

PETROVIETNAM GENERAL SERVICES JOIN STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

**SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise registration certificate

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

Board of Directors

Mr. Phung Tuan Ha	Chairman
Ms. Le Thi Chien	Member
Mr. Vu Tien Duong	Member
Ms. Pham Thi Hong Diep	Member
Ms. Vu Viet Anh	Member

Board of Internal Audit

Ms. Nguyen Thi Thi Trang	Head (from 23 November 2021)
Ms. Nguyen Quynh Nhu	Head (until 23 November 2021)
Mr. Le Minh Kha	Member
Mr. Tran Cong Luan	Member

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. Dao Van Dai	Deputy General Director (until 8 November 2021)

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 2021, 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 frauds or errors.

APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS

I hereby approve the accompanying separate financial statements as set out on pages 5 to 54 which give a true and fair view of the separate financial position of the Corporation as at 31 December 2021, 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 2021 in order to obtain full information of the consolidated financial position, consolidated results of operations, and consolidated cash flows of the Corporation and its subsidiaries.



Phung Tuan Ha
Chairman

Ho Chi Minh City, SR Vietnam
31 March 2022



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 2021 and approved by the Chairman on 31 March 2022. These separate financial statements comprise the separate balance sheet as at 31 December 2021, the separate income statement and the separate cash flow statement for the year then ended, and explanatory notes to the separate financial statements, as set out on pages 5 to 54.

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 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 as necessary to enable the preparation and fair presentation of the separate financial statements that are free from material misstatements, whether due to fraud or errors.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 2021, 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



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

Thai Van Cuong
Audit Practising Licence
No. 3435-2020-006-1

Report reference number: HCM12175
Ho Chi Minh City, 31 March 2022

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
100	CURRENT ASSETS		3,528,207,745,430	2,318,130,778,671
110	Cash and cash equivalents	3	1,231,430,530,788	416,155,354,668
111	Cash		377,430,530,788	302,155,354,668
112	Cash equivalents		854,000,000,000	114,000,000,000
120	Short-term investments		311,924,062,712	10,000,000,000
121	Trading securities	4(a)	170,671,035,983	-
122	Provision for diminution in value of trading securities	4(a)	(1,746,973,271)	-
123	Investments held to maturity	4(b)	143,000,000,000	10,000,000,000
130	Short-term receivables		1,414,691,108,072	1,587,213,103,412
131	Short-term trade accounts receivable	5	977,244,254,697	942,103,183,583
132	Short-term prepayments to suppliers	6	12,132,087,477	228,291,446,508
136	Other short-term receivables	7(a)	535,457,030,688	495,856,038,111
137	Provision for doubtful debts – short-term	8	(110,142,264,790)	(79,037,564,790)
140	Inventories		491,520,633,647	243,220,508,966
141	Inventories	9	491,520,633,647	243,220,508,966
150	Other current assets		78,641,410,211	61,541,811,625
151	Short-term prepaid expenses	12(a)	6,824,043,847	344,615,178
152	Value Added Tax ("VAT") to be reclaimed	15(a)	70,937,680,847	61,021,202,217
153	Tax and other receivables from the State	15(a)	879,685,517	175,994,230

The notes on pages 10 to 54 are an integral part of these separate financial statements.

SEPARATE BALANCE SHEET
(continued)

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
200	LONG-TERM ASSETS		1,285,373,034,372	1,331,096,763,236
210	Long-term receivable		25,037,000,000	25,037,000,000
216	Other long-term receivables	7(b)	25,037,000,000	25,037,000,000
220	Fixed assets		113,978,485,691	116,129,236,598
221	Tangible fixed assets	10(a)	15,641,176,310	17,791,927,217
222	Historical cost		80,844,207,093	79,548,575,275
223	Accumulated depreciation		(65,203,030,783)	(61,756,648,058)
227	Intangible fixed assets	10(b)	98,337,309,381	98,337,309,381
228	Historical cost		99,415,932,281	99,415,932,281
229	Accumulated amortization		(1,078,622,900)	(1,078,622,900)
230	Investment properties	11	633,175,184,506	673,463,078,511
231	Historical cost		852,074,158,578	852,074,158,578
232	Accumulated depreciation		(218,898,974,072)	(178,611,080,067)
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		403,277,867,316	403,675,412,964
251	Investments in subsidiaries	4(c)	400,311,972,126	400,311,972,126
252	Investments in associates	4(c)	30,359,957,249	30,359,957,249
253	Investments in other entities	4(c)	2,000,000,000	2,000,000,000
254	Provision for long-term investments	4(c)	(29,394,062,059)	(28,996,516,411)
260	Other long-term asset		109,097,863,953	111,985,402,257
261	Long-term prepaid expenses	12(b)	109,097,863,953	111,985,402,257
270	TOTAL ASSETS		4,813,580,779,802	3,649,227,541,907

The notes on pages 10 to 54 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	
			2021 VND	2020 VND
300	LIABILITIES		3,336,289,358,930	2,297,320,877,511
310	Short-term liabilities		3,238,267,488,993	2,088,776,301,679
311	Short-term trade accounts payable	13	980,583,705,076	386,862,770,274
312	Short-term advances from customers	14	401,760,729	103,376,660,838
313	Tax and other payables to the State	15(b)	10,278,828,797	4,831,008,962
314	Payable to employees		25,591,171,443	24,911,491,173
315	Short-term accrued expenses		157,500,002	3,207,751,038
318	Short-term unearned revenue	16	-	20,454,545,492
319	Other short-term payables	17(a)	30,989,108,893	753,912,052,631
320	Short-term borrowings	18(a)	2,179,256,118,308	779,933,331,356
322	Bonus and welfare fund	19	11,009,295,745	11,286,689,915
330	Long-term liabilities		98,021,869,937	208,544,575,832
337	Other long-term payables	17(b)	2,559,869,334	3,248,841,484
338	Long-term borrowings	18(b)	95,462,000,603	205,295,734,348
400	OWNERS' EQUITY		1,477,291,420,872	1,351,906,664,396
410	Capital and reserves		1,477,291,420,872	1,351,906,664,396
411	Owners' capital	20, 21	904,501,240,000	866,001,240,000
411a	- Ordinary shares with voting rights	21	904,501,240,000	866,001,240,000
412	Share premium	21	172,734,720,800	133,918,052,614
415	Treasury shares	21	(5,427,873,108)	(26,839,047,440)
418	Investment and development fund	21	259,111,461,673	259,111,461,673
421	Undistributed earnings	21	146,371,871,507	119,714,957,549
421a	- Undistributed post-tax profits of previous years	21	31,066,461,051	35,082,082,598
421b	- Post-tax profit of current year	21	115,305,410,456	84,632,874,951
440	TOTAL RESOURCES		4,813,580,779,802	3,649,227,541,907



Tran Quang Huy
Preparer/Chief Accountant



Phung Tuan Ha
Chairman
31 March 2022

The notes on pages 10 to 54 are an integral part of these separate financial statements.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 02 – DN

SEPARATE INCOME STATEMENT

Code		Note	For the year ended 31 December	
			2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services		6,328,747,662,087	1,791,862,497,661
02	Less deductions		(69,259,967,378)	(8,269,747,385)
10	Net revenue from sales of goods and rendering of services	24	6,259,487,694,709	1,783,592,750,276
11	Cost of goods sold and services rendered	25	(6,114,298,512,933)	(1,705,002,223,770)
20	Gross profit from sales of goods and rendering of services		145,189,181,776	78,590,526,506
21	Financial income	26	127,937,571,336	76,180,596,865
22	Financial expenses	27	(49,189,358,121)	(8,650,978,758)
23	- Including: Interest expenses	27	(40,183,443,133)	(7,897,880,445)
25	Selling expenses	28	(11,660,342,680)	(7,078,053,134)
26	General and administration expenses	29	(80,144,378,995)	(42,235,716,395)
30	Net operating profit		132,132,673,316	96,806,375,084
31	Other income		1,500,433	15,692
32	Other expenses		(58,122,577)	(1,212,793,673)
40	Net other expenses		(56,622,144)	(1,212,777,981)
50	Net accounting profit before tax		132,076,051,172	95,593,597,103
51	Business income tax ("BIT") - current	30	(16,770,640,717)	(10,960,722,152)
52	BIT - deferred	30	-	-
60	Net profit after tax		115,305,410,455	84,632,874,951



Tran Quang Huy
Preparer/Chief Accountant



Phung Tuan Ha
Chairman
31 March 2022

The notes on pages 10 to 54 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)

		For the year ended 31 December	
Code	Note	2021 VND	2020 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	132,076,051,172	95,593,597,103
	Adjustments for:		
02	Depreciation and amortisation	43,734,276,730	44,079,146,587
03	Provisions	33,249,218,919	12,165,898,313
05	Profits from investing activities	(122,846,528,978)	(76,180,518,799)
06	Interest expense	40,183,443,133	7,897,880,445
08	Operating profit before changes in working capital	126,396,460,976	83,556,003,649
09	Decrease/(increase) in receivables	194,017,700,035	(1,167,475,878,502)
10	Increase in inventories	(248,300,124,681)	(238,308,773,930)
11	(Increase)/decrease in payables	(252,573,847,767)	789,837,316,462
12	Increase in prepaid expenses	(3,591,890,365)	(13,503,145,637)
13	Increase in trading securities	(170,671,035,983)	-
14	Interest paid	(46,237,202,410)	(7,897,880,445)
15	BIT paid	(11,182,303,342)	(14,800,659,670)
17	Other payments on operating activities	(5,355,366,667)	(829,000,000)
20	Net cash outflows from operating activities	(417,497,610,204)	(569,422,018,073)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets	(1,295,631,818)	(642,820,909)
23	Deposits to bank with term of above 3 months	(143,000,000,000)	-
24	Collection of term deposits with term of above 3 months	10,000,000,000	-
27	Dividends and interest received	59,625,954,367	37,480,437,519
30	Net cash (outflows)/inflows from investing activities	(74,669,677,451)	36,837,616,610
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from issuance of new shares and issuance of treasury shares	98,727,842,518	-
32	Payments for share repurchases	-	(12,243,936,808)
33	Proceeds from borrowings	4,736,548,653,623	1,446,774,364,350
34	Repayments of borrowings	(3,447,059,600,416)	(741,455,723,417)
36	Dividends paid	(80,774,431,950)	(81,464,666,720)
40	Net cash inflows from financing activities	1,307,442,463,775	611,610,037,405
50	Net increase in cash and cash equivalents	815,275,176,120	79,025,635,942
60	Cash and cash equivalents at beginning of year	3 416,155,354,668	337,129,718,726
61	Effect of foreign exchange differences	-	-
70	Cash and cash equivalents at end of year	3 1,231,430,530,788	416,155,354,668

Additional information about the separate cash flow statement was described in Note 33.


Tran Quang Huy
Preparer/ Chief Accountant


Phung Tuan Ha
Chairman
31 March 2022

The notes on pages 10 to 54 are an integral part of these separate financial statements.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1 GENERAL INFORMATION

PetroVietnam General Services Joint Stock Company (“the Corporation”) is a joint stock company established in SR of Vietnam pursuant to the Enterprise registration certificate No. 4103005338 dated 29 September 2006 and the latest (the 20th) amended Enterprise registration certificate dated 24 January 2022 which were issued by the Department of Planning and Investment of Ho Chi Minh City. The Corporation was transformed from PetroVietnam Tourism and Services Company, a wholly state-owned subsidiary of Vietnam Oil and Gas Group (the “Group” or “PVN”).

The Corporation’s shares were officially listed on Ho Chi Minh City Stock Exchange (“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 20.

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 fertilizers, pesticides and chemicals used in agricultural industry.

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

As at 31 December 2021, the Corporation had 11 direct subsidiaries, 5 indirect subsidiaries, 2 direct associates, 3 indirect associates, and 1 dependent accounting unit that does not have legal status.

Details of 11 direct subsidiaries and 2 direct associates are presented in Note 4 –Investments. Details of 5 indirect subsidiaries, 3 indirect associates and 1 dependent accounting unit are presented in the following page.

PETROVIETNAM GENERAL SERVICES JOINT STOCK COMPANY

Form B 09 – DN

1 GENERAL INFORMATION (continued)

Name	Place of incorporation	Principal activities	31.12.2021		31.12.2020	
			Voting right %	Ownership %	Voting right %	Ownership %
II – Indirect subsidiaries						
Binh Minh Electronics Refrigeration Joint Stock Company ("Binh Minh")	Ho Chi Minh City	Trading of electronic devices, refrigeration appliances and electronic household appliances	51	40.81	51	40.81
Nha Trang Petroleum Services Trading Company Limited ("Nha Trang PST")	Khanh Hoa Province	Wholesale of solid, liquid and gaseous fuels and related products	100	99.79	100	99.79
Petrosetco - ALE Heavy Transportation and Lifting Joint-stock Company ("Petrosetco - Ale")	Ho Chi Minh City	Providing heavy transportation and lifting services	51	22.44	51	22.44
Green Technology Import Export Joint Stock Company ("Green Technology") (i)	Ho Chi Minh City	Trading of medical equipment and supplies	-	-	50	40.02
An Lac Nhon Trach Single-member Limited Liability Company ("An Lac Nhon Trach") (ii)	Dong Nai Province	Packaging services for the paper products	80.68	80.68	-	-
IV – Indirect associates						
Vietecom Digital Trade and Investment Joint Stock Company ("Vietecom") (iii)	Ha Noi City	Trading of electronic components, information technology, technology transfer services and delivery services	20	16	20	16
PEDACO Green Environment Joint Stock Company ("Pedaco") (iv)	Binh Thuan province	Wastage treatment	48.5	21.34	-	-
Petro Environmental and Energy Services Joint Stock Company ("Petro") (v)	Ho Chi Minh City	Manufacturing electricity	45	27	45	27
VI – The dependent accounting unit that does not have legal status						
Petroleum Industrial Material Distribution Company ("PIMD")	Ho Chi Minh City	Trading solid, liquid, gas fuels and related products	100	100	100	100

1 GENERAL INFORMATION (continued)

- (i) According to the Resolution No. 09/NQ-PSD-HDQT dated 8 May 2019, PSD, a subsidiary, agreed to buy new shares issued by Green Technology, with the share capital of VND10 billion, accounting for 50% of the voting right and ownership, equivalent to 40.34% of the voting right of the Corporation. As at 31 December 2021, PSD wholly divested in Green Technology.
- (ii) As at 30 June 2020, PSD acquired 100% owner's capital of An Lac Nhon Trach with the purpose to re-sell this company within 12 months from the completion date of the acquisition transaction. However, as at 31 December 2021, PSD has not yet sold this investment. Accordingly, this investment was classified and presented as an indirect subsidiary of the Corporation for consolidation reporting purpose.
- (iii) Vietecom is in liquidation progress.
- (iv) PSL received the transfer of shares of Pedaco under the Share Transfer Agreement No. 02/2020-QĐ dated 24 April 2020. As at 31 December 2021, PSL completed the share transfer procedures, holding 48.5% share capital of Pedaco. Therefore, the Corporation's ownership in Pedaco was 21.34% and Pedaco was classified and presented as an indirect associate of the Corporation for consolidation reporting purpose.
- (v) According to the Decision No. 125A/DVTHDK-KHĐT dated 12 June 2020, POTS, a subsidiary, agreed to contribute its capital to establish Petro with the share capital of VND9 billion, accounting for 45% of the voting right and ownership of Petro, equivalent to 27% of the ownership of the Corporation.

As at 31 December 2021, the Corporation had 61 employees (as at 31 December 2020: 53 employees).

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.

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

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, subsidiary 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 2021 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 Company's accounting currency.

2.4 Exchange rates

Transactions arising in foreign currencies are translated at exchange rates prevailing 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 banks with which the Corporation regularly trades. Foreign currencies deposited in commercial banks at the separate balance sheet date are translated at the buying exchange rate of the commercial bank where the Corporation opens its foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the separate income statement.

2.5 Cash and cash equivalents

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

2.6 Receivables

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Receivables (continued)

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 mostly are merchandise and properties for sales being constructed for sale under the ordinary course of business, rather than to be held for rental or capital appreciation. Inventories are stated at the lower of cost and net realisable value. Cost of inventories is determined by the weighted average method and includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of properties for sales includes land and construction costs of infrastructure, other direct, and overhead expenses incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the normal course of business less the estimated costs of completion and selling expenses.

The Corporation applies the perpetual system for inventories.

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

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

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

- Listed securities are recognised at the time of order matching; and
- Unlisted securities are recognised at the time when official ownership is established in accordance with regulations.

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 remaining period from the separate balance sheet date to the maturity date.

(c) Investments in subsidiaries

Subsidiaries are all entities whose financial and operating policies the Corporation has the power to govern 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 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 over and the Corporation 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 entity

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

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

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

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 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 their 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, they are charged to the separate income statement when incurred in the year.

Depreciation and amortisation

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

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

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)**2.9 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 separate 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 construct, repair and maintain, upgrade, 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.

2.10 Operating leases

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

2.11 Investment properties

The historical cost of an investment property represents the amount of cash or cash equivalents paid or the fair value of another 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 amortisation

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

Buildings and structures	2% - 33%
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Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.12 Prepaid expenses**

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

2.13 Payables

Classifications of payables are based on their nature as follows:

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

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

2.14 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 charged to the separate income statement when incurred.

2.15 Accrued expenses

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

2.16 Provisions

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

Provisions are measured at the level of 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Unearned revenue

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

2.18 Capital and reserves

(a) Owners' capital

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

(b) Share premium

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

(c) Treasury shares

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

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

(d) Undistributed earnings

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

2.19 Appropriation of profit after BIT

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 and the list of shareholders receiving dividends is approved in accordance with the Resolution of the Board of Directors.

Net profit after BIT could be distributed to shareholders after approval at an 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:

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Appropriation of profit after BIT (continued)

(a) Investment and development fund

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

2.20 Revenue recognition

(a) Revenue from sales of goods

Revenue from sale of goods is recognised in the separate income statement when all five (5) of the 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 recognized if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised in accordance with the "substance over form" principle and allocated to each sale obligation.

(b) Revenue from real estate sale

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Revenue recognition (continued)

(c) Revenue from rendering of services

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

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

(d) Revenue from operating leases

Revenue from operating leases is recognised on a straight-line basis over the lease term.

(e) Interest income

Interest income is recognised on an earned basis.

(f) Dividend income

Income from dividend is recognised when the Corporation has established the receiving right from investees.

2.21 Sale 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.

2.22 Cost of goods sold and services rendered

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Financial expenses

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

2.24 Selling expenses

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

2.25 General and administration expenses

General and administration expenses represent expenses for administrative purposes.

2.26 Current and deferred income tax

Income 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 are recognised as an income or an expense and included in the profit or loss of the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different 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 financial 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.

2.27 Related parties

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Segment reporting

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

2.29 Critical accounting estimates

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

	2021 VND	2020 VND
Cash on hand	539,217,036	583,260,808
Cash at banks (*)	376,891,313,752	301,572,093,860
Cash equivalents (**)	854,000,000,000	114,000,000,000
	<u>1,231,430,530,788</u>	<u>416,155,354,668</u>

(*) As at 31 December 2021 and as at 31 December 2020, included in cash at bank is VND1 billion which was transferred by PetroVietnam Assets Management Joint Stock Company ("PSA") into the bank account of the Corporation and was from the assets recovered of Ha Noi Oil and Gas Trading Services One Member Company Limited upon the liquidation of this company. Currently, the Corporation is working with the relevant parties in determining the right and obligations of this amount.

(**) As at 31 December 2021, cash equivalents represented the VND term deposits with the original maturity of three months or less, and earned interest at the average rates from 3.5% per annum to 4.0% per annum (as at 31 December 2020: from 3.5% per annum to 4.0% per annum).

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4 INVESTMENTS

(a) Trading securities

	2021			2020		
	Cost VND	Fair value (*) VND	Provision VND	Cost VND	Fair value VND	Provision VND
Listed shares						
Vietnam Electrical Equipment Joint Stock Corporation ("GEX")	27,767,640,065	30,161,852,850	-	-	-	-
VIX Securities Joint Stock Company ("VIX")	25,800,828,415	47,155,350,000	-	-	-	-
Thanh Dat Investment Development Joint Stock Company ("DTD")	18,909,793,143	20,817,540,000	-	-	-	-
SAM Holdings Corporation ("SAM")	18,805,034,608	23,200,750,000	-	-	-	-
Others	79,387,739,752	80,676,135,000	(1,746,973,271)	-	-	-
	<u>170,671,035,983</u>	<u>202,011,627,850</u>	<u>(1,746,973,271)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(*) The fair value of listed shares was determined based on the quantity of shares held by the Corporation and the closing price of shares on the stock exchanges as at the reporting date.

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4 INVESTMENTS

(b) Investment held-to-maturity

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	143,000,000,000	143,000,000,000	10,000,000,000	10,000,000,000

As at 31 December 2021, term deposits include the VND bank deposits with the remaining maturity of less than 12 months, and earn interest at the rate of 4.0% per annum (as at 31 December 2020: 4.9% per annum).

As at 31 December 2021 and as at 31 December 2020, the above term deposits were pledged as collateral assets for borrowings granted to Smart Convergence Joint Stock Company, a subsidiary of the Corporation.

(c) Long-term investments

	2021			2020		
	Cost VND	Net book value VND	Provision VND	Cost VND	Net book value VND	Provision VND
Investments in subsidiaries (i)	400,311,972,126	374,520,955,636	(25,791,016,490)	400,311,972,126	374,520,955,636	(25,791,016,490)
Investments in associates (ii)	30,359,957,249	28,756,911,680	(1,603,045,569)	30,359,957,249	29,154,457,328	(1,205,499,921)
Investment in other entity (iii)	2,000,000,000	-	(2,000,000,000)	2,000,000,000	-	(2,000,000,000)
	432,671,929,375	403,277,867,316	(29,394,062,059)	432,671,929,375	403,675,412,964	(28,996,516,411)

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4 INVESTMENTS (continued)

(c) Long-term investments (continued)

(i) Investments in subsidiaries

Details of investments in subsidiaries were as follows:

No	Company	Principal activities	Place of incorporation and operation	2021				2020					
				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	80.68	80.68	113,600,000,000	807,287,040,000	-	80.68	80.68	113,600,000,000	370,517,760,000	-
2	Mien Trung Petroleum Services and Trading Joint Stock Company ("PSMT")	Trading and rendering of services	Quang Ngai Province	99.79	99.79	74,742,000,000	(*)	-	99.79	99.79	74,742,000,000	(*)	-
3	PetroVietnam Assets Management Joint Stock Company ("PSA")	Operating in property management and services	Ha Noi City	71.46	71.46	58,962,908,969	(*)	-	71.46	71.46	58,962,908,969	(*)	-
4	Petroleum Vung Tau General Services Joint Stock Company ("PSV")	Rendering of services	Ba Ria - Vung Tau Province	70	70	64,341,999,232	(*)	-	70	70	64,341,999,232	(*)	-
5	Petroleum Offshore Trading and Services Company Limited ("POTS")	Trading and rendering of services	Ho Chi Minh City	60	60	31,681,662,678	(*)	-	60	60	31,681,662,678	(*)	-
6	Smart Convergence Joint Stock Company ("Smartcom")	Distributing equipment, electronic components, peripheral devices and software	Ho Chi Minh City	55	55	16,500,000,000	(*)	(16,500,000,000)	55.00	55.00	16,500,000,000	(*)	(16,500,000,000)
7	Petrosco SSG Company Limited ("PSSSG") (ii)	Real estate business	Ho Chi Minh City	21.46	51	10,733,401,247	(*)	-	21.46	51	10,733,401,247	(*)	-
8	Petrosco Retail Services Joint Stock Company ("PSR") (iii)	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") (iv)	Transportation service	Ho Chi Minh City	44	66.6	6,600,000,000	(*)	-	44	66.6	6,600,000,000	(*)	-
10	Petroleum High Technology Products Distribution Joint Stock Company ("PHTD")	Distributing equipment, electronic components and peripheral devices	Ho Chi Minh City	51	51	5,100,000,000	(*)	-	51	51	5,100,000,000	(*)	-
11	Petroleum Saigon General Services Company Limited ("PSG") (v)	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				(25,791,016,490)	400,311,972,126				(25,791,016,490)

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4 INVESTMENTS (continued)

(c) Long-term investments (continued)

(i) Investments in subsidiaries (continued)

- (*) As at 31 December 2021 and 31 December 2020, the Corporation had not determined the fair value of these investments to disclose on the separate financial statements because they do not have listed prices.
- (i) The fair value of the investment in PSD was determined based on the closing price of the closest transaction date before 31 December 2021 and 31 December 2020.
- (ii) As at 31 December 2021 and 31 December 2020, 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 Members 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 2021 and as at 31 December 2020, although the Corporation's ownership in PSR was 72.75%, the Corporation still had the authority to exercise its power over the financial and operational policies of PSR through its 75% representatives in the Board of Directors of PSR.
- (iv) As at 31 December 2021 and 31 December 2020, 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.
- (v) Currently, PSG is under tax finalisation with the tax authorities for the dissolution purpose. From 2013 until now, PSG has had no business activities incurred.

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4 INVESTMENTS (continued)

(c) Long-term investments (continued)

(ii) Investments in associates

Details of investments in associates were as follows:

Company	Principal activities	Place of incorporation and operation	2021				2020			
			Ownership and voting right %	Cost VND	Fair value VND	Provision VND	Ownership and voting right %	Cost VND	Fair value VND	Provision VND
Petro Tower Limited Company Vinh Hoa Emerald Bay International Hospitality Company Limited (**)	Office leasing service	Ba Ria - Vung Tau Province	24	14,359,957,249	(*)	(1,603,045,569)	24	14,359,957,249	(*)	(1,205,499,921)
	Hospitality service	Phu Yen Province	20	16,000,000,000	(*)	-	20	16,000,000,000	(*)	-
				30,359,957,249		(1,603,045,569)		30,359,957,249		(1,205,499,921)

(*) As at 31 December 2021 and 31 December 2020, the Corporation did not determine the fair value of these investments to disclose on the separate financial statements because they did not have listed prices.

(**) According to the Resolution No. 22/DVTHDK-QĐ dated 9 July 2018, the Corporation agreed to contribute its capital obligation into Vinh Hoa Emerald Bay International Hospitality Company Limited with a total contribution of VND111.2 billion, accounting for 20% of the voting right and ownership. As at 31 December 2021, the Corporation contributed VND16 billion.

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4 INVESTMENTS (continued)

(c) Long-term investments (continued)

(iii) Investment in other entity

Details of investment in other entity were as follows:

Company	2021				2020			
	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND	Ownership and voting rights %	Cost VND	Provision VND	Net book value VND
PetroVietnam Central Biofuels Joint Stock Company	0.2	2,000,000,000	(2,000,000,000)	-	0.2	2,000,000,000	(2,000,000,000)	-

As at 31 December 2021 and 31 December 2020, the Corporation did not determine the fair value of this investment to disclose on the separate financial statements because it did not have listed prices.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2021 VND	2020 VND
Third parties	19,012,642,978	19,337,349,686
Related parties (Note 32(b))	958,231,611,719	922,765,833,897
	<u>977,244,254,697</u>	<u>942,103,183,583</u>

As at 31 December 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due were considered for provision of doubtful debts as presented in Note 8.

6 SHORT-TERM PREPAYMENT TO SUPPLIERS

	2021 VND	2020 VND
Third parties	<u>12,132,087,477</u>	<u>228,291,446,508</u>

7 OTHER RECEIVABLES

(a) Short-term

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Dividend receivables from related parties (Note 32(b))	131,560,155,290	-	70,194,815,290	-
Other receivables from related parties (Note 32(b))	387,372,422,627	(89,078,093,929)	416,116,586,848	(68,500,000,000)
Interest receivables	2,202,931,507	-	347,696,896	-
Others	14,321,521,264	(3,571,937,923)	9,196,939,077	-
	<u>535,457,030,688</u>	<u>(92,650,031,852)</u>	<u>495,856,038,111</u>	<u>(68,500,000,000)</u>

As at 31 December 2021 and 31 December 2020, the balances of other short-term receivables which were past due were considered for provision of doubtful debts as presented in Note 8.

7 OTHER RECEIVABLES (continued)

(b) Long-term

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits (*)	23,655,000,000	-	23,655,000,000	-
Others	1,382,000,000	-	1,382,000,000	-
	<u>25,037,000,000</u>	<u>-</u>	<u>25,037,000,000</u>	<u>-</u>

(*) As at 31 December 2021 and 31 December 2020, the balance represented deposits for the project invested in Phu Yen Province whose the expected investment period was assessed by the Chairman to be more than 12 months from the separate balance sheet date.

8 DOUBTFUL DEBTS

	2021			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
A subsidiary relating to working capital support	307,379,141,852	218,301,047,923	89,078,093,929	Over 3 years
Human Resources Development Company Limited	9,843,500,000	-	9,843,500,000	Over 3 years From 1 year to 3 years
Others	36,330,154,411	25,109,483,550	11,220,670,861	
	<u>353,552,796,263</u>	<u>243,410,531,473</u>	<u>110,142,264,790</u>	
	2020			Number of overdue days
	Cost VND	Recoverable amount VND	Provision VND	
A subsidiary relating to working capital support	265,983,711,051	197,483,711,051	68,500,000,000	Over 3 years
Human Resources Development Company Limited	10,923,500,000	2,184,700,000	8,738,800,000	Over 3 years From 1 year to 3 years
Others	2,183,219,703	384,454,913	1,798,764,790	
	<u>279,090,430,754</u>	<u>200,052,865,964</u>	<u>79,037,564,790</u>	

9 INVENTORIES

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	471,706,199,546	-	218,273,543,590	-
Real estate property (*)	3,111,210,072	-	3,111,210,072	-
Other merchandises (**)	16,703,224,029	-	21,835,755,304	-
	<u>491,520,633,647</u>	<u>-</u>	<u>243,220,508,966</u>	<u>-</u>

(*) Real estate property represented the costs directly attributable to the residential areas of 41D Vung Tau Project at 41D, 30/4 Street, Ward 9, Vung Tau City, Ba Ria – Vung Tau Province.

(**) Other merchandises represented the value of fertilizers imported and distributed exclusively by the Corporation.

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10 FIXED ASSETS

(a) Tangible fixed assets

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2021	61,670,169,589	7,509,514,795	7,401,261,511	2,967,629,380	79,548,575,275
New purchases	-	-	1,295,631,818	-	1,295,631,818
As at 31 December 2021	61,670,169,589	7,509,514,795	8,696,893,329	2,967,629,380	80,844,207,093
Accumulated depreciation					
As at 1 January 2021	47,298,584,525	6,552,857,748	5,105,320,239	2,799,885,546	61,756,648,058
Charge for the year	2,113,759,686	455,224,392	788,980,794	88,417,853	3,446,382,725
As at 31 December 2021	49,412,344,211	7,008,082,140	5,894,301,033	2,888,303,399	65,203,030,783
Net book value					
As at 1 January 2021	14,371,585,064	956,657,047	2,295,941,272	167,743,834	17,791,927,217
As at 31 December 2021	12,257,825,378	501,432,655	2,802,592,296	79,325,981	15,641,176,310

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2021 was VND24.419 billion (as at 31 December 2020: VND22.549 billion).

10 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use rights VND	Computer software VND	Total VND
Historical cost			
As at 1 January 2021 and 31 December 2021	98,337,309,381	1,078,622,900	99,415,932,281
Accumulated amortisation			
As at 1 January 2021 and 31 December 2021	-	1,078,622,900	1,078,622,900
Net book value			
As at 1 January 2021 and 31 December 2021	98,337,309,381	-	98,337,309,381

The historical cost of intangible fixed assets that were fully amortised but still in use as at 31 December 2021 and 31 December 2020 was VND1,078,622,900.

11 INVESTMENT PROPERTIES

	Buildings and structures VND
Historical cost	
As at 1 January 2021 and 31 December 2021	852,074,158,578
Accumulated depreciation	
As at 1 January 2021	178,611,080,067
Charge for the year	40,287,894,005
As at 31 December 2021	218,898,974,072
Net book value	
As at 1 January 2021	673,463,078,511
As at 31 December 2021	633,175,184,506

Investment properties represented 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 2021, all investment properties were pledged as collateral assets for the borrowings of the Corporation (Note 18).

11 INVESTMENT PROPERTIES (continued)

In 2021, revenue from investment properties was VND109,942,180,540 (in 2020: VND116,423,609,677). Direct expenses (including tools and supplies, utilities and management fee) incurred from the leasing of investment properties in 2021 were VND21,448,783,630 (in the year of 2020: VND22,944,551,030).

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 2021 was not 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.

12 PREPAID EXPENSES

(a) Short-term

	2021 VND	2020 VND
Payment guarantee services	4,969,241,683	-
Others	1,854,802,164	344,615,178
	<u>6,824,043,847</u>	<u>344,615,178</u>

(b) Long-term

	2021 VND	2020 VND
Operating leases (*)	106,356,477,086	110,342,587,995
Others	2,741,386,867	1,642,814,262
	<u>109,097,863,953</u>	<u>111,985,402,257</u>

(*) Included in operating lease mainly were:

- The prepayment to PVN for office leasing with the remaining amount of VND90,880,026,354 which was allocated to the separate income statement on a straight-line basis over a period of 50 years from 2010; and
- The prepayment for land rental with the remaining amount of VND15,476,450,732 which was allocated to the separate income statement on a straight-line basis over a period of 36 years from 2020.

12 PREPAID EXPENSES (continued)

(b) Long-term (continued)

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

	2021 VND	2020 VND
Beginning of year	111,985,402,257	98,505,796,765
Increase	-	16,366,484,999
Allocation	(2,887,538,304)	(2,886,879,507)
End of year	<u>109,097,863,953</u>	<u>111,985,402,257</u>

13 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2021		2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
<i>Apple Vietnam</i>				
<i>Limited Liability</i>				
<i>Company</i>	708,709,527,680	708,709,527,680	133,460,196,872	133,460,196,872
<i>Others</i>	12,305,520,525	12,305,520,525	969,119,148	969,119,148
	<u>721,015,048,205</u>	<u>721,015,048,205</u>	<u>134,429,316,020</u>	<u>134,429,316,020</u>
Related parties				
(Note 32(b))	259,568,656,871	259,568,656,871	252,433,454,254	252,433,454,254
	<u>980,583,705,076</u>	<u>980,583,705,076</u>	<u>386,862,770,274</u>	<u>386,862,770,274</u>

As at 31 December 2021 and 31 December 2020, 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.

14 SHORT-TERM ADVANCES FROM CUSTOMERS

	2021 VND	2020 VND
Third parties	401,760,729	-
Related parties (Note 32(b))	-	103,376,660,838
	<u>401,760,729</u>	<u>103,376,660,838</u>

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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 were as follows:

	As at 1.1.2021 VND	Receivable/payable during the year VND	Payment during the year VND	Net off during the year VND	As at 31.12.2021 VND
a) Tax receivables					
VAT to be reclaimed	61,021,202,217	634,957,303,746	-	(625,040,825,116)	70,937,680,847
Others	175,994,230	703,691,287	-	-	879,685,517
	<u>61,197,196,447</u>	<u>635,660,995,033</u>	<u>-</u>	<u>(625,040,825,116)</u>	<u>71,817,366,364</u>
b) Tax payables					
BIT	4,607,810,302	16,770,640,717	(11,182,303,342)	-	10,196,147,677
VAT	-	625,040,825,116	-	(625,040,825,116)	-
Personal income tax	163,421,346	3,994,672,315	(4,075,412,541)	-	82,681,120
Land using fee	-	4,303,885,733	(4,303,885,733)	-	-
Others	59,777,314	6,432,757	(66,210,071)	-	-
	<u>4,831,008,962</u>	<u>650,116,456,638</u>	<u>(10,889,257,207)</u>	<u>(625,040,825,116)</u>	<u>10,278,828,797</u>

16 SHORT-TERM UNEARNED REVENUE

	2021 VND	2020 VND
Advanced rental	-	20,454,545,492

The balance represented the advance payment received from Nghi Son Refinery and Petrochemical Company Limited for leasing of living quarters and provision of other services to Nghi Son Project (Notes 11 and 32(b)).

17 OTHER PAYABLES

(a) Short-term

	2021 VND	2020 VND
Payables to related parties for working capital support received (Note 32(b))	18,209,310,193	741,367,241,312
Payable for the usage of funds appropriated for business activity under requirement of the industry (Note 32(b))	3,251,769,464	3,251,769,464
Dividends payables (Note 22)	1,974,583,500	1,862,687,500
Other payables to related parties (Note 32(b))	2,967,817,630	2,967,817,630
Others	4,585,628,106	4,462,536,725
	<u>30,989,108,893</u>	<u>753,912,052,631</u>

(b) Long-term

	2021 VND	2020 VND
Payable to the State Budget of the Ba Ria - Vung Tau Province (*)	2,222,909,034	3,121,841,484
Others	336,960,300	127,000,000
	<u>2,559,869,334</u>	<u>3,248,841,484</u>

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

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18 BORROWINGS

(a) Short-term

	As at 1.1.2021 VND	Drawdown during the year VND	Payment during the year VND	Current portion of long-term borrowing VND	As at 31.12.2021 VND
Borrowings from financial institutions (i)	734,813,569,067	4,736,548,653,623	(3,397,744,338,685)	-	2,073,617,884,005
Current portion of long-term borrowings (Note 18(b))	45,119,762,289	-	(49,315,261,731)	109,833,733,745	105,638,234,303
	<u>779,933,331,356</u>	<u>4,736,548,653,623</u>	<u>(3,447,059,600,416)</u>	<u>109,833,733,745</u>	<u>2,179,256,118,308</u>

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18 BORROWINGS

(i) Borrowings from financial institutions

Details of borrowings from financial institutions were as follows:

Lender	Currency	Credit limit (billion)	Interest rate %	Pledged assets	Maturity date	31.12.2021 VND	31.12.2020 VND
Bank borrowings							
Vietnam Joint Stock Commercial Bank For Industry And Trade	VND	250	5,5% Based on each of drawdown	Guarantee from the Corporation	23 March 2022	599,985,502,259	249,975,835,290
Joint Stock Commercial Bank for Foreign Trade of Vietnam	VND	400	Based on each of drawdown	Guarantee from the Corporation	25 August 2022	397,282,352,742	399,837,733,812
Vietnam Prosperity Joint Stock Commercial Bank	VND	400	Based on each of drawdown	Unsecured	20 April 2022	329,773,807,267	-
Bank for Investment and Development of Vietnam Joint Stock Company	VND	300	Based on each of drawdown	Unsecured	9 August 2022	267,903,386,416	-
Military Commercial Joint Stock Bank	VND	100	Based on each of drawdown	Guarantee from the Corporation	5 August 2022	248,718,497,874	-
Vietnam Commercial Joint Stock Export Import Bank	VND	270	Based on each of drawdown	Unsecured	29 March 2022	199,568,567,814	-
Asia Commercial Joint Stock Bank	VND	85	Based on each of drawdown	Same pledged assets with current portion of long-term borrowings from banks (Note 18(b))	10 July 2022	-	84,999,999,965
						2,043,232,114,372	734,813,569,067
Margin borrowings							
VNDirect Securities Corporation	VND	-	Based on each of drawdown	Securities purchased by margin borrowings	-	19,979,283,116	-
RongViet Securities Corporation	VND	-	Based on each of drawdown	Securities purchased by margin borrowings	-	10,406,486,517	-
						2,073,617,884,005	734,813,569,067

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18 BORROWINGS (continued)

(b) Long-term

	As at 1.1.2021 VND	Current portion of long-term borrowing VND	As at 31.12.2021 VND
Asia Commercial Joint Stock Bank ("ACB")	205,295,734,348	(109,833,733,745)	95,462,000,603

The borrowings from ACB were from a credit limit of VND400 billion and born interest at the rates adjustable from time to time which were announced by this bank.

The purpose of borrowings was to finance the construction of Nghi Son Project. The term was 9 years from 2016 and the borrowings are secured by assets formed from Nghi Son Project (Note 11); rights arising from land rental contracts; receivables and other rights arising from the lease agreement at Nghi Son Project.

Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project was capitalised in the value of the investment properties. From 10 October 2016, since Nghi Son Project was put into operation, interest expense was reimbursed by Nghi Son Refinery and Petrochemical Company Limited (Note 25), the lessee of Nghi Son.

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19 BONUS AND WELFARE FUND

	2021 VND	2020 VND
Beginning of year	11,286,689,915	11,071,411,471
Appropriation from undistributed earnings (Note 21)	5,077,972,497	4,624,816,244
Utilisation	(5,355,366,667)	(829,000,000)
Transferred to the subsidiaries	-	(3,585,288,887)
Others	-	4,751,087
End of year	<u>11,009,295,745</u>	<u>11,286,689,915</u>

20 OWNERS' CAPITAL

(a) Number of shares

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	<u>90,450,124</u>	<u>-</u>	<u>86,600,124</u>	<u>-</u>
Number of shares issued	90,450,124	-	86,600,124	-
Number of shares repurchased	(612,700)	-	(3,029,600)	-
Number of existing shares in circulation	<u>89,837,424</u>	<u>-</u>	<u>83,570,524</u>	<u>-</u>

(b) Details of owners' shareholding

	2021		2020	
	Ordinary shares	%	Ordinary shares	%
PVN	20,973,851	23,3	20,973,851	25,1
Other shareholders	68,863,573	76,7	62,596,673	74,9
Number of shares	<u>89,837,424</u>	<u>100</u>	<u>83,570,524</u>	<u>100</u>

(c) Movements of share capital

	Number of shares	Ordinary shares VND	Preference shares VND	Total VND
As at 1 January 2020	<u>86,600,124</u>	<u>866,001,240,000</u>	-	<u>866,001,240,000</u>
As at 31 December 2020	86,600,124	866,001,240,000	-	866,001,240,000
New shares issued	3,850,000	38,500,000,000	-	38,500,000,000
As at 31 December 2021	<u>90,450,124</u>	<u>904,501,240,000</u>	-	<u>904,501,240,000</u>

Par value per share: VND10,000.

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21 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2020	866,001,240,000	133,918,052,614	(14,595,110,632)	259,111,461,673	123,277,422,842	1,367,713,066,497
Repurchases of treasury shares	-	-	(12,243,936,808)	-	-	(12,243,936,808)
Net profit for the year	-	-	-	-	84,632,874,951	84,632,874,951
Dividends paid	-	-	-	-	(83,570,524,000)	(83,570,524,000)
Appropriation to bonus and welfare fund	-	-	-	-	(4,624,816,244)	(4,624,816,244)
As at 31 December 2020	866,001,240,000	133,918,052,614	(26,839,047,440)	259,111,461,673	119,714,957,549	1,351,906,664,396
New shares issued (i)	38,500,000,000	-	-	-	-	38,500,000,000
Sales of treasury shares (ii)	-	38,816,668,186	21,411,174,332	-	-	60,227,842,518
Net profit for the year	-	-	-	-	115,305,410,455	115,305,410,455
Dividends paid (iii)	-	-	-	-	(83,570,524,000)	(83,570,524,000)
Appropriation to bonus and welfare fund (iv)	-	-	-	-	(5,077,972,497)	(5,077,972,497)
As at 31 December 2021	904,501,240,000	172,734,720,800	(5,427,873,108)	259,111,461,673	146,371,871,507	1,477,291,420,872

(i) According to the Official Letter No. 230/DVTHDK-KTNB dated 17 September 2021, the Corporation issued shares under ESOP program for its employees with a commitment of minimum 2 years of working with the Corporation.

(ii) According to the Official Letter No. 200/DVTHDK-KTNB dated 18 August 2021, the Corporation sold 2,416,900 treasury shares via order matching and agreement.

(iii) According to the Resolution No.16/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2021, the Corporation's General Shareholders approved the 2020 dividend at the rate 10% of the par value of share in circulation.

(iv) According to the Resolution No.16/NQ-DVTHDK-ĐHĐCĐ dated 27 April 2021, the Corporation's General Shareholders approved the appropriation of the 2021 bonus and welfare fund of VND5,077,972,497.

22 DIVIDENDS PAYABLE

	2021 VND	2020 VND
Beginning of year	1,862,687,500	1,820,045,100
Dividends payable (Note 21)	83,570,524,000	83,570,524,000
Dividends paid in year	(80,774,431,950)	(81,464,666,720)
Other decreases	(2,684,196,050)	(2,063,214,880)
End of year (Note 17(a))	<u>1,974,583,500</u>	<u>1,862,687,500</u>

23 OFF SEPARATE BALANCE SHEET ITEM

Foreign currency

As at 31 December 2021, included in cash and cash equivalents were balances held in foreign currency of USD3,939.21 (as at 31 December 2020: USD3,939.21).

24 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2021 VND	2020 VND
Revenue from sales of goods and rendering of services		
Revenue from sale of merchandise	6,148,600,815,139	1,626,905,190,529
Revenue from rendering of operating lease services	144,608,846,948	136,443,768,989
Revenue from rendering of management services to related parties (Note 32(a))	35,538,000,000	28,513,538,143
	<u>6,328,747,662,087</u>	<u>1,791,862,497,661</u>
Sales deductions		
Trade discounts	(68,716,464,288)	(7,760,934,472)
Sales returns	(543,503,090)	(508,812,913)
	<u>(69,259,967,378)</u>	<u>(8,269,747,385)</u>
Net revenue from sales of goods and rendering of services		
Net revenue from sales of merchandises	6,079,340,847,761	1,618,635,443,144
Net revenue from rendering of operating lease services	144,608,846,948	136,443,768,989
Net revenue from rendering of management services to related parties (Note 32(a))	35,538,000,000	28,513,538,143
	<u>6,259,487,694,709</u>	<u>1,783,592,750,276</u>

25 COST OF GOODS SOLD AND SERVICE RENDERED

	2021 VND	2020 VND
Cost of merchandises sold	6,012,250,989,748	1,598,236,438,281
Cost of leasing services rendered (*)	102,047,523,185	106,765,785,489
	<u>6,114,298,512,933</u>	<u>1,705,002,223,770</u>

(*) Interest expense relating to Nghi Son Project before the completion date of Nghi Son Project was capitalised in the value of the investment properties. From 10 October 2016, since Nghi Son Project was put into operation, interest expense was reimbursed by Nghi Son Refinery and Petrochemical Company Limited (Note 18(b)), the lessee of Nghi Son.

26 FINANCIAL INCOME

	2021 VND	2020 VND
Dividend income (Note 32(a))	76,543,990,000	65,572,220,000
Profit from trading securities	36,218,263,026	-
Interest income	10,702,483,496	5,651,187,604
Income earned from working capital support (Note 32(a))	4,456,195,481	4,957,111,195
Others	16,639,333	78,066
	<u>127,937,571,336</u>	<u>76,180,596,865</u>

27 FINANCIAL EXPENSES

	2021 VND	2020 VND
Interest expenses	40,183,443,133	7,897,880,445
Loss from trading securities	5,074,403,025	-
Provision for diminution in value of investments	2,144,518,919	753,098,313
Others	1,786,993,044	-
	<u>49,189,358,121</u>	<u>8,650,978,758</u>

28 SELLING EXPENSES

	2021 VND	2020 VND
Staff costs	3,324,659,034	2,186,298,017
Others	8,335,683,646	4,891,755,117
	<u>11,660,342,680</u>	<u>7,078,053,134</u>

29 GENERAL AND ADMINISTRATION EXPENSES

	2021 VND	2020 VND
Provision for doubtful debts	31,104,700,000	11,412,800,000
Staff costs	19,268,097,088	17,760,661,334
Depreciation and amortisation	2,521,770,914	3,792,904,304
Tax, fee and legal fee	3,111,935,508	2,025,019,219
Others	24,137,875,485	7,244,331,538
	<u>80,144,378,995</u>	<u>42,235,716,395</u>

30 BIT

BIT 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:

	2021 VND	2020 VND
Net accounting profit before tax	132,076,051,172	95,593,597,103
Tax calculated at a rate of 20%	26,415,210,234	19,118,719,421
Effect of:		
Income not subject to tax	(15,308,798,000)	(13,114,444,000)
Non-deductible expenses	5,664,228,483	2,645,951,164
Under provision in previous years	-	2,310,495,567
BIT charge	<u>16,770,640,717</u>	<u>10,960,722,152</u>
Charged to the separate income statement:		
BIT – current	16,770,640,717	10,960,722,152
BIT – deferred	-	-
	<u>16,770,640,717</u>	<u>10,960,722,152</u>

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

31 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 were as follows:

	2021 VND	2020 VND
Depreciation and amortisation	43,734,276,730	44,079,146,587
Provision for doubtful debts	31,104,700,000	11,412,800,000
Staff costs	22,592,756,122	19,946,959,351
Interest expense reimbursed from Nghi Son Project	22,096,488,347	26,630,014,610
Outside service expenses	22,083,059,036	22,692,883,270
Management fee (Note 32(a))	16,136,033,508	16,338,391,344
Others	36,104,931,117	14,979,359,856
	<u>193,852,244,860</u>	<u>156,079,555,018</u>

32 RELATED PARTY DISCLOSURES

The largest shareholder of the Corporation is PVN which owns 23.3% of the Corporation's share capital (Note 20) in the year 2021.

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

(a) Related party transactions

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

	2021 VND	2020 VND
<i>i) Revenue from sales of goods and rendering of services</i>		
Subsidiaries	6,205,292,791,141	1,641,630,335,292
Affiliate companies of PVN	<u>90,330,307,769</u>	<u>82,278,464,300</u>
<i>ii) Purchases of goods and services</i>		
PVN	17,852,009,248	16,001,313,000
Subsidiaries	2,365,237,947	7,231,662,941
Affiliate companies of PVN	<u>585,986,156</u>	<u>609,215,076</u>

32 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2021 VND	2020 VND
iii) Compensation of key management		
Gross salaries and other benefits	<u>3,895,543,478</u>	<u>3,767,849,635</u>
iv) Management fee		
Fee charged to subsidiaries (Note 24)	35,538,000,000	28,513,538,143
Fee charged by a subsidiary	<u>16,136,033,508</u>	<u>16,338,391,344</u>
v) Interest income from working capital support (Note 26)		
Subsidiaries	<u>4,456,195,481</u>	<u>4,957,111,195</u>
vi) Dividend income (Note 26)		
Subsidiaries	<u>76,543,990,000</u>	<u>65,572,220,000</u>
vii) Dividend paid		
PVN	20,973,851,000	20,973,851,000
Subsidiaries	<u>116,430,000</u>	<u>116,430,000</u>
viii) Working capital support		
Returned by the subsidiaries	2,866,681,835,428	6,765,637,709,845
Provided to the subsidiaries	<u>3,461,013,514,711</u>	<u>5,525,166,572,341</u>

32 RELATED PARTY DISCLOSURES (continued)

(b) Year-end balances with related parties

	2021 VND	2020 VND
Short-term trade accounts receivable (Note 5)		
Subsidiaries	924,387,581,743	898,190,473,175
Affiliate companies of PVN	33,844,029,976	24,575,360,722
	<u>958,231,611,719</u>	<u>922,765,833,897</u>
Net other short-term receivables after provisions (Note 7)		
Subsidiaries	<u>429,854,483,988</u>	<u>417,811,402,138</u>
Short-term trade accounts payable (Note 13)		
PVN	259,181,283,511	252,047,055,054
Subsidiaries	167,373,360	166,399,200
Affiliate companies of PVN	220,000,000	220,000,000
	<u>259,568,656,871</u>	<u>252,433,454,254</u>
Short-term advances from customers (Note 14)		
A subsidiary	<u>-</u>	<u>103,376,660,838</u>
Short-term unearned revenue (Note 16)		
Affiliate companies of PVN	<u>-</u>	<u>20,454,545,492</u>
Other short-term payables (Note 17(a))		
PVN	6,219,587,094	6,219,587,094
Subsidiaries	18,209,310,193	741,367,241,312
	<u>24,428,897,287</u>	<u>747,586,828,406</u>

33 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE SEPARATE CASH FLOWS STATEMENT

(a) Amount of borrowings actually drawdown during the year

	For the year ended 31 December	
	2021 VND	2020 VND
Proceeds from borrowings following normal borrowing contracts (Note 18(a))	<u>4,736,548,653,623</u>	<u>1,446,774,364,350</u>

(b) Amount of borrowings actually repaid during the year

	For the year ended 31 December	
	2021 VND	2020 VND
Repayments for borrowings following normal borrowing contracts (Note 18(a))	<u>3,447,059,600,416</u>	<u>741,455,723,417</u>

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

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

	Land and office rental	
	2021 VND	2020 VND
Within one year	15,999,768,000	-
Between one and five years	3,847,031,048	2,865,782,737
Over five years	50,350,135,920	51,331,384,231
Total minimum payments	<u>70,196,934,968</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:

	Office rental	
	2021 VND	2020 VND
Within one year	111,553,525,419	88,923,733,304
Between one and five years	339,665,335,460	341,581,358,214
Over five years	-	89,752,093,869
Total minimum receipts	<u>451,218,860,879</u>	<u>520,257,185,387</u>

34 COMMITMENTS (continued)

(b) Capital contribution commitments

As at 31 December 2021 and 31 December 2020, the progress of charter capital contribution commitments was 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 a capital contribution plan amounting to VND229.5 billion into PSSSG, accounting for 51% of the ownership.

(**) According to the Resolution No. 16/NQ-DVTHDK dated 29 March 2016, the Corporation's Board of Directors approved in principal the investment in ITS in which the Corporation owns 40% of ITS's charter capital, equivalent to VND20 billion. As at 31 December 2021, the shareholders of ITS have not yet fulfilled 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.

(c) Commitments of credit guarantees

As at 31 December 2021, the Corporation had non-cancellable guarantee commitments for borrowings from banks granted to the Corporation's subsidiaries with a total amount of VND3,520 billion (as at 31 December 2020: VND3,628 billion); and had non-cancellable guarantee commitments for trade accounts payable of the Corporation's subsidiaries with a total amount of USD11.6 million (as at 31 December 2020: USD11.6 million). Accordingly, the Corporation is liable to repayments of principals, interests, guarantee costs and other underwriting expenses to suppliers and bankers in case the Corporation's subsidiaries are not able to repay or repay on a timely manner.

(d) Other commitments

As at 31 December 2021 and 31 December 2020, the Corporation had a guarantee contract amounting to VND150 billion with a commercial bank to guarantee for the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited.

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35 SEGMENT REPORTING

Geographical segment

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

Business activity segment

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

	2021			
	Operating leases VND	Management services VND	Sales of real estate and goods VND	Total VND
Net revenue from sales of goods and rendering of services	144,608,846,948	35,538,000,000	6,079,340,847,761	6,259,487,694,709
Cost of goods sold and services rendered	(102,047,523,185)	-	(6,012,250,989,748)	(6,114,298,512,933)
Gross profit from sales of goods and rendering of services	42,561,323,763	35,538,000,000	67,089,858,013	145,189,181,776
	2020			
	Operating leases VND	Management services VND	Sales of real estate and goods VND	Total VND
Net revenue from sales of goods and rendering of services	136,443,768,989	28,513,538,143	1,618,635,443,144	1,783,592,750,276
Cost of goods sold and services rendered	(106,765,785,489)	-	(1,598,236,438,281)	(1,705,002,223,770)
Gross profit from sales of goods and rendering of services	29,677,983,500	28,513,538,143	20,399,004,863	78,590,526,506

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The separate financial statements were approved by the Chairman on 31 March 2022.



Tran Quang Huy
Preparer/Chief Accountant



Phung Tuan Ha
Chairman