Corporation") are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 27.

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

The principal activities of the Corporation include:

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

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

As at 31 December 2023, the Corporation had 2,913 employees (as at 31 December 2022: 2,937 employees).

As at 31 December 2023 and 31 December 2022, the Parent Company had 11 direct subsidiaries, 3 indirect subsidiaries, 3 direct associates, 2 indirect associates and 1 dependent accounting unit that does not have legal. Details are as in the following page:

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Principal activities	Place of incorporation	31.12.2023		31.12.2022	
			Ownership %	Voting right %	Ownership %	Voting right %
I - Direct subsidiaries						
Petroleum General Distribution Services Joint Stock Company ("PSD")	Distribution of telecommunication and electronic equipment	Ho Chi Minh City	76.93	76.93	79.97	79.97
Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai Province	99.79	99.79	99.79	99.79
PetroVietnam Assets Management Joint Stock Company ("PSA")	Operating in property management and services	Ha Noi City	71.46	71.46	71.46	71.46
Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Ba Ria – Vung Tau Province	70	70	70	70
Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	60	60
Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic, components, peripheral devices and software	Ho Chi Minh City	55	55	55	55
Petrosco SSG Company Limited ("PSSSG") (i)	Real estate business	Ho Chi Minh City	21.46	51	21.46	51
Petrosco Retail Services Joint Stock Company ("PSR")	Retail of mobile phones	Ho Chi Minh City	72.75	75	72.75	75
Petroleum Logistics Service Joint Stock Company ("PSL") (ii)	Transportation support service	Ho Chi Minh City	44	66.67	44	66.67
Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	51	51
Petroleum Saigon General Services Company Limited ("PSG") (iii)	Stopped operations and on liquidation process	Ho Chi Minh City	100	100	100	100

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Principal activities	Place of incorporation	31.12.2023		31.12.2022	
			Ownership %	Voting right %	Ownership %	Voting right %
II – Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Trading of electronic devices, refrigeration appliances and electronic household appliances	Ho Chi Minh City	71.16	92.5	73.97	92.5
Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Wholesale of solid, liquid and gaseous fuels and related products	Khanh Hoa Province	99.79	100	99.79	100
An Lac Nhon Trach Single-member Limited Liability Company ("An Lac Nhon Trach")	Packing service for paper products	Dong Nai province	79.97	100	79.97	100
III – Direct associates						
PEDACO Green Environment Joint Stock Company ("Pedaco")	Wastage treatment	Binh Thuan province	48.5	48.5	48.5	48.5
Petro Tower Limited Company	Office for lease	Ba Ria - Vung Tau Province	24	24	24	24
Vinh Hoa Emerald Bay International Hospitality Company Limited (iv)	Hospitality service	Phu Yen Province	20	20	20	20
IV – Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (v)	Trading of electronic components, information technology, technology transfer services and delivery services	Ha Noi City	16	20	16	20
Petro Environmental and Energy Services Joint Stock Company ("Petro")	Manufacturing electricity	Ho Chi Minh City	27	45	27	45
V – The dependent accounting unit that does not have legal status						
Petroleum Industrial Material Distribution branch ("PIMD")	Trading solid, liquid, gas fuels and related products	Ho Chi Minh City	100	100	100	100

1 GENERAL INFORMATION (continued)

- (i) As at 31 December 2023 and 31 December 2022, although the Corporation's ownership in PSSSG was only 21.46%, the Corporation had the authority to exercise its power over the financial and operational policies of PSSSG through its 51% representatives in the Board of Directors of PSSSG. Therefore, the Corporation controlled PSSSG and PSSSG was classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (ii) As at 31 December 2023 and 31 December 2022, although the Corporation's ownership in PSL was only 44%, the Corporation had the authority to exercise its power over the financial and operational policies of PSL through its 2/3 representatives in the Board of Directors of PSL. Therefore, the Corporation controlled PSL and PSL was classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iii) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. In the fiscal year then ended 31 December 2013, PSG has had no business activities.
- (iv) According to the Resolution No. 22/DVTHDK-QD dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND111.2 billion, accounting for 20% of the voting right and ownership and the Corporation contributed VND16 billion.
- (v) Vietecom Digital Trading and Investment Joint Stock Company is in the process of carrying out dissolution procedures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of consolidated financial statements

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

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

2.2 Fiscal year

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

2.3 Currency

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

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

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

2.5 Basis of consolidation**Subsidiaries**

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

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

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

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

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

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

Non-controlling transactions and interests

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

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

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

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

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

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

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

2.6 Goodwill

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

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

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

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

2.7 Cash and cash equivalents

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

2.8 Receivables

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is 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 is recognised as an increase or decrease of cost of goods sold in the year.

2.10 Investments

(a) Trading securities

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the 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 fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

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

(b) Investments held-to-maturity

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

Investments held-to-maturity include term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the year 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 fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

(c) Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method when preparing the consolidated financial statements (Note 2.5).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Investments (continued)****(d) Investments in other entities**

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

Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. Provision for investments in other entities is made when there is a diminution in value of the investments at the year end. It is calculated based on market value if market value can be determined reliably. If market value cannot be determined reliably, the provision for investments in other entities is calculated based on the loss of investees.

Changes in the provision balance during the fiscal 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.

2.11 Fixed assets*Tangible and intangible fixed assets*

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

Depreciation and amortisation

Fixed assets are depreciated and amortised using the straight-line method 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 consolidated 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	5% - 50%
Motor vehicles	10% - 17%
Office equipment	20% - 33%
Land use rights	2% - 3%
Computer software	33%

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fixed assets (continued)

Disposals

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

Construction in progress

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

2.12 Operating leases

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

2.13 Investment properties

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

Depreciation and amortisation

Investment properties held for lease are depreciated on straight-line basis to write off the depreciable amount of the assets over their estimated useful lives. Depreciable amount equals to the historical cost of assets recorded in the consolidated financial statements minus (-) the estimated disposal value of such assets. The principal annual rates of each asset class are as follows:

Plant and buildings	3% - 33%
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Disposals

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

2.14 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Short-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets; ... for a period not exceeding 12 months or a business cycle from the date of prepayments. Long-term prepaid expenses reflect prepayments for services; or tools that do not meet the recognition criteria for fixed assets; ... for a period exceeding 12 months or more than one business cycle from the date of prepayments. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Prepaid expenses (continued)**

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

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2.16 Borrowing

Borrowings include borrowings from banks.

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

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

2.17 Accrued expenses

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

2.18 Provisions

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

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

2.19 Provision for severance allowances

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Provision for severance allowances (continued)

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

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

2.20 Unearned revenue

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

2.21 Capital and reserves

(a) Owners' capital

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

(b) Share premium

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

(c) Owners' other capital

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

(d) Treasury shares

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

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

(e) Undistributed earnings

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

2.22 Appropriation of profit

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

Net profit after CIT could be distributed to shareholders after approval at a General Meeting of shareholders, and after appropriation to other funds in accordance with the Parent Company's charter and Vietnamese regulations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 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 approved by shareholders in the Annual General Meeting of Shareholders. This fund is used for expanding and developing the business of the Corporation.

(b) Bonus and welfare fund

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

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

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

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

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

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

(b) Revenue from rendering of services

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.23 Revenue recognition (continued)****(c) Revenue from rendering of operating lease services**

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

(d) Dividends income

Income from dividends is recognised on the basis of the actual time and interest rates for each period when both conditions are simultaneously satisfied:

- It is probable that economic benefits will be generated; and
- Income can be measured reliably.

(e) Income from dividend paid/profit shared

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

(f) Allocation of gas cylinders deposits

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

2.24 Sales deductions

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

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

2.25 Cost of goods sold and services rendered

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

2.26 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities; expenses of borrowing; losses from trading of securities; provision for diminution in value of investments; losses from foreign exchange differences and payment discounts.

2.27 Selling expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 General and administration expenses**

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

2.29 Current and deferred income tax

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

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

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

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

2.30 Related parties

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

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

2.31 Segment reporting

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

Segment information is prepared and presented in accordance with the accounting policies applicable to the preparation and presentation of the consolidated financial statements of the Corporation for the purpose of enabling users of the at the end of the period to understand and evaluate the operation of the Corporation in a comprehensive manner.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.32 Critical accounting estimates**

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

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

	2023 VND	2022 VND
Cash on hand	11,115,633,559	13,770,317,500
Cash at bank	940,704,676,208	567,471,600,527
Cash equivalents (*)	120,565,747,000	511,450,000,000
	<u>1,072,386,056,767</u>	<u>1,092,691,918,027</u>

(*) As at 31 December 2023, cash equivalents are deposits in Vietnam Dong with original terms not exceeding 3 months at commercial banks and earning average interest rate from 2.7% per annum to 7.1% per annum (as of 31 December 2022: from 4.6% per annum to 6.0% per annum).

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4 INVESTMENTS

(a) Trading securities

	As at 31.12.2023			As at 31.12.2022		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
Listed shares						
No Va Land Investment						
Group Corporation ("NVL")	3,926,238,120	3,677,685,022	(248,553,098)	-	-	-
Vietnam Commercial Joint Stock						
Export Import Bank ("EIB")	-	-	-	5,116,701,255	5,310,500,000	-
Others	-	-	-	5,513,757,615	4,322,164,000	(856,545,694)
	<u>3,926,238,120</u>	<u>3,677,685,022</u>	<u>(248,553,098)</u>	<u>10,630,458,870</u>	<u>9,632,664,000</u>	<u>(856,545,694)</u>

At as 31 December 2023 and 31 December 2022, the fair value was determined based on the closing price of listed shares on the Ho Chi Minh and Ha Noi Stock Exchanges of the nearest date from the consolidated balance sheet date and quantity of shares held by the Corporation.

(b) Investments held-to-maturity

i. Short-term

As at 31 December 2023, the balance represents term deposits represented bank deposits in VND with original terms exceeding 3 months but the remaining maturity not exceeding 12 months, earning interest at the average rates from 1% per annum to 8.6% per annum (as at 31 December 2022: from 2.5% per annum to 11% per annum).

As at 31 December 2023, a term deposit of VND 38,9 billion was used as collateral for loans of Smart Convergence Joint Stock Company, a subsidiary of the Corporation (as at 31 December 2022: VND 576billion) (Note 23).

ii. Long-term

As at 31 December 2023, the balance represents the value of deposits in Vietnam Dong with remaining terms of more than 12 months at commercial banks and earning an average interest rate of 4.7% per annum to 7.0% per annum (as of 31 December 2022: from 4% per annum to 7% per annum).

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4 INVESTMENTS (continued)

(c) Investments in associates

Details of investments in associates are presented as follows:

	As at 31.12.2023				As at 31.12.2022			
	Cost VND	Book value VND	Fair value VND	Provision VND	Cost VND	Book value VND	Fair value VND	Provision VND
Petro Tower Limited Company	14,359,957,249	13,606,119,708	(*)	-	14,359,957,249	13,606,119,708	(*)	-
Vietecom Digital Trade and Investment JSC	853,268,080	-	(*)	-	853,268,080	-	(*)	-
Vinh Hoa Emerald Bay International Hospitality Company Limited	16,000,000,000	16,000,000,000	(*)	-	16,000,000,000	16,000,000,000	(*)	-
Petro Environmental and Energy Services JSC	9,000,000,000	9,000,000,000	(*)	-	9,000,000,000	9,000,000,000	(*)	-
PEDACO Green Environment JSC	77,842,500,000	68,951,315,919	(*)	-	77,842,500,000	72,309,866,380	(*)	-
	118,055,725,329	107,557,435,627		-	118,055,725,329	110,915,986,088		-

(*) As at 31 December 2023 and 31 December 2022, the Group had not determined the fair value of these investments to disclose in the consolidated financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

Movements in investments in associates are as follows:

	2023 VND	2022 VND
Beginning of the year	110,915,986,088	116,576,659,708
Losses sharing in associates	(3,358,550,461)	(5,660,673,620)
End of the year	107,557,435,627	110,915,986,088

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4 INVESTMENTS (continued)

(d) Investments in other entities

Details of investments in other entities were presented as follows:

	2023			2022		
	Cost VND	Fair value VND	Provision VND	Cost VND	Fair value VND	Provision VND
PetroVietnam Central Biofuels Joint Stock Company	2,000,000,000	(*)	(2,000,000,000)	2,000,000,000	(*)	(2,000,000,000)
Vietnam Coolpad Co., Ltd	20,160,000,000	(*)	(20,160,000,000)	20,160,000,000	(*)	(20,160,000,000)
Vietnam - Korea Petroleum Industrial Gas Joint Stock Company	305,000,000	(*)	(296,972,632)	305,000,000	(*)	(206,834,272)
	<u>22,465,000,000</u>		<u>(22,456,972,632)</u>	<u>22,465,000,000</u>		<u>(22,366,834,272)</u>

Movements in investments in provision for long-term investments were as follows:

	2023 VND	2022 VND
Beginning of the year	22,366,834,272	22,366,834,272
Increase in the year	90,138,360	-
End of the period	<u>22,456,972,632</u>	<u>22,366,834,272</u>

As at 31 December 2023 and 31 December 2022, the Corporation had not determined the fair value of these investments for disclose in the consolidated financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2023 VND	2022 VND
Third parties	2,189,216,914,588	1,894,515,919,915
Related parties (Note 39(b))	204,029,127,120	181,244,983,640
	<u>2,393,246,041,708</u>	<u>2,075,760,903,555</u>

As at 31 December 2023 and 31 December 2022, there were no third-party customers who had a balance accounting for 10% or more of the total balance of short-term trade accounts receivable.

As at 31 December 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due were reviewed and made provision for doubtful debts as presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2023 VND	2022 VND
Global Consulting and Mechanical Services LLC	44,896,370,057	79,376,752,057
Qst Ikon (Pte.) Ltd.	17,103,852,679	-
B&T High Technology Viet Nam Trading and Service Company Limited	12,121,431,507	15,289,091,068
Others	37,271,993,884	21,566,399,202
	<u>111,393,648,127</u>	<u>116,232,242,327</u>

7 OTHER RECEIVABLES

(a) Short-term

	2023 VND	2022 VND
Related parties (Note 39(b))		
Others	6,185,197,308	466,468,014
Third parties		
Supporting receivable from suppliers	116,214,788,258	149,958,113,436
Receivables from interest income	38,045,201,224	13,121,056,748
Others	49,059,720,182	43,032,724,633
	<u>209,504,906,972</u>	<u>206,578,362,831</u>

(b) Long-term

As at 31 December 2023 and 31 December 2022, the balances of other receivables are long-term deposits.

As at 31 December 2023 and 31 December 2022, the balances of other receivables which were past due were reviewed and made provision for doubtful debts (Note 8).

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8 DOUBTFUL DEBTS – SHORT-TERM

As at 31 December 2023 and 31 December 2022, the balance of short-term receivables from customers and other short-term receivables that are past due have been considered for provision for short-term receivables. Doubtful debts are presented as follows:

	2023			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
Receivables from sales of telecommunication equipments	136,482,661,562	-	(136,482,661,562)	Over 3 years
Receivables from suppliers' support	79,849,349,317	-	(79,849,349,317)	Over 3 years
Others	153,219,215,363	24,415,557,522	(128,803,657,841)	Over 6 months
	<u>369,551,226,242</u>	<u>24,415,557,522</u>	<u>(345,135,668,720)</u>	
	2022			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
Receivables from sales of telecommunication equipments	136,482,661,562	-	(136,482,661,562)	Over 3 years
Receivables from suppliers' support	79,849,349,317	-	(79,849,349,317)	Over 3 years
Others	173,752,194,110	26,084,597,997	(147,667,596,113)	Over 6 months
	<u>390,084,204,989</u>	<u>26,084,597,997</u>	<u>(363,999,606,992)</u>	

9 INVENTORIES

	2023		2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	121,624,868,640	-	128,286,042,614	-
Raw materials	2,540,717,151	-	4,342,717,122	-
Tools and supplies	2,288,469,531	-	2,884,821,509	-
Merchandise	1,503,509,787,297	(13,067,969,179)	2,314,565,690,562	(56,371,866,520)
Goods on consignment	285,461,187,967	-	24,879,688,065	-
	<u>1,915,425,030,586</u>	<u>(13,067,969,179)</u>	<u>2,474,958,959,872</u>	<u>(56,371,866,520)</u>

10 PREPAID EXPENSES

(a) Short-term

	2023 VND	2022 VND
Payment guarantee expenses	7,891,765,244	15,270,118,167
Others	7,100,531,592	9,091,344,323
	<u>14,992,296,836</u>	<u>24,361,462,490</u>

(b) Long-term

	2023 VND	2022 VND
Prepaid operating leases	125,789,439,269	129,295,556,249
Prepaid gas cylinders	67,446,565,371	82,489,587,090
Others	18,174,829,369	14,641,913,467
	<u>211,410,834,009</u>	<u>226,427,056,806</u>

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11	FIXED ASSETS					
(a)	Tangible fixed assets					
	Historical cost					
	As at 1 January 2023					379,473,532,070
	New purchases	102,615,125,182		149,384,150,056	18,376,790,311	24,616,098,071
	Disposals	1,399,636,364	9,476,025,409	13,400,144,298	340,292,000	(12,272,032,553)
		(1,759,974,627)	(3,057,641,475)	(7,354,476,951)	(99,939,500)	
	As at 31 December 2023	102,254,786,919	115,515,850,455	155,429,817,403	18,617,142,811	391,817,597,588
	Accumulated depreciation					
	As at 1 January 2023					280,799,682,878
	Charge for the year	75,621,447,097	85,540,649,690	104,938,549,504	14,699,036,587	23,276,738,538
	Disposals	2,248,792,620	6,082,826,855	13,501,821,937	1,443,297,126	(8,349,957,210)
		(841,680,370)	(2,258,512,215)	(5,249,764,625)	-	
	As at 31 December 2023	77,028,559,347	89,364,964,330	113,190,606,816	16,142,333,713	295,726,464,206
	Net book value					
	As at 1 January 2023					98,673,849,192
	As at 31 December 2023	26,993,678,085	23,556,816,831	44,445,600,552	3,677,753,724	96,091,133,382
		25,226,227,572	26,150,886,125	42,239,210,587	2,474,809,098	

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2023 was VND195 billion (as at 31 December 2022: VND185 billion).

11 **FIXED ASSETS (continued)**

(b) **Intangible fixed assets**

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2023	172,812,781,739	10,269,144,859	183,081,926,598
New purchases	-	714,000,000	714,000,000
As at 31 December 2023	<u>172,812,781,739</u>	<u>10,983,144,859</u>	<u>183,795,926,598</u>
Accumulated amortisation			
As at 1 January 2023	3,182,402,537	6,092,551,152	9,274,953,689
Charge for the year	3,789,170,554	672,030,104	4,461,200,658
As at 31 December 2023	<u>6,971,573,091</u>	<u>6,764,581,256</u>	<u>13,736,154,347</u>
Net book value			
As at 1 January 2023	<u>169,630,379,202</u>	<u>4,176,593,707</u>	<u>173,806,972,909</u>
As at 31 December 2023	<u><u>165,841,208,648</u></u>	<u><u>4,218,563,603</u></u>	<u><u>170,059,772,251</u></u>

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2023 was VND5.7 billion (as at 31 December 2022: VND4.89 billion).

12 INVESTMENT PROPERTIES

	Buildings VND
Historical cost	
As at 1 January 2023 and 31 December 2023	852,074,158,578
Accumulated depreciation	
As at 1 January 2023	258,725,803,703
Charge for the year	39,760,819,512
As at 31 December 2023	298,486,623,215
Net book value	
As at 1 January 2023	593,348,354,875
As at 31 December 2023	553,587,535,363

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

As at 31 December 2023 and 31 December 2022, all investment properties were pledged as collateral assets for the Corporation's borrowings (Note 22).

For the year ended 31 December 2023, revenue from investment properties was VND94,352,637,622 (for the year ended 31 December 2022: VND93,830,491,153). Direct expenses incurred from investment properties relating to revenue from leasing for the year ended 31 December 2023 (including tools and supplies, utilities and management fee) were VND20,743,577,457 (for the year ended 31 December 2023: VND20,700,311,052).

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 2023 was not disclosed in the consolidated financial statements. However, given the occupancy rate of these properties, in the view of the Chairman, the market value of these properties is higher than the net book values at the consolidated balance sheet date.

13 CONSTRUCTION IN PROGRESS

	2023 VND	2022 VND
Cape Pearl Project	37,509,649,278	37,509,649,278
Others	1,015,932,906	806,632,906
	<u>38,525,582,184</u>	<u>38,316,282,184</u>

14 GOODWILL

2023
VND

Historical cost

As at 1 January 2023 and 31 December 2023

19,125,000,000

Accumulated depreciation

As at 1 January 2023

13,003,470,000

Charge in the year

1,530,382,500

As at 31 December 2023

14,533,852,500

Net book value

As at 1 January 2023

6,121,530,000

As at 31 December 2023

4,591,147,500

15 SHORT-TERM TRADE ACCOUNTS PAYABLE

2023
VND

2022
VND

Third parties

Apple Vietnam Limited Liability Company

342,844,453,571

755,105,026,055

Others

972,314,129,517

607,238,622,091

Related parties (Note 39(b))

138,860,601,927

384,821,049,970

1,454,019,185,015

1,747,164,698,116

As at 31 December 2023 and 31 December 2022, the Chairman believed that the Corporation was able to fully repay all short-term trade accounts payable as and when they fall due. There was no balance of short-term trade accounts payable which was past due.

16 SHORT-TERM ADVANCES FROM CUSTOMERS

2023
VND

2022
VND

Third parties

17,199,846,709

6,429,675,561

Related parties (Note 39(b))

330,948,060,498

75,677,283,602

348,147,907,207

82,106,959,163

As at 31 December 2023 and 31 December 2022, there was no third-party customer who had a balance accounting for 10% or more of the total balance of short-term advances from customers.

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

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

	As at 1.1.2023 VND	Receivable/payable during the year VND	Payment during the year VND	Reclassification/ Net off VND	As at 31.12.2023 VND
(a) VAT to be reclaimed					
VAT to be reclaimed	353,402,047,497	2,488,876,737,624	-	(2,544,322,081,458)	297,956,703,663
(b) Receivables					
CIT	3,338,047,499	-	-	1,523,526,252	4,861,573,751
Others	1,491,623,555	-	-	(823,540,313)	668,083,242
	4,829,671,054	-	-	699,985,939	5,529,656,993
(c) Payables					
CIT	9,519,776,906	44,917,754,141	(40,056,586,289)	1,523,526,252	15,904,471,010
VAT	8,101,531,882	2,936,054,580,895	(388,397,989,652)	(2,544,322,081,458)	11,436,041,667
Personal income tax	4,772,956,026	40,289,473,402	(37,139,815,856)	-	7,922,613,572
Others	-	42,867,998,524	(42,044,458,211)	(823,540,313)	-
	22,394,264,814	3,064,129,806,962	(507,638,850,008)	(2,543,622,095,519)	35,263,126,249

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18 PAYABLE TO EMPLOYEES

As at 31 December 2023 and 31 December 2022, the balance represented salaries and bonuses payable to employees of the Company.

19 SHORT-TERM ACCRUED EXPENSES

	2023 VND	2022 VND
Interest expense	10,335,805,118	5,672,941,018
Others	12,668,862,302	22,517,645,214
	<u>23,004,667,420</u>	<u>28,190,586,232</u>

20 SHORT-TERM UNEARNED REVENUE

	2023 VND	2022 VND
Interest income	-	41,792,527,808
Others	280,790,512	307,222,633
	<u>280,790,512</u>	<u>42,099,750,441</u>

21 OTHER PAYABLES

(a) Short-term

	2023 VND	2022 VND
L/C credit account payables (*)	429,391,533,275	1,018,980,988,218
Payable for sales supports	138,561,320,785	128,633,454,196
Dividend payable (Note 23)	30,892,088,809	17,378,195,277
Employee Welfare payment on half	54,205,298,860	-
Others	70,370,176,684	52,881,211,978
	<u>723,420,418,413</u>	<u>1,217,873,849,669</u>
In which:		
Third parties	719,435,315,555	1,204,004,306,932
Related parties (Note 39(b))	3,985,102,858	13,869,542,737
	<u>723,420,418,413</u>	<u>1,217,873,849,669</u>

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

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21 OTHER PAYABLES (continued)

(b) Long-term

	2023 VND	2022 VND
Gas cylinders deposits	20,205,679,024	23,711,892,186
Others	16,175,351,721	13,405,196,173
	<u>36,381,030,745</u>	<u>37,117,088,359</u>
In which:		
Third parties	28,348,188,179	35,257,569,813
Related parties (Note 39(b))	8,032,842,566	1,859,518,546
	<u>36,381,030,745</u>	<u>37,117,088,359</u>

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22 BORROWINGS

(a) Short-term

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

	31.12.2023 VND	31.12.2022 VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam	1,450,172,305,191	1,013,228,894,498
Bank for Investment and Development of Vietnam	1,626,572,905,517	687,476,290,044
Vietnam Joint Stock Commercial Bank for Industry and Trade	433,820,272,887	452,342,553,744
Vietnam Export Import Commercial Joint Stock Bank	327,401,023,694	393,161,051,408
HSBC Bank Vietnam Limited	197,897,867,804	737,675,342,442
Kasikornbank Public Company Limited	184,934,013,000	-
Military Commercial Joint Stock Bank	150,265,182,000	38,864,898,148
Shinhan Commercial Bank	65,221,697,808	65,221,697,808
Vietnam International Commercial Joint Stock Bank	42,950,358,737	134,540,938,032
Standard Chartered Bank	36,690,629,862	-
Vietnam Prosperity Joint-Stock Commercial Bank	-	104,154,594,500
	<u>4,515,926,256,500</u>	<u>3,626,666,260,624</u>

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22 BORROWINGS (continued)

(a) Short-term (continued)

As at 31 December 2023, collateral assets of these borrowings were as follows:

- Guarantee commitments of the Parent Company for its subsidiaries' borrowings with total the value of VND4,745 billion (as at 31 December 2022: VND5,055 billion);
- A deposit with an amount of VND38.9 billion (as at 31 December 2022: VND576 billion) (Note 4); and

Borrowings from banks were made in the forms of credit limit contracts or letters of credit and were to finance for the working capital of the Corporation's business operations. The interest rates were announced by the banks at drawdown dates or adjusted from time to time which were announced by the banks. Movements of short-term bank borrowings during the year were as follows:

	As at 1.1.2023 VND	Increase VND	Decrease VND	Reclassification VND	As at 31.12.2023 VND
Short-term borrowings	3,561,444,562,816	15,109,558,983,025	(14,220,298,987,149)	-	4,450,704,558,692
Current portion of long-term loan	65,221,697,808	-	(65,221,697,808)	65,221,697,808	65,221,697,808
	<u>3,626,666,260,624</u>	<u>15,109,558,983,025</u>	<u>(14,285,520,684,957)</u>	<u>65,221,697,808</u>	<u>4,515,926,256,500</u>

(b) Long-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	Current portion of long-term borrowing VND	As at 31.12.2023 VND
Shinhan Bank	<u>76,091,980,774</u>	<u>-</u>	<u>-</u>	<u>(65,221,697,808)</u>	<u>10,870,282,966</u>

The loan with Shinhan Bank Vietnam Ltd. has a credit limit of VND217.8 billion and bears a fixed interest rate of 7.8% per annum. This loan is used to finance the investment of Nghi Son Project. This loan has a term until 2 February 2025 and is secured by assets formed from Nghi Son Project (Note 12) rights arising from the land lease contract, receivables and arising rights under the lease contract at Nghi Son Project.

23 DIVIDENDS

	2023 VND	2022 VND
Beginning of year	17,378,195,277	23,690,320,623
Dividends payable during the year (Note 27)	22,025,255,317	23,898,249,135
Dividends paid	(8,511,361,785)	(30,210,374,481)
End of year	<u>30,892,088,809</u>	<u>17,378,195,277</u>

24 DEFERRED INCOME TAX

(a) Details of deferred income tax assets

	2023 VND	2022 VND
Interest expenses exceed 30% of EBITDA	<u>3,412,700,115</u>	<u>-</u>

Deferred CIT assets arising from interest expenses are not deductible when calculating CIT because they exceed 30% of EBITDA. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The non-deductible interest expenses can be carried forward to offset against future taxable profits for a maximum period of no more than five consecutive years from the year right after the year in which the interest expenses were incurred. The actual amount of non-deductible interest expenses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented in separate financial statements. The estimated amount of non-deductible interest expenses available for offset against the Corporation's future taxable profit is:

Year incurred	Status of tax authorities' review	Losses incurred VND	Losses utilised VND	Losses carried forward VND
2023	Outstanding	<u>17,063,500,575</u>	-	<u>17,063,500,575</u>

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

(b) Details of deferred income tax liabilities

	2023 VND	2022 VND
Temporary differences	<u>5,227,716,372</u>	<u>3,300,000,000</u>

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

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

Deferred income tax assets to be recovered over 12 months and deferred income tax liabilities are expected to be recovered within 12 months.

25 BONUS AND WELFARE FUND

	2023 VND	2022 VND
Beginning of year	29,750,568,756	33,693,610,736
Appropriation from undistributed earnings (Note 27)	8,873,465,630	12,967,001,058
Utilisation	(14,386,847,959)	(16,910,043,038)
End of year	<u>24,237,186,427</u>	<u>29,750,568,756</u>

26 OWNERS' CAPITAL

(a) Number of shares

	2023		2022	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>107,334,831</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>106,722,131</u>	<u>-</u>	<u>89,837,424</u>	<u>-</u>

(b) Details of owners' shareholding

	2023		2022	
	Ordinary shares	%	Ordinary shares	%
PVN	24,916,934	23.2%	20,973,851	23.2%
Other shareholders	81,805,197	76.2%	68,863,573	76.1%
Treasury shares	<u>612,700</u>	<u>0.6%</u>	<u>612,700</u>	<u>0.7%</u>
Number of shares	<u>107,334,831</u>	<u>100%</u>	<u>90,450,124</u>	<u>100%</u>

(c) Movement of share capital

	Number of shares	Ordinary shares VND	Total VND
As at 1 January 2022	<u>90,450,124</u>	<u>904,501,240,000</u>	<u>904,501,240,000</u>
As at 31 December 2022	<u>90,450,124</u>	<u>904,501,240,000</u>	<u>904,501,240,000</u>
New shares issued	<u>16,884,707</u>	<u>168,847,070,000</u>	<u>168,847,070,000</u>
As at 31 December 2023	<u>107,334,831</u>	<u>1,073,348,310,000</u>	<u>1,073,348,310,000</u>

Par value per share: VND10,000.

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27 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Owners' other capital VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND	Non-controlling interests VND	Total capital and reserves VND
As at 1 January 2022	904,501,240,000	159,572,337,789	141,776,000,000	(3,994,616,440)	271,777,466,354	342,604,773,541	1,816,237,201,244	123,490,769,414	1,939,727,970,658
Capital increased from bonus issue during the year	-	-	-	-	-	(84,464,213,448)	27,583,646,552	(27,583,646,552)	-
Decrease due to the investment from a subsidiary	-	-	-	-	-	-	-	(6,125,460,024)	(6,125,460,024)
Net profit for the year	-	-	-	-	-	110,430,234,145	110,430,234,145	56,988,249,600	167,418,483,745
Appropriation to bonus and welfare fund	-	-	-	-	-	(11,244,932,306)	(11,244,932,306)	(1,722,068,752)	(12,967,001,058)
Dividends paid	-	-	-	-	-	-	-	(23,898,249,135)	(23,898,249,135)
Others	-	-	-	(1,433,256,668)	-	-	(1,433,256,668)	-	(1,433,256,668)
Changes in ownership of a controlled subsidiary	-	-	-	-	-	(6,668,740,910)	(6,668,740,910)	6,357,490,910	(311,250,000)
As at 31 December 2022	904,501,240,000	159,572,337,789	253,823,860,000	(5,427,873,108)	271,777,466,354	350,657,121,022	1,934,904,152,057	127,507,085,461	2,062,411,237,518
Issuance of ordinary shares under ESOP to Employees(i)	-	-	15,750,000,000	-	-	-	15,750,000,000	-	15,750,000,000
Capital increased from bonus issue during the year (ii) - Parent	168,847,070,000	-	-	-	-	(168,847,070,000)	-	-	-
Capital increased from bonus issue during the year (i) - Subsidiary	-	-	79,741,676,105	-	-	(103,654,850,000)	(23,913,173,895)	23,913,173,895	-
Net profit for the year	-	-	-	-	-	111,424,903,698	111,424,903,698	27,572,347,621	138,997,251,319
Appropriation to bonus and welfare fund (iii)	-	-	-	-	-	(6,733,535,509)	(6,733,535,509)	(2,139,930,121)	(8,873,465,630)
Changes in ownership of a controlled subsidiary	-	-	-	-	-	(4,254,732,895)	(4,254,732,895)	4,254,732,895	-
Dividends paid (iii)	-	-	-	-	-	-	-	(22,025,255,317)	(22,025,255,317)
As at 31 December 2023	1,073,348,310,000	159,572,337,789	349,315,536,105	(5,427,873,108)	271,777,466,354	178,591,836,316	2,027,177,613,456	159,082,154,434	2,186,259,767,890

(i) According to the Resolution No. 01/NQ-PSD-DHDCD dated 28 April 2023 of the General Meeting of Shareholders of Petroleum General Distribution Services Joint Stock Company ("PSD"), the General Meeting of Shareholders approved the plan to issue shares under the Employee Stock Ownership Plan ("ESOP") and pay dividends at a rate of 25% in shares from undistributed earnings.

(ii) According to the Resolution of the Board of Directors No. 61/NQ-DVTHDK dated 1 December 2022 and the report on the results of issuing shares to pay dividends, No. 236/DVTHDK-TCKT dated 16 August 2023, the Corporation has completed the issuance of 16,884,707 shares to pay dividends.

(iii) During the year, the General Meeting of Shareholders of the Parent Company and its subsidiaries approved the appropriation of bonus and welfare fund of VND8,873,465,630 and the cash dividend of VND22,025,255,317.

28 BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

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

	For the year ended	
	31.12.2023	31.12.2022
		(*)
Net profit after tax attributable to shareholders (VND)	111,424,903,698	110,430,234,145
Less amount allocated to bonus and welfare funds (VND)	(3,301,624,050)	(5,483,171,688)
Net profit for the year attributable to shareholders (VND)	<u>108,123,279,648</u>	<u>104,947,062,457</u>
Weighted average number of ordinary shares in issue (shares)	<u>106,722,131</u>	<u>106,722,131</u>
Basic earnings per share (VND)	<u>1,013</u>	<u>983</u>

(*) Basic earnings per share for the fiscal year ended 31 December 2022 have been recalculated to adjust the weighted average number of ordinary shares in issue accordance with the completion of the bonus issuance to pay dividends on 1 February 2023 at the rate of 10% and on 16 August 2023 at the rate of 8% of the total number of outstanding shares. At the same time, the amount allocated to bonus and welfare funds used to calculate basic earnings per share for the fiscal year ended 31 December 2022 has been adjusted compared to the data presented in the consolidated financial statements 2022 to reflect the actual deduction to the bonus and welfare fund from the net profit after CIT of 2022 approved at the General Meeting of Shareholders corresponding to the benefits allocated to the Parent Company.

	For the year ended 31.12.2022		
	As previously reported	Adjustments	As restated
Net profit attributable to shareholders (VND)	110,430,234,145	-	110,430,234,145
Actual deduction of bonus and welfare fund (VND)	(2,051,260,229)	(3,431,911,459)	(5,483,171,688)
	<u>108,378,973,916</u>	<u>(3,431,911,459)</u>	<u>104,947,062,457</u>
Weighted average number of ordinary shares in issue (shares)	<u>89,837,424</u>	<u>16,884,707</u>	<u>106,722,131</u>
Basic earnings per share (VND)	<u>1,206</u>	<u>(223)</u>	<u>983</u>

(b) Diluted earnings per share

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

29 OFF CONSOLIDATED BALANCE SHEET ITEMS

(a) Foreign currencies

As at 31 December 2023, included in cash and cash equivalents were balances held in foreign currency of USD720,639, EUR70 and GBP1,187 (as at 31 December 2022: USD1,229,229, EUR80 and GBP1,187).

(b) Commitments

As at 31 December 2023 and 31 December 2022, the commitments of the Corporation are presented in Note 40.

30 REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2023 VND	2022 VND
Revenue		
Revenue from sales of merchandises	15,434,477,975,467	15,661,314,837,970
Revenue from rendering of services	2,048,291,447,306	2,112,569,133,941
	<u>17,482,769,422,773</u>	<u>17,773,883,971,911</u>
Sales deductions		
Trade discounts	(165,679,655,584)	(142,278,920,955)
Sales allowances	(50,953,696,564)	(42,757,199,020)
Sales returns	(48,344,585,141)	(45,525,246,849)
	<u>(264,977,937,289)</u>	<u>(230,561,366,824)</u>
Net revenue		
Net revenue from sales of merchandises	15,169,500,038,178	15,430,753,471,146
Net revenue from rendering of services	2,048,291,447,306	2,112,569,133,941
	<u>17,217,791,485,484</u>	<u>17,543,322,605,087</u>

31 COST OF GOODS SOLD AND SERVICES RENDERED

	2023 VND	2022 VND
Cost of merchandises sold	15,021,726,186,195	15,168,553,411,389
Cost of services rendered	1,517,032,522,054	1,401,808,304,767
(Reversal of provision)/provision for decline in value of inventories	(43,303,897,341)	5,857,010,913
	<u>16,495,454,810,908</u>	<u>16,576,218,727,069</u>

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32 FINANCIAL INCOME

	2023 VND	2022 VND
Interest income	274,660,003,765	100,560,318,303
Profit from trading securities	6,306,501,091	46,756,070,650
Others	21,603,265,116	37,360,253,218
	<u>302,569,769,972</u>	<u>184,676,642,171</u>

33 FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expenses	216,984,021,724	139,992,579,835
Fee for UPAS L/C	92,603,582,162	35,774,512,475
Loss from trading securities	2,439,642,421	252,874,737,653
Others	10,269,350,940	21,527,666,329
	<u>322,296,597,247</u>	<u>450,169,496,292</u>

34 SELLING EXPENSES

	2023 VND	2022 VND
Staff costs	100,387,099,759	99,598,311,674
Transportation	29,229,766,659	34,171,167,006
Rental expenses	21,688,272,924	23,162,020,820
Others	185,180,020,836	179,270,440,359
	<u>336,485,160,178</u>	<u>336,201,939,859</u>

35 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	109,950,242,673	82,789,381,641
Depreciation and amortisation	8,374,900,033	6,119,493,359
(Reversal of provision)/provision for doubtful debts	(18,863,938,272)	6,484,520,754
Others	94,237,554,725	51,429,407,252
	<u>193,698,759,159</u>	<u>146,822,803,006</u>

36 OTHER INCOME

	2023 VND	2022 VND
Other income		
Allocation of gas cylinders deposits	5,490,733,162	5,965,411,896
Others	20,605,957,351	13,934,533,789
	<u>26,096,690,513</u>	<u>19,899,945,685</u>
Other expenses		
Penalties relating commercial contracts	8,238,914,544	14,890,722,948
Others	4,495,131,758	4,839,314,588
	<u>12,734,046,302</u>	<u>19,730,037,536</u>

37 CORPORATE INCOME TAX (“CIT”)

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

	2023 VND	2022 VND
Net accounting profit before tax	182,430,021,714	213,095,515,561
Tax calculated at a rate of 20%	36,486,004,343	42,619,103,112
Effect of:		
Non-deductible expenses	5,789,663,287	4,555,517,612
Tax losses for which no deferred income tax asset was recognised	984,229,780	307,823,424
Under/(over) provision in previous years	172,872,985	(1,805,412,332)
CIT charge (*)	<u>43,432,770,395</u>	<u>45,677,031,816</u>
Charged to consolidated income statement:		
CIT – current	44,917,754,141	45,677,031,816
CIT – deferred (Note 24)	(1,484,983,746)	-
CIT charge	<u>43,432,770,395</u>	<u>45,677,031,816</u>

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

38 COSTS OF OPERATION BY FACTOR

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

	2023 VND	2022 VND
Raw materials	758,183,644,960	726,163,979,670
Staff costs	635,789,160,843	563,282,408,887
(Reversal of provision)/provision for doubtful debts	(18,863,938,272)	6,484,520,754
Depreciation and amortisation	69,029,141,208	64,962,092,153
Transportation	34,612,225,482	34,171,167,006
Others	525,162,309,829	495,625,890,075
	<u>2,003,912,544,050</u>	<u>1,890,690,058,545</u>

39 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN, who owns 23,2% of share capital of the Corporation (Note 26).

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

Details of the main related parties and relationships are as follows:

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

(a) Related party transactions

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

	2023 VND	2022 VND
(i) Revenue from sales of goods and rendering of services		
PVN	157,920,320,601	229,219,308,543
Affiliate companies of PVN	<u>1,587,832,535,061</u>	<u>1,265,856,058,136</u>

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(a) **Related party transactions (continued)**

	2023 VND	2022 VND
(ii) Purchases of goods and services		
PVN	19,721,539,387	26,583,752,749
Affiliate companies of PVN	950,114,874,354	1,412,955,905,374
(iii) Compensation of key management		
Gross salaries and other benefits	5,175,753,157	4,377,612,848
In which:		
Phung Tuan Ha - Chairman	1,051,500,000	1,046,500,000
Vu Tien Duong – General Director	925,500,000	915,166,667
Ho Minh Viet - Deputy Director	672,500,000	667,500,000
Pham Thi Hong Diep - Deputy Director	717,232,955	729,500,000
Nguyen Duc Minh - Deputy Director	316,272,727	-
Ho Hoang Nguyen Vu - Deputy Director	211,000,000	-
Huynh Van Ngan - Deputy Director	31,500,000	26,500,000
Trinh Thanh Can - Member	88,000,000	48,000,000
Nguyen Quy Thinh - Member	88,000,000	48,000,000
Tran Quang Huy – Chief Accountant	1,074,247,475	896,446,181

(b) Year-end balances with related parties

	2023 VND	2022 VND
(i) Short-term trade accounts receivable (Note 5)		
PVN	30,732,876,001	274,517,432
Affiliate companies of PVN	173,296,251,119	180,970,466,208
	<u>204,029,127,120</u>	<u>181,244,983,640</u>
(ii) Other short-term receivables (Note 7(a))		
Affiliate companies of PVN	<u>6,185,197,308</u>	<u>466,468,014</u>
(iii) Short-term trade accounts payable (Note 15)		
PVN	42,590,959,442	159,268,366,734
Affiliate companies of PVN	96,269,642,485	225,552,683,236
	<u>138,860,601,927</u>	<u>384,821,049,970</u>
(iv) Short-term advances from customers (Note 16)		
Affiliate companies from PVN	330,948,060,498	75,677,283,602

39 RELATED PARTY DISCLOSURES (continued)

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

	2023 VND	2022 VND
(v) Other short-term payables (Note 21(a))		
PVN	1,232,534,227	8,249,167,947
Affiliate companies of PVN	2,752,568,631	5,620,374,790
	<u>3,985,102,858</u>	<u>13,869,542,737</u>
(vi) Other long-term payables (Note 21(b))		
PVN	3,055,028,328	-
Affiliate companies of PVN	4,977,814,238	1,859,518,546
	<u>8,032,842,566</u>	<u>1,859,518,546</u>

40 COMMITMENTS

(a) Commitments under operating leases

(i) The Corporation as the lessee

As at 31 December 2023 and 31 December 2022, the Corporation must pay the minimum payments for future irrevocable operating leases including: land lease, warehouse lease and future office lease as follows:

	2023 VND	2022 VND
Within one year	64,901,839,312	45,977,538,237
Between one and five years	67,354,121,467	73,511,390,006
Over five years	54,167,624,841	57,945,884,609
Total minimum payments	<u>186,423,585,620</u>	<u>177,434,812,852</u>

(ii) The Corporation as the lessor

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

	VND	VND
Within one year	235,868,581,899	226,802,910,061
Between one and five years	274,292,540,051	484,519,485,970
Over five years	69,934,711,578	91,596,322,057
Total minimum receivables	<u>580,095,833,528</u>	<u>802,918,718,088</u>

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40 COMMITMENTS (continued)

(b) Credit guarantee commitment

As at 31 December 2023, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with a total amount of VND4,745 billion and USD10 million (as at 31 December 2022: VND5,055 billion and USD10 million); 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 2022: VND235 billion and US\$8.2 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.

(c) Capital contribution commitments

As at 31 December 2023 and 31 December 2022, the progress of charter capital contribution commitments was as follows:

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

(*) In December 2010, the 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 2023, the Corporation contributed VND10.7 billion.

(**) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Directors decided to invest in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. Until 31 December 2023, 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 2023, the Corporation has contributed VND16 billion.

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41 SEGMENT REPORTING

Geographical segments

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

Business activity segments

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

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

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

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41 SEGMENT REPORTING (continued)

Segment assets and liabilities

	As at 31.12.2023			
	Electronic products VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Segment assets	7,352,683,898,034	511,630,339,590	1,615,161,410,666	9,479,475,648,290
Segment liabilities	5,673,748,478,746	407,956,007,237	1,211,511,394,417	7,293,215,880,400

	As at 31.12.2022			
	Electronic products VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Segment assets	7,782,112,918,407	285,592,879,733	971,789,780,984	9,039,495,579,124
Segment liabilities	6,094,268,301,141	306,023,545,996	576,792,494,469	6,977,084,341,606

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41 SEGMENT REPORTING (continued)

Segment information based on the business activities

For the year ended 31 December 2023				
	Electronic products VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Net revenue from sales of goods and rendering of services	13,786,087,056,044	1,239,882,333,111	2,191,822,096,329	17,217,791,485,484
Cost of goods sold and services rendered	(13,319,930,505,183)	(1,181,364,724,818)	(1,994,159,580,907)	(16,495,454,810,908)
Gross profit from sales of goods and rendering of services	466,156,550,861	58,517,608,293	197,662,515,422	722,336,674,576
Financial income	259,713,769,125	11,121,075,251	31,734,925,596	302,569,769,972
Financial expenses	(224,269,450,769)	(7,441,102,763)	(90,586,043,715)	(322,296,597,247)
Losses in investments in associates	-	-	(3,358,550,461)	(3,358,550,461)
Selling expenses	(256,347,383,362)	(55,591,175,544)	(24,546,601,272)	(336,485,160,178)
General and administration expenses	(130,217,255,257)	(10,406,066,140)	(53,075,437,762)	(193,698,759,159)
Other income	20,550,373,494	5,546,317,019	-	26,096,690,513
Other expenses	(1,918,075,346)	(393,335,101)	(10,422,635,855)	(12,734,046,302)
Net accounting profit before tax	133,668,528,746	1,353,321,015	47,408,171,953	182,430,021,714

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41 SEGMENT REPORTING (continued)

Segment information based on the business activities (continued)

	For the year ended 31 December 2022			
	Electronic products VND	Plastic resins, textile fibers and gas distribution VND	Other services VND	Total VND
Net revenue from sales of goods and rendering of services	14,140,054,383,757	1,477,974,776,069	1,925,293,445,261	17,543,322,605,087
Cost of goods sold and services rendered	(13,376,747,885,990)	(1,420,447,084,166)	(1,779,023,756,913)	(16,576,218,727,069)
Gross profit from sales of goods and rendering of services	763,306,497,767	57,527,691,903	146,269,688,348	967,103,878,018
Financial income	162,620,551,145	448,585,917	21,607,505,109	184,676,642,171
Financial expenses	(397,529,150,087)	(5,388,826,527)	(47,251,519,678)	(450,169,496,292)
Losses in investments in associates	-	-	(5,660,673,620)	(5,660,673,620)
Selling expenses	(271,402,813,355)	(48,434,780,900)	(16,364,345,604)	(336,201,939,859)
General and administration expenses	(83,548,148,983)	(10,058,601,963)	(53,216,052,060)	(146,822,803,006)
Other income	4,172,037,702	7,177,841,477	8,550,066,506	19,899,945,685
Other expenses	(18,762,652,849)	(419,443,817)	(547,940,870)	(19,730,037,536)
Net accounting profit before tax	158,856,321,340	852,466,090	53,386,728,131	213,095,515,561

Fluor

Hoang Van Vung
Preparer

[Signature]

Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman

