

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

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



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**SEPARATE 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 22th 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 SEPARATE FINANCIAL STATEMENTS

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

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

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

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby, approve the accompanying separate financial statements as set out on pages 5 to 55 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2023, of the separate results of its operations and its separate cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of separate financial statements.

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 2023 in order to obtain full information of the consolidated financial position, consolidated results of operations, and consolidated cash flows of the Corporation and its subsidiaries.



Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
29 March 2024

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

We have audited the accompanying separate financial statements of PetroVietnam General Services Joint Stock Company ("the Corporation") which were prepared on 31 December 2023 and approved by the Chairman on 29 March 2024. The separate financial statements comprise the separate balance sheet as at 31 December 2023, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements including significant accounting policies, as set out on pages 5 to 55.

The Chairman's Responsibility

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

Auditor's Responsibility

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

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

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

Auditor's Opinion

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

Other Matter

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM15327
Ho Chi Minh City, 29 March 2024



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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2023 VND	2022 VND
100	CURRENT ASSETS		2,776,484,287,738	2,914,530,591,014
110	Cash and cash equivalents	3	705,125,992,769	693,594,309,722
111	Cash		604,490,245,769	211,594,309,722
112	Cash equivalents		100,635,747,000	482,000,000,000
120	Short-term investments		533,500,000,000	578,882,039,342
121	Trading securities		-	3,324,731,517
122	Provision for diminution in value of trading securities		-	(689,267,517)
123	Investments held to maturity	4(a)	533,500,000,000	576,246,575,342
130	Short-term receivables		1,493,121,625,983	1,027,760,915,701
131	Short-term trade accounts receivable	5	1,076,275,047,448	779,145,697,468
132	Short-term prepayments to suppliers	6	3,196,995,995	1,319,702,415
135	Short-term lending	7	150,000,000,000	-
136	Other short-term receivables	8(a)	380,525,708,786	339,804,590,295
137	Provision for doubtful debts - short term	9	(116,876,126,246)	(92,509,074,477)
140	Inventories	10	17,708,465,556	554,328,332,177
141	Inventories		17,708,465,556	566,764,914,571
149	Provision for decline in value of inventories		-	(12,436,582,394)
150	Other current assets		27,028,203,430	59,964,994,072
151	Short-term prepaid expenses	11(a)	7,906,548,577	3,800,347,178
152	Value Added Tax ("VAT") to be reclaimed	15(a)	15,572,971,753	55,989,337,265
153	Tax and other receivables from the State	15(b)	3,548,683,100	175,309,629

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2023 VND	2022 VND
200	LONG-TERM ASSETS		1,270,207,601,324	1,315,280,181,893
210	Long-term receivable		23,655,000,000	25,655,000,000
216	Other long-term receivables	8(b)	23,655,000,000	25,655,000,000
220	Fixed assets		109,614,886,994	109,931,717,731
221	Tangible fixed assets	12(a)	11,277,577,613	11,594,408,350
222	Historical cost		75,386,481,746	73,670,945,382
223	Accumulated depreciation		(64,108,904,133)	(62,076,537,032)
227	Intangible fixed assets	12(b)	98,337,309,381	98,337,309,381
228	Historical cost		99,415,932,281	99,415,932,281
229	Accumulated amortisation		(1,078,622,900)	(1,078,622,900)
230	Investment properties	13	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 asset in progress		806,632,906	806,632,906
242	Construction in progress		806,632,906	806,632,906
250	Long-term investments		468,798,947,594	473,774,576,772
251	Investments in subsidiaries	4(b)	400,311,972,126	400,311,972,126
252	Investments in associates	4(b)	108,202,457,249	108,202,457,249
253	Investments in other entities	4(b)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(b)	(41,715,481,781)	(36,739,852,603)
260	Other long-term asset		113,744,598,467	111,763,899,609
261	Long-term prepaid expenses	11(b)	110,337,650,722	111,763,899,609
262	Deferred income tax assets	20	3,406,947,745	-
270	TOTAL ASSETS		4,046,691,889,062	4,229,810,772,907

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2023 VND	2022 VND
300	LIABILITIES		2,502,352,799,850	2,715,832,466,170
310	Short-term liabilities		2,490,745,897,093	2,637,905,093,512
311	Short-term trade accounts payable	14	383,566,957,018	912,867,013,051
312	Short-term advances from customers		116,748,426	557,604,957
313	Tax and other payables to the State	15(c)	1,331,658,710	1,136,736,393
314	Payable to employees	16	4,798,419,114	356,810,227
315	Short-term accrued expenses	17	1,464,949,372	2,484,600,159
318	Short-term unearned revenue		-	4,686,476,824
319	Other short-term payables	18	110,438,137,685	112,565,603,974
320	Short-term borrowings	19(a)	1,986,494,286,492	1,595,181,734,261
322	Bonus and welfare funds	21	2,534,740,276	8,068,513,666
330	Long-term liabilities		11,606,902,757	77,927,372,658
337	Other long-term payables		736,619,791	1,835,391,884
338	Long-term borrowings	19(b)	10,870,282,966	76,091,980,774
400	OWNERS' EQUITY		1,544,339,089,212	1,513,978,306,737
410	Capital and reserves		1,544,339,089,212	1,513,978,306,737
411	Owners' capital	22, 23	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	23	172,734,720,800	172,734,720,800
415	Treasury shares	23	(5,427,873,108)	(5,427,873,108)
418	Investment and development funds	23	259,111,461,673	259,111,461,673
421	Undistributed earnings	23	44,572,469,847	183,058,757,372
421a	- Undistributed post-tax profits of previous years		11,595,374,742	139,453,546,880
421b	- Post-tax profit of current year		32,977,095,105	43,605,210,492
440	TOTAL RESOURCES		4,046,691,889,062	4,229,810,772,907

Hoang Van Vung
Preparer

Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
29 March 2024

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code		Note	Year ended 31 December	
			2023 VND	2022 VND
01	Revenue from sales of goods and rendering of services		7,228,906,610,142	7,263,347,978,270
02	Less deductions		(404,764,288,400)	(266,901,584,762)
10	Net revenue from sales of goods and rendering of services	25	6,824,142,321,742	6,996,446,393,508
11	Cost of goods sold and services rendered	26	(6,747,131,457,275)	(6,778,279,231,966)
20	Gross profit from sales of goods and rendering of services		77,010,864,467	218,167,161,542
21	Financial income	27	147,152,952,622	146,729,601,331
22	Financial expenses	28	(116,804,370,028)	(269,825,245,271)
23	- Including: Interest expense	28	(109,748,576,751)	(83,410,576,199)
25	Selling expenses	29	(3,465,391,911)	(4,451,084,962)
26	General and administration expenses	30	(71,541,670,795)	(32,072,195,160)
30	Net operating profit		32,352,384,355	58,548,237,480
31	Other income		490,259,965	1,733,757,642
32	Other expenses		(1,569,942,568)	(15,473,647,171)
40	Net other expenses		(1,079,682,603)	(13,739,889,529)
50	Accounting profit before tax		31,272,701,752	44,808,347,951
51	Corporate income tax ("CIT") - current	31	(1,702,554,392)	(1,203,137,459)
52	CIT - deferred	31	3,406,947,745	-
60	Profit after tax		32,977,095,105	43,605,210,492



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
29 March 2024

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 03 – DN

SEPARATE CASH FLOW STATEMENT
(Indirect method)

		Year ended 31 December	
Code	Note	2023 VND	2022 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax	31,272,701,752	44,808,347,951
	Adjustments for:		
02	Depreciation and amortisation	41,793,186,613	42,515,427,863
03	Provisions	16,216,831,036	1,091,476,871
05	Profits from investing activities	(139,514,177,849)	(122,610,830,598)
06	Interest expense	109,748,576,751	83,410,576,199
08	Operating profit before changes in working capital	59,517,118,303	49,214,998,286
09	(Increase)/decrease in receivables	(269,577,039,411)	342,902,113,878
10	Decrease/(increase) in inventories	549,056,449,015	(75,244,280,924)
11	Decrease in payables	(531,147,481,788)	(2,909,205,861)
12	(Increase)/decrease in prepaid expenses	(2,679,952,512)	357,661,013
13	Decrease in trading securities	3,324,731,517	167,346,304,466
14	Interest paid	(109,249,980,646)	(84,376,929,466)
15	CIT paid	(5,075,243,262)	(11,399,285,136)
17	Other payments on operating activities	(8,150,086,020)	(9,859,106,706)
20	Net cash (outflows)/inflows from operating activities	(313,981,484,804)	376,032,269,550
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(1,715,536,364)	-
22	Proceeds from disposals of fixed assets	-	3,092,727,273
23	Loans granted and deposits to bank with term above 3 months	(1,886,476,000,000)	(734,466,972,389)
24	Collection of lendings and deposits to bank with term above 3 months	1,779,222,575,342	301,220,397,047
25	Investments in other entities	-	(77,842,500,000)
27	Dividends and interest received	108,406,447,250	197,572,261,329
30	Net cash outflows from investing activities	(562,513,772)	(310,424,086,740)
CASH FLOWS FROM FINANCING ACTIVITIES			
33	Proceeds from borrowings	6,969,555,407,564	7,137,551,892,820
34	Repayments of borrowings	(6,643,464,553,141)	(7,740,996,296,696)
36	Dividends paid to shareholders	(15,172,800)	-
40	Net cash inflows/(outflows) from financing activities	326,075,681,623	(603,444,403,876)
50	Net decrease in cash and cash equivalents	11,531,683,047	(537,836,221,066)
60	Cash and cash equivalents at beginning of year	693,594,309,722	1,231,430,530,788
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	705,125,992,769	693,594,309,722

Major non-cash transaction during the year was net-off dividends receivables with payable with an amount VND27,032,040,000 (as at 31 December 2022: nil).

Hoang Van Vung
Preparer

Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman
29 March 2024

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

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

1 GENERAL INFORMATION

PetroVietnam General Services Joint Stock Company ("the Corporation") is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 0300452060 dated 29 September 2006 and the latest (the 22th) amended Enterprise registration certificate dated 4 October 2023 which were issued by the Department of Planning and Investment of Ho Chi Minh City to update the charter capital after completing the issuance of shares to pay dividends. The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group ("the Group" or "PVN").

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

The shareholders of the Corporation are companies and individuals doing business and working in Vietnam. Details of the percentage of capital contribution are presented in Note 22.

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

The principal activities of the Corporation include:

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

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

As at 31 December 2023, the Corporation had 49 employees (as at 31 December 2022: 50 employees).

As at 31 December 2023 and 31 December 2022, the Corporation had 11 direct subsidiaries, 3 indirect subsidiaries, 3 direct associates, 2 indirect associates and 1 dependent accounting unit that does not have legal status.

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

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

1 GENERAL INFORMATION (continued)

Name	Principal activities	Place of incorporation and operation	31.12.2023		31.12.2022	
			Ownership %	Voting right %	Ownership %	Voting right %
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")	Packaging services for the paper products	Dong Nai Province	79.97	100	79.97	100
Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (*)	Trading of electronic components, information technology, technology transfer services and delivery services	Ha Noi City	16	20	16	20
Petro Environmental and Energy Services Joint Stock Company ("Petro")	Manufacturing electricity	Ho Chi Minh City	27	45	27	45
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

(*) Vietecom Digital Trade and Investment Joint Stock Company is in liquidation progress.

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

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

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

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

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

Users of these separate financial statements of the Corporation should read them together with the consolidated financial statements of the Corporation and its subsidiaries for the year ended 31 December 2023 in order to obtain full information of the consolidated financial position and consolidated results of operations and consolidated cash flows of the Corporation and its subsidiaries.

2.2 Fiscal year

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

2.3 Currency

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

2.4 Exchange rates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 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.

2.6 Receivables

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

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

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined by the weighted average method and includes all costs of purchase, 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.

2.8 Investments

(a) Trading securities

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

Trading securities are initially recorded at historical cost including cost of acquisition and any expenditure that is directly attributable to the acquisition. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the year end. The provision for diminution in value of trading securities is made when their cost is higher than their fair value. Changes in the provision balance during the accounting 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: listed securities are recorded at the time of orders matching.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(b) Investments held-to-maturity**

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

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost. Subsequently, the Chairman reviews all outstanding investments to determine the amount of provision to recognise at the 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 separate balance sheet based on the remaining period from the separate balance sheet date to the maturity date.

(c) Investments in subsidiaries

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

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

(d) Investments in associates

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

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

(e) Investment in other entity

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.8 Investments (continued)****(f) Provision for investments in subsidiaries, associates and other entities**

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

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

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

Changes in the provision balance during the 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.

2.9 Lendings

Lendings are lendings granted for the earning interest under agreements among parties but not for being traded as securities.

Lendings are initially recognised at cost. Subsequently, the Chairman reviews all outstanding amounts to determine the amount of provision to recognise at the year end. Provision for doubtful lendings is made for each lending based on overdue days in payment of principals according to the initial payment commitment (exclusive of the payment rescheduling between parties) or based on the estimated loss that may arise. 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.

Lendings are classified into short-term and long-term lendings on the separate balance sheet based on the remaining term of the lendings as at the separate balance sheet date.

2.10 Fixed assets*Tangible and intangible fixed assets*

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the separate 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 granted by the State for which land use fees are collected, land use rights acquired in a legitimate transfer, and prepaid land use rights obtained under land rental contracts which are effective before the effective date of land law 2003 (ie. 1 July 2004) and which land use right certificates are granted.

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

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

Disposals

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

Construction in progress

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

2.11 Operating leases

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Investment properties

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

Depreciation and amortization

Investment properties held for lease are depreciated under the straight-line method so as to write off the depreciable amount of the assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the separate financial statements minus (-) the estimated disposal value of such assets. The principal annual rates used are as follows:

Buildings and structures	3% - 33%
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Disposals

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

2.13 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Short-term prepaid expenses represent 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 prepayment. Long-term prepaid expenses represent prepayments for services; or tools, which 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 prepayment. Prepaid expenses are recorded at historical cost and allocated on a straight-line basis over their estimated useful lives.

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

2.14 Payables

Classifications of payables are based on their nature as follows:

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Borrowing

Borrowings include borrowings from banks.

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

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

2.16 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.

2.17 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.

2.18 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods and interest gain received in advance from bank deposits. The Corporation records unearned revenue for the future obligations that the Corporation has to fulfil. Unearned revenue is recognised as revenue in the separate income statement during the year to the extent that recognition criteria have been met.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Capital and reserves

(a) Owners' capital

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

(b) Share premium

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

(c) Treasury shares

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

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

(d) Undistributed earnings

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

2.20 Appropriation of profit

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

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

The Corporation's funds are as below:

(a) Investment and development fund

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

(b) Bonus and welfare fund

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition****(a) Revenue from sales of goods**

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

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

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

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

(b) Revenue from rendering of services

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

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

(c) Revenue from rendering of operating lease services

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

(d) Interest income

Interest income is recognised on the basis of the actual time and interest rates for each period when both conditions below are simultaneously satisfied:

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

(e) Income from dividend paid and profit shared

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Sales deductions

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

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

2.23 Cost of goods sold and services rendered

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

2.24 Financial expenses

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

2.25 Selling expenses

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

2.26 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Current and deferred income tax**

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

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

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

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

2.28 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 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.

2.29 Segment reporting

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.30 Critical accounting estimates**

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

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	354,691,212	304,001,359
Cash at bank	604,135,554,557	211,290,308,363
Cash equivalents (*)	100,635,747,000	482,000,000,000
	<u>705,125,992,769</u>	<u>693,594,309,722</u>

(*) As at 31 December 2023, cash equivalents represented the term deposits in VND with an original maturity of three months or less, and earn interest at the average rates from 2.7% per annum to 7.1% per annum (as at 31 December 2022: from 4.6% per annum to 6.0% per annum).

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4 INVESTMENTS (continued)

(a) Investments held-to-maturity

	2023		2022	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	533,500,000,000	533,500,000,000	576,246,575,342	576,246,575,342

As at 31 December 2023, term deposits include the VND bank deposits with the original maturity of over 3 months but remaining maturity of less than 12 months, and earn interest at the rates from 1% per annum to 8.6% per annum (as at 31 December 2022: from 2.5% per annum to 11% per annum).

(b) Investments in other entities

	2023			2022		
	Cost VND	Fair value (*) VND	Provision VND	Cost VND	Fair value (*) VND	Provision VND
Investments in subsidiaries (i)	400,311,972,126	372,995,750,852	(27,316,221,274)	400,311,972,126	374,520,955,636	(25,791,016,490)
Investments in associates (ii)	108,202,457,249	95,803,196,742	(12,399,260,507)	108,202,457,249	99,253,621,136	(8,948,836,113)
Investment in other entity (iii)	2,000,000,000	-	(2,000,000,000)	2,000,000,000	-	(2,000,000,000)
	510,514,429,375	468,798,947,594	(41,715,481,781)	510,514,429,375	473,774,576,772	(36,739,852,603)

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(i) Investments in subsidiaries

Details of investments in subsidiaries are as follows:

No	Company	Principal activities	Place of incorporation and operation	As at 31.12.2023					As at 31.12.2022				
				Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND
1	Petroleum General Distribution Services Joint Stock Company ("PSD") (i)	Distribution of telecommunication and electronic equipment	Ho Chi Minh City	76.93	76.93	113,600,000,000	596,470,220,000	-	79.97	79.97	113,600,000,000	539,091,072,000	-
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai province	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-
3	PetroVietnam Assets Management Joint Stock Company ("PSA")	Operating in property management and services	Ha Noi city	71.46	71.46	58,962,908,969	(*)	-	71.46	71.46	58,962,908,969	(*)	-
4	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Ba Ria - Vung Tau province	70	70	64,341,999,232	(*)	-	70	70	64,341,999,232	(*)	-
5	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	31,681,662,678	(*)	-	60	60	31,681,662,678	(*)	-
6	Smart Convergence Joint Stock Company ("Smartcom")	Distributing electronic components, peripheral devices and software	Ho Chi Minh City	55	55	16,500,000,000	(*)	(16,500,000,000)	55	55	16,500,000,000	(*)	(16,500,000,000)
7	Petroselco SSG Company Limited ("PSSSG") (ii)	Real estate business	Ho Chi Minh City	21.46	51	10,733,401,247	(*)	(1,525,204,784)	21.46	51	10,733,401,247	(*)	-
8	Petroselco Retail Services Joint Stock Company ("PSR")	Mobile phones retailing	Ho Chi Minh City	72.75	75	7,650,000,000	(*)	(7,650,000,000)	72.75	75	7,650,000,000	(*)	(7,650,000,000)
9	Petroleum Logistics Service Joint Stock Company ("PSL") (iii)	Transportation service	Ho Chi Minh City	44	66.67	6,600,000,000	(*)	-	44	66.67	6,600,000,000	(*)	-
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-
11	Petroleum Saigon General Services Company Limited ("PSG") (iv)	Stopped operations and on liquidation process	Ho Chi Minh City	100	100	10,400,000,000	(*)	(1,641,016,490)	100	100	10,400,000,000	(*)	(1,641,016,490)
						400,311,972,126		(27,316,221,274)			400,311,972,126		(25,791,016,490)

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(i) Investments in subsidiaries (continued)

- (*) As at 31 December 2023 and 31 December 2022, the Corporation has not determined the fair value of these investments to disclose on the separate financial statements because they do not have listed prices. The fair value of these investments may differ from the carrying amount.
- (i) The fair value of the investment in PSD was determined based on the closing price of the closest transaction date before 31 December 2023 and 31 December 2022.
- (ii) As at 31 December 2023 and 31 December 2022, although the Corporation's ownership in PSSSG was only 21.46%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSSSG through 51% voting right from its representatives in the Board of Directors of PSSSG. Therefore, the Corporation controls PSSSG and PSSSG has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iii) As at 31 December 2023 and 31 December 2022, although the Corporation's ownership in PSL was only 44%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSL through 2/3 voting rights from its representatives in the Board of Directors of PSL. Therefore, the Corporation controls PSL and PSL has been classified and presented as a subsidiary of the Corporation for the consolidation reporting purpose.
- (iv) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. For the year ended 31 December 2023, PSG has had no business activities incurred.

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(ii) Investment in associates

Details of investments in associates are as follows:

As at 31.12.2023				As at 31.12.2022						
Company	Principal activities	Place of incorporation and operation	Ownership and voting right %	Cost VND	Fair value VND	Provision VND	Ownership and voting right %	Cost VND	Fair value VND	Provision VND
Pedaco Green Environment Joint Stock Company	Waste water treatment	Binh Thuan province	48.5	77,842,500,000	(*)	(10,796,214,938)	48.5	77,842,500,000	(*)	(7,345,790,544)
Petro Tower Limited Company	Office leasing service	Ba Ria - Vung Tau Province	24	14,359,957,249	(*)	(1,603,045,569)	24	14,359,957,249	(*)	(1,603,045,569)
Vinh Hoa Emerald Bay International Hospitality Company Limited (**)	Hospitality service	Phu Yen Province	20	16,000,000,000	(*)	-	20	16,000,000,000	(*)	-
				108,202,457,249		(12,399,260,507)		108,202,457,249		(8,948,836,113)

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

(**) According to the Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND111.2 billion accounting for 20% of charter capital and has contributed VND16 billion.

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4 INVESTMENTS (continued)

(b) Equity investments in other entities (continued)

(iii) Investment in other entity

Detail of investment in other entity is as follows:

Company	As at 31.12.2023				As at 31.12.2022			
	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND
PetroVietnam Central Biofuels Joint Stock Company	20%	2,000,000,000	(2,000,000,000)	-	20%	2,000,000,000	(2,000,000,000)	-

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

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2023 VND	2022 VND
Third parties	9,534,339,986	10,152,086,936
Related parties (Note 33(b))	1,066,740,707,462	768,993,610,532
	<u>1,076,275,047,448</u>	<u>779,145,697,468</u>

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

As at 31 June 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due were considered for provision of doubtful debts as presented in Note 9.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2023 VND	2022 VND
Third parties	<u>3,196,995,995</u>	<u>1,319,702,415</u>

As at 31 December 2023 and 31 December 2022, there were no third party customers whose balances accounting for 10% or more of the total balance of short-term prepayment to suppliers.

7 SHORT-TERM LENDINGS

	As at 1.1.2023 VND	Increase VND	Decrease VND	As at 31.12.2023 VND
Related parties (Note 33(b))(*)	<u>-</u>	<u>250,000,000,000</u>	<u>(100,000,000,000)</u>	<u>150,000,000,000</u>

(*) As at 31 December 2023, the balance include unsecured lendings to a related party (Note 33(b)). These lendings have interest of 6.2% per annum.

8 OTHER RECEIVABLES

(a) Short-term

	2023		2022	
	Book value VND	Provision VND	Book value VND	Provision VND
Working capital receivables (Note 33(b))	313,633,786,821	(104,356,508,347)	270,475,200,796	(89,078,093,929)
Dividend receivables (Note 33(b))	50,498,880,000	-	44,419,104,000	-
Others	16,393,041,965	-	24,910,285,499	(290,637,834)
	<u>380,525,708,786</u>	<u>(104,356,508,347)</u>	<u>339,804,590,295</u>	<u>(89,368,731,763)</u>
In which:				
Related parties (Note 33(b))	366,672,844,618	(104,356,508,347)	314,894,304,796	(89,078,093,929)
Third parties	13,852,864,168	-	24,910,285,499	(290,637,834)
	<u>380,525,708,786</u>	<u>(104,356,508,347)</u>	<u>339,804,590,295</u>	<u>(89,368,731,763)</u>

As at 31 December 2023 and 31 December 2022, the balances of other short-term receivables which were past due were considered for provision of doubtful debts as presented in Note 9.

(b) Long-term

As at 31 December 2023 and 31 December 2022, the balance of other long-term receivables mainly include long-term deposits.

9 DOUBTFUL DEBTS

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 doubtful debts are presented as follows:

	2023			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
A subsidiary relating to support working capital	291,588,887,952	187,232,379,605	104,356,508,347	Over 3 years
Others	12,519,617,899	-	12,519,617,899	Over 3 years
	<u>304,108,505,851</u>	<u>187,232,379,605</u>	<u>116,876,126,246</u>	
	2022			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
A subsidiary relating to support working capital	262,603,299,106	173,525,205,177	89,078,093,929	Over 3 years
Others	3,430,980,548	-	3,430,980,548	Over 3 years
	<u>266,034,279,654</u>	<u>173,525,205,177</u>	<u>92,509,074,477</u>	

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10 INVENTORIES

	2023		2022	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	17,678,408,056	-	96,698,910,896	-
Merchandises	30,057,500	-	470,066,003,675	(12,436,582,394)
	<u>17,708,465,556</u>	<u>-</u>	<u>566,764,914,571</u>	<u>(12,436,582,394)</u>

11 PREPAID EXPENSES

(a) Short-term

	2023 VND	2022 VND
Guarantee payment services expenses	7,891,765,244	3,747,398,633
Others	14,783,333	52,948,545
	<u>7,906,548,577</u>	<u>3,800,347,178</u>

(b) Long-term

	2023 VND	2022 VND
Operating leases	100,715,052,422	103,535,764,754
Others	9,622,598,300	8,228,134,855
	<u>110,337,650,722</u>	<u>111,763,899,609</u>

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12 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2023	61,670,169,589	7,509,514,795	1,523,631,618	2,967,629,380	73,670,945,382
New purchases	-	-	1,535,536,364	180,000,000	1,715,536,364
As at 31 December 2023	61,670,169,589	7,509,514,795	3,059,167,982	3,147,629,380	75,386,481,746
Accumulated depreciation					
As at 1 January 2023	51,217,014,572	7,250,010,702	641,882,378	2,967,629,380	62,076,537,032
Charge for the year	1,635,507,491	28,632,720	365,226,890	3,000,000	2,032,367,101
As at 31 December 2023	52,852,522,063	7,278,643,422	1,007,109,268	2,970,629,380	64,108,904,133
Net book value					
As at 1 January 2023	10,453,155,017	259,504,093	881,749,240	-	11,594,408,350
As at 31 December 2023	8,817,647,526	230,871,373	2,052,058,714	177,000,000	11,277,577,613

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2023 was VND31.652 billion (as at 31 December 2022: VND29.846 billion).

12 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Software VND	Total VND
Historical cost			
As at 1 January 2023 and 31 December 2023	98,337,309,381	1,078,622,900	99,415,932,281
Accumulated amortisation			
As at 1 January 2023 and 31 December 2023	-	1,078,622,900	1,078,622,900
Net book value			
As at 1 January 2023 and 31 December 2023	98,337,309,381	-	98,337,309,381

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2023 and 31 December 2022 was VND1,078,622,900.

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

As at 31 December 2023 and 31 December 2022, all investment properties have been pledged as collateral assets for the bank loans (Note 19).

13 INVESTMENT PROPERTIES (continued)

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

14 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2023		2022	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Apple Vietnam				
Limited Liability				
Company	342,844,453,571	342,844,453,571	755,105,026,055	755,105,026,055
Others	1,334,164,831	1,334,164,831	1,991,010,912	1,991,010,912
	<u>344,178,618,402</u>	<u>344,178,618,402</u>	<u>757,096,036,967</u>	<u>757,096,036,967</u>
Related parties				
(Note 33(b))	39,388,338,616	39,388,338,616	155,770,976,084	155,770,976,084
	<u>383,566,957,018</u>	<u>383,566,957,018</u>	<u>912,867,013,051</u>	<u>912,867,013,051</u>

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

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15 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

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

	As at 1.1.2023 VND	Payable/receivable VND	Paid VND	Reclassification/ (net off) VND	As at 31.12.2023 VND
a) VAT to be reclaimed					
VAT to be reclaimed	55,989,337,265	613,412,184,739	-	(653,828,550,251)	15,572,971,753
b) Tax receivables					
CIT	-	-	-	3,372,688,870	3,372,688,870
Others	175,309,629	684,601	-	-	175,994,230
	175,309,629	684,601	-	3,372,688,870	3,548,683,100
c) Tax payables					
CIT	-	1,702,554,392	(5,075,243,262)	3,372,688,870	-
VAT	-	682,122,510,621	(28,293,960,370)	(653,828,550,251)	-
Personal income tax	1,136,736,393	6,604,332,460	(6,409,410,143)	-	1,331,658,710
Others	-	3,701,959,572	(3,701,959,572)	-	-
	1,136,736,393	694,131,357,045	(43,480,573,347)	(650,455,861,381)	1,331,658,710

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16 PAYABLE TO EMPLOYEES

As at 31 December 2023 and 31 December 2022, the balances mainly include salary and bonus payables to employees.

17 ACCRUED EXPENSES

	2023 VND	2022 VND
Interest expenses	1,464,949,372	966,353,267
Others	-	1,518,246,892
	<u>1,464,949,372</u>	<u>2,484,600,159</u>

18 OTHER PAYABLES

	2023 VND	2022 VND
Payables from working capital support	80,863,594,676	98,706,552,586
Others	29,574,543,009	13,859,051,388
	<u>110,438,137,685</u>	<u>112,565,603,974</u>
In which:		
Related parties (Note 33(b))	82,265,860,671	107,683,601,106
Third parties	28,172,277,014	4,882,002,868
	<u>110,438,137,685</u>	<u>112,565,603,974</u>

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19 BORROWINGS

(a) Short-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	Reclassification VND	As at 31.12.2023 VND
Borrowings from banks (i)	1,529,960,036,453	6,969,555,407,564	(6,578,242,855,333)	-	1,921,272,588,684
Current portion of long-term borrowings (ii)	65,221,697,808	-	(65,221,697,808)	65,221,697,808	65,221,697,808
	<u>1,595,181,734,261</u>	<u>6,969,555,407,564</u>	<u>(6,643,464,553,141)</u>	<u>65,221,697,808</u>	<u>1,986,494,286,492</u>

(b) Long-term

	As at 1.1.2023 VND	Increase VND	Decrease VND	Reclassification VND	As at 31.12.2023 VND
Borrowings from a bank (ii)	<u>76,091,980,774</u>	<u>-</u>	<u>-</u>	<u>(65,221,697,808)</u>	<u>10,870,282,966</u>

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19 BORROWINGS (continued)

(a) Short-term (continued)

(i) Details of short-term borrowings from banks are as follows:

Lender	Currency	Pledged assets	Maturity date	31.12.2023 VND	31.12.2022 VND
Bank for Investment and Development of Vietnam Joint Stock Company	VND	Unsecured	15 December 2024	793,038,382,176	456,839,266,133
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	Unsecured	16 March 2024	599,388,021,716	397,192,840,000
Kasikornbank Public Company Limited	VND	Unsecured	22 February 2024	184,934,013,000	-
Vietnam Joint Stock Commercial Bank For Industry And Trade	VND	Unsecured	31 May 2024	149,969,820,000	101,626,892,662
Vietnam Commercial Joint Stock Export Import Bank	VND	Unsecured	22 August 2024	143,677,169,792	199,996,062,200
Military Commercial Joint Stock Bank	VND	Unsecured	16 August 2024	50,265,182,000	-
		Guarantee from Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")			
HSBC Bank (Vietnam) Ltd	VND	Unsecured	1 August 2024	-	177,980,385,000
Vietnam International Bank	VND	Unsecured	15 December 2024	-	120,335,094,458
Vietnam Prosperity Joint Stock Commercial Bank	VND	Unsecured	20 July 2023	-	75,989,496,000
				1,921,272,588,684	1,529,960,036,453

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

- (ii) This is a borrowing with Shinhan Bank Vietnam, had a credit limit of VND217.8 billion and born interest at the fixed rates of 7.8%. The purpose of the borrowing is to finance the construction of Nghi Son Project. The maturity is on 2 February 2025 and the borrowing is secured by assets formed from Nghi Son Project (Note 13) rights arising from land rental contracts and receivables and other rights arising from the lease agreement at Nghi Son Project.

20 DEFERRED INCOME TAX ASSETS

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>17,034,738,725</u>	<u>-</u>	<u>17,034,738,725</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. The details were as follows:

	2023 VND	2022 VND
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	<u>3,406,947,745</u>	<u>-</u>

The gross movements in deferred income tax, without taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

	2023 VND	2022 VND
Beginning of year	-	-
Separate income statement credit	<u>3,406,947,745</u>	<u>-</u>
End of year	<u>3,406,947,745</u>	<u>-</u>

The Company used a tax rate of 20% to determine deferred income tax assets.

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21 BONUS AND WELFARE FUND

	2023 VND	2022 VND
Beginning of year	8,068,513,666	11,009,295,745
Increase in year (Note 23)	2,616,312,630	6,918,324,627
Utilisation	(8,150,086,020)	(9,859,106,706)
End of year	<u>2,534,740,276</u>	<u>8,068,513,666</u>

22 OWNERS' CAPITAL

(a) Number of shares

	2023		2022	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	107,334,831	-	90,450,124	-
Number of shares repurchased	(612,700)	-	(612,700)	-
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%
Number of shares repurchased	612,700	0.6%	612,700	0.7%
Number of shares	<u>107,334,831</u>	<u>100%</u>	<u>90,450,124</u>	<u>100%</u>

(c) Movements of share capital

	Number of shares	Ordinary shares VND	Total VND
As at 1 January 2022	90,450,124	904,501,240,000	<u>904,501,240,000</u>
As at 31 December 2022	90,450,124	904,501,240,000	<u>904,501,240,000</u>
New shares issued	16,884,707	168,847,070,000	<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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23 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Undistributed earnings VND	Total VND
As at 1 January 2022	904,501,240,000	172,734,720,800	(5,427,873,108)	259,111,461,673	146,371,871,507	1,477,291,420,872
Net profit for the year	-	-	-	-	43,605,210,492	43,605,210,492
Appropriation to bonus and welfare fund	-	-	-	-	(6,918,324,627)	(6,918,324,627)
As at 31 December 2022	904,501,240,000	172,734,720,800	(5,427,873,108)	259,111,461,673	183,058,757,372	1,513,978,306,737
Capital increased during the year (*)	168,847,070,000	-	-	-	(168,847,070,000)	-
Net profit for the year	-	-	-	-	32,977,095,105	32,977,095,105
Appropriation to bonus and welfare fund (**)	-	-	-	-	(2,616,312,630)	(2,616,312,630)
As at 31 December 2023	1,073,348,310,000	172,734,720,800	(5,427,873,108)	259,111,461,673	44,572,469,847	1,544,339,089,212

(*) According to the Resolution of the Board of Directors No. 61/NQ-DVTHDK dated 1 December 2022 and No. 38/NQ-DVTHDK dated 3 July 2023 as well as the report on the results of issuing shares to pay dividends No. 21/DVTHDK-TCKT dated 1 February 2023 and No. 236/DVTHDK-TCKT dated 16 August 2023, the Corporation has completed the issuance of 16,884,707 shares to pay dividends.

(**) According to the Resolution of the General Meeting of Shareholders dated 25 April 2023, the General Meeting of Shareholders of the Corporation approved the plan to distribute profit and appropriate the bonus and welfare fund in 2022 amounting to VND 2,616,312,630 (Note 21).

24 OFF SEPARATE BALANCE SHEET ITEMS

(a) Foreign currency

As at 31 December 2023 and 31 December 2022, included in cash and cash equivalents are balances held in foreign currency of USD2,878 and USD4,637.

(b) Commitments

As at 31 December 2023 and 31 December 2022, the commitments of the Corporation are presented in Note 34.

25 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2023 VND	2022 VND
Revenue		
Revenue from sale of merchandise	7,072,663,583,068	7,083,012,840,928
Revenue from rendering of operating lease services	125,230,340,187	127,056,046,433
Revenue from supplying of labour services to related parties	31,012,686,887	-
Revenue from rendering of management services to related parties	-	48,830,000,000
Revenue from sale of real estate properties	-	4,449,090,909
	<u>7,228,906,610,142</u>	<u>7,263,347,978,270</u>
Sales deductions		
Trade discounts	(403,888,416,874)	(266,033,453,918)
Sales returns	(875,871,526)	(868,130,844)
	<u>(404,764,288,400)</u>	<u>(266,901,584,762)</u>
Net revenue		
Net revenue from sales of merchandises	6,667,899,294,668	6,816,111,256,166
Net revenue from rendering of operating lease services	125,230,340,187	127,056,046,433
Net revenue from supplying of labour services to related parties (Note 33(a))	31,012,686,887	-
Net revenue from rendering of management services to related parties (Note 33(a))	-	48,830,000,000
Net revenue from sale of real estate properties	-	4,449,090,909
	<u><u>6,824,142,321,742</u></u>	<u><u>6,996,446,393,508</u></u>

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26 COST OF GOODS SOLD AND SERVICE RENDERED

	2023 VND	2022 VND
Cost of merchandises sold	6,643,683,971,867	6,667,995,246,474
Cost of operating lease services rendered	72,170,573,315	79,724,611,050
Cost of management services of Nghi Son Project of related parties (Note 33(a))	15,528,960,000	15,528,960,000
Cost of other service	28,184,534,487	-
Cost of property sold (Reversal of provision)/provision for decline in value of inventories	- (12,436,582,394)	2,593,832,048 12,436,582,394
	<u>6,747,131,457,275</u>	<u>6,778,279,231,966</u>

27 FINANCIAL INCOME

	2023 VND	2022 VND
Interest income	73,417,592,376	51,719,971,166
Dividend income (Note 33 (a))	64,750,920,000	62,238,544,000
Income earned from working capital support (Note 33(a))	1,345,665,473	6,917,757,887
Discount payments	4,545,550,965	-
Profit from trading securities	3,093,223,808	25,853,328,278
	<u>147,152,952,622</u>	<u>146,729,601,331</u>

28 FINANCIAL EXPENSES

	2023 VND	2022 VND
Interest expenses	103,011,698,899	76,790,295,280
Fee for UPAS L/C	6,736,877,852	6,620,280,919
Provision for diminution in value of long-term investments	4,975,629,178	7,345,790,544
Loss from trading securities	1,895,002,455	178,582,359,381
Others	185,161,644	486,519,147
	<u>116,804,370,028</u>	<u>269,825,245,271</u>

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29 SELLING EXPENSES

	2023 VND	2022 VND
Staff costs	233,135,156	2,365,878,167
Others	3,232,256,755	2,085,206,795
	<u>3,465,391,911</u>	<u>4,451,084,962</u>

30 GENERAL AND ADMINISTRATION EXPENSES

	2023 VND	2022 VND
Staff costs	24,963,931,795	17,036,223,221
Provision/(reversal of provision) for doubtful debts	24,367,051,769	(17,633,190,313)
Outsource service	10,448,879,240	13,797,568,239
Office rental	3,680,293,555	3,569,922,000
Depreciation	1,700,838,169	2,165,244,164
Others	6,380,676,267	13,136,427,849
	<u>71,541,670,795</u>	<u>32,072,195,160</u>

31 CORPORATE INCOME TAX (“CIT”)

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

	2023 VND	2022 VND
Net accounting profit before tax	31,272,701,752	44,808,347,951
Tax calculated at a rate of 20%	6,254,540,350	8,961,669,590
Effect of:		
Income not subject to tax	(12,950,184,000)	(12,447,708,800)
Non-deductible expenses	4,991,250,297	4,320,853,813
Under-provision in previous years	-	368,322,856
CIT charge (*)	<u>(1,704,393,353)</u>	<u>1,203,137,459</u>
Charged to separate income statement:		
CIT – current	1,702,554,392	1,203,137,459
CIT– deferred (Note 20)	<u>(3,406,947,745)</u>	<u>-</u>
CIT charge	<u>(1,704,393,353)</u>	<u>1,203,137,459</u>

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

32 COSTS OF OPERATION BY FACTOR

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

	2023 VND	2022 VND
Depreciation	41,793,186,613	42,515,427,863
Outside service expenses	38,560,199,118	25,113,215,187
Staff costs	25,197,066,951	19,402,101,388
Provision/(reversal of provision) for doubtful debts	24,367,051,769	(17,633,190,313)
Management fee from Nghi Son Project	23,766,192,399	28,918,485,822
(Reversal of provision)/provision for decline in value of inventories	(12,436,582,394)	12,436,582,394
Others	37,207,433,658	21,024,228,831
	<u>178,454,548,114</u>	<u>131,776,851,172</u>

33 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 23.2% of the Corporation's share capital (Note 22).

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

Details of subsidiaries and associates are given in Note 1.

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

Name	Relationship
Vietnam Oil and Gas Group ("PVN")	Shareholder
Petrosetco Vung Tau General Services JSC	Subsidiary
Viet Nam Petroleum Logistics Services JSC	Subsidiary
Petroleum General Distribution Services JSC	Subsidiary
Petroleum High Technology Products Distribution JSC	Subsidiary
Binh Minh Refrigeration JSC	Subsidiary
Petroleum Offshore Trading and Services JSC	Subsidiary
Petrosetco Assets Management JSC	Subsidiary
Smart Convergence JSC	Subsidiary
Mien Trung Petroleum Services and Trading JSC	Subsidiary
Pedaco Green Environment JSC	Associate
PetroVietnam Fertilizer and Chemicals Corporation	Member companies of PVN
Nghi Son Refinery and Petrochemical LLC	Member 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) Net sales of goods and rendering of services		
Subsidiaries	6,242,980,059,958	6,885,563,112,764
Affiliate companies in PVN	117,080,381,578	87,048,910,133
	<u>6,360,060,441,536</u>	<u>6,972,612,022,897</u>
(ii) Purchases of goods and services		
PVN	16,506,851,480	17,321,276,012
Subsidiaries	5,256,004,851	78,032,819,875
Affiliate companies in PVN	437,609,467	394,929,906
	<u>16,999,465,798</u>	<u>78,749,025,793</u>

33 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
(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
(iv) Management services		
Revenue from subsidiaries (Note 25)	-	48,830,000,000
Expenses charged by a subsidiary (Note 26)	15,528,960,000	15,528,960,000
(v) Working capital support (*)		
Refunded from subsidiaries	4,450,128,081,051	5,181,159,597,827
Provided to the subsidiaries	4,381,000,000,000	5,065,233,451,397
(*) This is capital support for subsidiaries to cover business activities during the period and has an interest rate of from 3.5% per annum to 7.5% per annum.		
(vi) Financial activities		
Lendings granted		
Subsidiaries	250,000,000,000	-
Lendings collected		
Subsidiaries	100,000,000,000	-

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33 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2023 VND	2022 VND
(vi) Financial activities (continued)		
Lendings interest		
Subsidiaries	10,813,561,644	-
Interest income from working capital support (Note 27)		
Subsidiaries	1,345,665,473	6,917,757,887
Dividend income (Note 27)		
Subsidiaries	64,750,920,000	62,238,544,000
(vii) Considerations from fixed assets disposal		
Subsidiaries	-	3,092,727,273
(viii) Payment on behalf		
Subsidiaries	920,469,550	-
(b) Year-end balances with related parties		
(i) Short-term trade accounts receivable (Note 5)		
Subsidiaries	1,042,783,852,184	750,138,832,694
Affiliate companies in PVN	23,956,855,278	18,396,777,838
Associates	-	458,000,000
	1,066,740,707,462	768,993,610,532
(ii) Short-term lendings (Note 7)		
A subsidiary	150,000,000,000	-
(iii) Other short-term receivables (Note 8(a))		
Subsidiaries	366,668,430,260	314,894,304,796
Affiliate companies in PVN	4,414,358	-
	366,672,844,618	314,894,304,796

33 RELATED PARTY DISCLOSURES (continued)

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

	2023 VND	2022 VND
(iv) Short-term trade accounts payable (Note 14)		
PVN	37,119,167,792	152,446,782,204
Subsidiaries	2,049,170,824	3,324,193,880
Affiliate companies in PVN	220,000,000	-
	<u>39,388,338,616</u>	<u>155,770,976,084</u>
(v) Other short-term payables (Note 18)		
Subsidiaries	80,863,594,676	98,706,552,586
PVN	-	8,977,048,520
Affiliate companies in PVN	1,402,265,995	-
	<u>82,265,860,671</u>	<u>107,683,601,106</u>

34 COMMITMENTS

(a) Commitments under operating leases

(i) The Corporation as the lessee

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

	2023 VND	2022 VND
Within one year	16,027,040,727	965,655,872
Between one and five years	16,725,622,915	3,862,623,487
Over five years	49,600,085,841	49,368,887,609
Total minimum payments	<u>82,352,749,483</u>	<u>54,197,166,968</u>

(ii) The Corporation as the lessor

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

	2023 VND	2022 VND
Within one year	140,259,907,768	130,759,756,179
Between one and five years	200,721,264,255	293,893,896,001
Over five years	-	12,940,800,000
Total minimum payments	<u>340,981,172,023</u>	<u>437,594,452,180</u>

34 COMMITMENTS (continued)

(b) Capital contribution commitments

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

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

(*) In December 2010, the Corporation agreed to contribute its capital obligation into PSSSG with the charter capital of VND229.5 billion, accounting for 51% of the ownership. Until 31 December 2023, the Corporation contributed VND10.7 billion.

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

(c) Commitments of credit guarantees

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 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with a total amount of VND235 billion and US\$8.2 million (as at 31 December 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.

35 SEGMENT REPORTING

Geographical segment

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

Business activity segment

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

	As at 31 December 2023		
	Operating leases VND	Electronic products VND	Total VND
Total assets by segment	570,835,455,412	3,475,856,433,650	4,046,691,889,062
Total liabilities by segment	-	2,502,352,799,850	2,502,352,799,850

	As at 31 December 2022		
	Operating leases VND	Electronic products VND	Total VND
Total assets by segment	593,348,354,875	3,636,462,418,032	4,229,810,772,907
Total liabilities by segment	-	2,715,832,466,170	2,715,832,466,170

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35 SEGMENT REPORTING (continued)

Business activity segment (continued)

Separate income statement by business activity segment based on the activities of the Corporation is as follows:

	For the year ended 31 December 2023			Total VND
	Operating leases VND	Other services VND	Electronic products VND	
Net revenue sales of goods and rendering of services	125,230,340,187	31,012,686,887	6,667,899,294,668	6,824,142,321,742
Cost of goods sold and services rendered	(87,699,533,315)	(28,184,534,487)	(6,631,247,389,473)	(6,747,131,457,275)
Gross profit from sales of goods and rendering of services	37,530,806,872	2,828,152,400	36,651,905,195	77,010,864,467
Financial income				147,152,952,622
Financial expenses				(116,804,370,028)
Selling expenses				(3,465,391,911)
General and administration expenses				(71,541,670,795)
Other income				490,259,965
Other expenses				(1,569,942,568)
Net accounting profit before tax				31,272,701,752

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36 SEGMENT REPORTING (continued)

Business activity segment (continued)

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

The interim separate financial statements were approved by the Chairman on 29 March 2024.



Hoang Van Vung
Preparer



Tran Quang Huy
Chief Accountant



Phung Tuan Ha
Chairman

