

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

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



# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

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

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# PETROVIETNAM TECHNICAL SERVICES CORPORATION

## CORPORATE INFORMATION

### Enterprise registration certificate

No. 0103015198 dated 29 December 2006 initially issued by the Department of Planning and Investment of Ha Noi City and the 10<sup>th</sup> amendment of the Enterprise registration certificate No. 0100150577 issued by the Department of Planning and Investment of Ho Chi Minh City on 20 February 2019.

### Board of Directors

Mr. Phan Thanh Tung	Chairman
Mr. Le Manh Cuong	Member
Mr. Do Quoc Hoan	Member
Mr. Luu Duc Hoang	Member (till 4 January 2022)
Mr. Nguyen Xuan Ngoc	Member
Mr. Tran Ngoc Chuong	Member (from 4 January 2022)

### Board of Supervisors

Ms. Bui Thu Ha	Chief of the Board
Mr. Bui Huu Viet Cuong	Member
Mr. Pham Van Tien	Member (from 28 April 2021)
Mr. Ho Thi Oanh	Member (till 28 April 2021)

### Board of Management

Mr. Le Manh Cuong	President and Chief Executive Officer
Mr. Nguyen Tran Toan	Vice President
Mr. Nguyen Huu Hai	Vice President
Mr. Ta Duc Tien	Vice President
Mr. Nguyen Xuan Cuong	Vice President
Mr. Tran Ho Bac	Vice President
Mr. Tran Hoai Nam	Vice President (from 16 November 2021)

### Legal representative

Mr. Le Manh Cuong	President and Chief Executive Officer
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### Registered office

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

### Auditor

PwC (Vietnam) Limited

# PETROVIETNAM TECHNICAL SERVICES CORPORATION

## STATEMENT OF THE BOARD OF MANAGEMENT

### STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of Management of PetroVietnam Technical Services Corporation ("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, of the separate results of its operations, and its separate cash flows for the year then ended. In preparing these separate financial statements, the Board of Management 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.

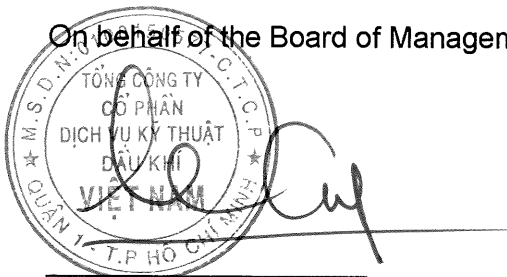
The Board of Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the separate financial position of the Corporation and which enable separate financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the separate financial statements. The Board of Management 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

We hereby approve the accompanying separate financial statements as set out on pages 5 to 68 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.

On behalf of the Board of Management,



Le Manh Cuong  
President and Chief Executive Officer ("CEO")

Ho Chi Minh City, SR Vietnam  
25 March 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PETROVIETNAM TECHNICAL SERVICES CORPORATION**

We have audited the accompanying separate financial statements of PetroVietnam Technical Services Corporation ("the Corporation") which were prepared on 31 December 2021 and approved by the Board of Management on 25 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 68.

### **The Board of Management's Responsibility**

The Board of Management 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 Board of Management 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 misstatements.

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 misstatements of the separate financial statements, whether due to fraud or errors. 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 Board of Management, 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.

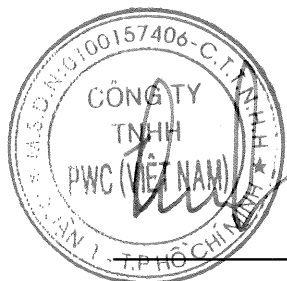
### **Auditor's Opinion**

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 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.

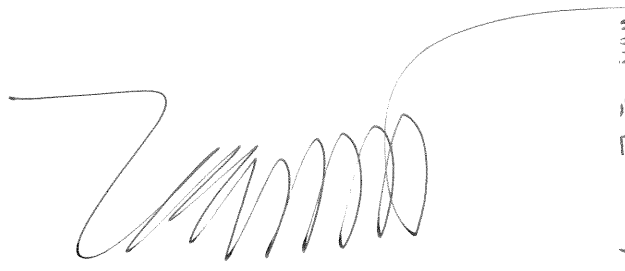
### **Other Matters**

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**



Quách Thanh Chau  
Audit Practising Licence No.  
0875-2018-006-1  
Authorised signatory



Nguyen Vu Anh Tuan  
Audit Practising Licence No.  
3631-2021-006-1

Report reference number: HCM11822  
Ho Chi Minh City, 25 March 2022

PETRO VIETNAM TECHNICAL SERVICES CORPORATION

Form B 01 – DN

SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2021 VND	2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>8,856,677,708,809</b>	<b>8,850,553,074,925</b>
<b>110</b>	<b>Cash and cash equivalents</b>	3	<b>3,535,159,305,173</b>	<b>3,075,293,131,127</b>
111	Cash		1,781,159,305,173	1,664,293,131,127
112	Cash equivalents		1,754,000,000,000	1,411,000,000,000
<b>120</b>	<b>Short-term investment</b>		<b>1,639,000,000,000</b>	<b>2,071,000,000,000</b>
123	Investments held to maturity	4(a)	1,639,000,000,000	2,071,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>3,497,006,594,721</b>	<b>3,610,010,683,205</b>
131	Short-term trade accounts receivable	5	2,923,686,138,364	3,102,778,757,400
132	Short-term prepayments to suppliers	6(a)	285,585,861,363	343,324,120,869
134	Construction contracts-in-progress receivables	7	79,509,916,775	85,720,543,145
136	Other short-term receivables	8(a)	375,823,461,075	229,234,728,477
137	Provision for doubtful debts – short-term	9	(167,598,782,856)	(151,047,466,686)
<b>140</b>	<b>Inventories</b>	10(a)	<b>155,492,123,219</b>	<b>66,634,515,129</b>
141	Inventories		155,568,486,855	66,668,878,765
149	Provision for decline in value of inventories		(76,363,636)	(34,363,636)
<b>150</b>	<b>Other current assets</b>		<b>30,019,685,696</b>	<b>27,614,745,464</b>
151	Short-term prepaid expenses	11(a)	9,709,397,045	10,874,184,700
152	Value Added Tax to be reclaimed		20,310,288,651	9,807,777,259
153	Tax and other receivables from the State	18	-	6,932,783,505
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>5,973,829,211,747</b>	<b>6,113,860,133,845</b>
<b>210</b>	<b>Long-term receivables</b>		<b>453,901,710,958</b>	<b>443,786,022,861</b>
212	Long-term prepayments to suppliers	6(b)	22,898,287,338	78,098,502,528
216	Other long-term receivables	8(b)	431,003,423,620	365,687,520,333
<b>220</b>	<b>Fixed assets</b>		<b>1,122,167,558,055</b>	<b>1,161,296,460,833</b>
221	Tangible fixed assets	12(a)	1,116,865,224,692	1,152,010,832,561
222	Historical cost		4,960,973,882,726	5,059,997,510,775
223	Accumulated depreciation		(3,844,108,658,034)	(3,907,986,678,214)
227	Intangible fixed assets	12(b)	5,302,333,363	9,285,628,272
228	Historical cost		42,626,364,210	54,499,667,229
229	Accumulated amortisation		(37,324,030,847)	(45,214,038,957)
<b>230</b>	<b>Investment properties</b>	13	<b>33,610,546,772</b>	<b>36,100,216,916</b>
231	Historical cost		49,793,402,682	49,793,402,682
232	Accumulated depreciation		(16,182,855,910)	(13,693,185,766)
<b>240</b>	<b>Long-term asset in progress</b>		<b>49,961,395,703</b>	<b>119,595,260,187</b>
242	Construction in progress	14(b)	49,961,395,703	119,595,260,187
<b>250</b>	<b>Long-term investments</b>		<b>3,816,138,582,256</b>	<b>3,800,178,122,392</b>
251	Investments in subsidiaries	4(b)	3,186,935,509,600	3,186,935,509,600
252	Investments in associates, joint ventures	4(b)	1,603,077,039,235	1,603,077,039,235
253	Investments in other entities	4(b)	3,000,000,000	3,000,000,000
254	Provision for long-term investments	4(b)	(976,873,966,579)	(992,834,426,443)
<b>260</b>	<b>Other long-term assets</b>		<b>498,049,418,003</b>	<b>552,904,050,656</b>
261	Long-term prepaid expenses	11(b)	397,357,978,316	390,717,505,277
262	Deferred income tax assets	15	83,565,571,486	140,448,820,041
263	Long-term substituted equipment, supplies and spare parts	10(b)	17,125,868,201	21,737,725,338
<b>270</b>	<b>TOTAL ASSETS</b>		<b>14,830,506,920,556</b>	<b>14,964,413,208,770</b>


The notes on pages 9 to 68 are an integral part of these separate financial statements.

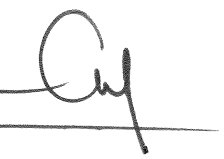


**SEPARATE BALANCE SHEET**  
(continued)

Code	RESOURCES	Note	As at 31 December	
			2021 VND	2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>6,569,838,651,267</b>	<b>6,686,767,650,130</b>
<b>310</b>	<b>Current liabilities</b>		<b>5,108,062,713,969</b>	<b>5,283,202,568,258</b>
311	Short-term trade accounts payable	16	2,698,442,316,139	2,949,031,174,292
312	Short-term advances from customers	17(a)	142,099,942,194	179,484,824,125
313	Tax and other payables to the State	18	12,519,544,151	34,251,811,001
314	Payable to employees		350,617,318,178	343,247,369,745
315	Short-term accrued expenses	19	338,308,855,537	498,426,079,914
317	Construction contracts-in-progress payables	7	292,132,423,826	63,945,055,438
318	Short-term unearned revenue	20	17,272,727,261	34,545,454,548
319	Other short-term payables	21(a)	472,678,005,034	481,052,456,873
320	Short-term borrowings	22(a)	79,058,766,772	101,674,381,772
321	Provision for short-term liabilities	23(a)	363,320,179,768	399,869,207,545
322	Bonus and welfare funds	24	341,612,635,109	197,674,753,005
<b>330</b>	<b>Non-current liabilities</b>		<b>1,461,775,937,298</b>	<b>1,403,565,081,872</b>
332	Long-term advances from customers	17(b)	854,528,821,993	927,215,112,203
336	Long-term unearned revenue	20	-	17,272,727,261
337	Other long-term payables	21(b)	69,473,052,000	-
338	Long-term borrowings	22(b)	455,394,998,407	435,223,546,597
342	Provision for long-term liabilities	23(b)	76,818,933,534	15,543,695,811
343	Fund for science and technology development		5,560,131,364	8,310,000,000
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>8,260,668,269,289</b>	<b>8,277,645,558,640</b>
<b>410</b>	<b>Capital and reserves</b>		<b>8,260,668,269,289</b>	<b>8,277,645,558,640</b>
411	Owners' capital	25, 26	4,779,662,900,000	4,779,662,900,000
411a	- Ordinary shares with voting rights		4,779,662,900,000	4,779,662,900,000
412	Share premium	26	39,617,060,000	39,617,060,000
418	Investment and development funds	26	2,712,437,009,213	2,636,503,189,630
421	Undistributed earnings	26	728,951,300,076	821,862,409,010
421a	- Undistributed post-tax profits of previous years		52,962,589,426	62,524,213,176
421b	- Post-tax profits of current year		675,988,710,650	759,338,195,834
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>14,830,506,920,556</b>	<b>14,964,413,208,770</b>

  
Duong Thi Ngoc Quy  
Preparer

  
Nguyen Van Bao  
Chief Accountant

  
Le Manh Cuong  
President and CEO  
25 March 2022



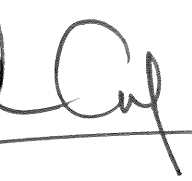
The notes on pages 9 to 68 are an integral part of these separate financial statements.

## SEPARATE INCOME STATEMENT

Code	Note	Year ended 31 December	
		2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	5,494,277,030,260	7,879,462,670,228
02	Less deductions	-	-
10	Net revenue from sales of goods and rendering of services	5,494,277,030,260	7,879,462,670,228
11	Cost of goods sold and services rendered	(5,177,342,249,036)	(7,775,523,617,097)
20	Gross profit from sales of goods and rendering of services	316,934,781,224	103,939,053,131
21	Financial income	1,041,191,507,508	1,254,049,017,434
22	Financial expenses	(71,676,112,497)	(95,685,151,102)
23	- Including: Interest expense	(38,167,679,647)	(49,414,244,423)
25	Selling expenses	(31,834,295,959)	(39,820,439,832)
26	General and administration expenses	(425,231,074,131)	(398,488,853,428)
30	Net operating profit	829,384,806,145	823,993,626,203
31	Other income	16,096,651,069	10,525,535,696
32	Other expenses	(3,997,719,715)	(3,679,706,374)
40	Net other income	12,098,931,354	6,845,829,322
50	Net accounting profit before tax	841,483,737,499	830,839,455,525
51	Business income tax ("BIT") - current	(108,611,778,323)	(68,018,016,495)
52	Business income tax - deferred	(56,883,248,527)	(3,483,243,196)
60	Net profit after tax	675,988,710,649	759,338,195,834

  
Duong Thi Ngoc Quy  
Preparer

  
Nguyen Van Bao  
Chief Accountant

  
Le Manh Cuong  
President and CEO  
25 March 2022



The notes on pages 9 to 68 are an integral part of these separate financial statements.

**SEPARATE CASH FLOW STATEMENT**  
(Indirect method)

		Year ended 31 December	
Code	Note	2021 VND	2020 VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Net accounting profit before tax</b>	<b>841,483,737,499</b>	<b>830,839,455,525</b>
	Adjustments for:		
02	Depreciation and amortisation	176,160,250,715	196,036,112,222
03	Provisions/(Reversal of provisions)	25,359,066,252	(61,995,545,106)
04	Unrealised foreign exchange losses/(gains)	37,442,401,142	(26,286,506,072)
05	Profits from investing activities	(1,002,008,578,068)	(1,180,378,208,165)
06	Interest expense	38,167,679,647	49,414,244,423
07	Other adjustments	-	8,310,000,000
08	<b>Operating profit/(loss) before changes in working capital</b>	<b>116,604,557,187</b>	<b>(184,060,447,173)</b>
09	Decrease in receivables	47,261,957,104	56,137,927,343
10	(Increase)/decrease in inventories	(84,287,750,953)	378,712,842,119
11	Decrease in payables	(336,743,704,474)	(299,964,997,809)
12	(Increase)/decrease in prepaid expenses	(5,475,685,384)	450,882,608
14	Interest paid	(37,827,177,322)	(49,660,183,482)
15	Business income tax paid	(101,048,681,769)	(81,560,936,939)
16	Other receipts from operating activities	-	135,600,000
17	Other payments for operating activities	(64,588,094,776)	(58,932,909,743)
20	<b>Net cash outflows from operating activities</b>	<b>(466,104,580,387)</b>	<b>(238,742,223,076)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(12,534,551,818)	(122,042,366,898)
22	Proceeds from disposals of fixed assets	446,292,727	8,363,556,364
23	Term deposits to maturity of more than 3 months placed at banks	(3,406,000,000,000)	(3,303,000,000,000)
24	Term deposits with maturity of more than 3 months collected	3,838,000,000,000	1,995,000,000,000
27	Dividends and interest received	1,009,395,998,923	1,163,455,028,526
30	<b>Net cash inflows/(outflows) from investing activities</b>	<b>1,429,307,739,832</b>	<b>(258,223,782,008)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from short-term and long-term borrowings	101,481,706,082	3,000,000,000
34	Repayments of borrowings	(103,341,906,772)	(119,164,762,390)
36	Dividends paid to owners	(477,933,366,700)	(477,595,208,500)
40	<b>Net cash outflows from financing activities</b>	<b>(479,793,567,390)</b>	<b>(593,759,970,890)</b>
50	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>483,409,592,055</b>	<b>(1,090,725,975,974)</b>
60	<b>Cash and cash equivalents at beginning of year</b>	<b>3,075,293,131,127</b>	<b>4,164,951,212,389</b>
61	Effect of foreign exchange differences	(23,543,418,009)	1,067,894,712
70	<b>Cash and cash equivalents at end of year</b>	<b>3,535,159,305,173</b>	<b>3,075,293,131,127</b>

Duong Thi Ngoc Quy  
Preparer

Nguyen Van Bao  
Chief Accountant

Le Manh Cuong  
President and CEO  
25 March 2022



The notes on pages 9 to 68 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**

**Structure of ownership**

PetroVietnam Technical Services Corporation (the "Corporation") is a joint stock company established in SR Vietnam under the initial Enterprise registration certificate No. 0103015198 dated 29 December 2006 issued by the Department of Planning and Investment of Ha Noi City and the amended Enterprise registration certificates No. 0100150577 issued by the Department of Planning and Investment of Ho Chi Minh City. The latest tenth amendment was issued by the Department of Planning and Investment of Ho Chi Minh City on 20 February 2019.

The shares of the Corporation have been officially listed in the Hanoi Stock Exchange since 20 September 2007 with the share code of PVS, pursuant to the Decision No.242/QĐ-TTGD signed by the General Director of Hanoi Stock Exchange on 12 September 2007.

The main shareholder of the Corporation is Vietnam Oil and Gas Group. Details of capital contribution are presented in Note 26.

**Principal activities**

The business sector of the Corporation is to provide petroleum technical services.

The principal activities of the Corporation are comprised of:

- Supplying oil and gas technical services;
- Management, operation and supply of the technology service vessels;
- Supplying port-based services; ship services, tallying services and freight forwarding;
- Management, business, and operation of the floating storage and offloading ("FSO"), floating production storage and offloading ("FPSO");
- Supplying services for geophysical survey activities - engineering geology, diving services, ROV provision services for oil and gas exploration, exploration and exploitation and industrial and civil works;
- Management and implementation of marine engineering activities;
- Machining, assembly, fabrication of components, oil and gas equipment;
- Fabrication and installation of all types of petroleum storage tanks, liquefied gas pipelines and other types of oil and gas;
- Repairment of shipping vessels and the offshore oil and gas projects;
- Maintenance, repairment, building and conversion of floating facilities;
- Exportation and importation of equipment for oil and gas supplies;
- Production and supply of petroleum materials and equipment;
- Supplying petroleum specialized labour;
- Operation and maintenance of oil and gas exploitation projects;
- Supplying hotels, housing, office services;
- Sales of petroleum products;
- Shipping agency services and maritime brokerage;
- Chartering, shipping brokerage, towage and salvage services; and
- Producing electricity, electricity transmission and distribution, construction of industrial works and renewable energy.

**1 GENERAL INFORMATION (continued)**

**The normal business cycle**

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

**The Corporation's structure**

As at 31 December 2021, the Corporation has 1 representative office, 5 branches, 13 direct subsidiaries, 6 direct associates and joint ventures, 1 indirect associate. Details are presented as follows:

*Branches and representative office:*

No.	Name	Address
1	Branch of PetroVietnam Technical Services Corporation - PTSC Marine	No. 73, 30/4 Street, Thong Nhat Ward, Vung Tau City
2	Branch of PetroVietnam Technical Services Corporation - PTSC Supply Base	No. 65A, 30/4 Street, Thong Nhat Ward, Vung Tau City
3	Branch of PetroVietnam Technical Services Corporation - PTSC Da Nang	No. 11, 3/2 Street, Hai Chau Ward, Da Nang City
4	Branch of PetroVietnam Technical Services Corporation - Quang Binh General Petroleum Services Port.	Hon La Port, Quang Dong Ward, Quang Trach District, Quang Binh Province
5	Branch of PetroVietnam Technical Services Corporation - Long Phu Power Project Management Board	Thanh Duc Commune, Long Duc Ward, Long Phu District, Soc Trang Province
6	Representative office of PetroVietnam Technical Services Corporation in Ha Noi	No. 142, Nguyen Khuyen Street, Van Mieu Ward, Dong Da District, Ha Noi City

# **PETRO VIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09 – DN**

## **1 GENERAL INFORMATION (continued)**

### **The Corporation's structure (continued)**

No.	Name	Principal activities	Place of incorporation and operation	2021		2020	
				Owners' hip interest %	Voting power held %	Owners' hip interest %	Voting power held %
Directly owned subsidiaries							
1	PTSC Mechanical and Construction Services Company Limited	Maintenance and construction for oil and gas field	Vung Tau City, Vietnam	100	100	100	100
2	PTSC Geos and Subsea Services Company Limited	Operation of 2D and 3D vessels, seismic survey services, geophysical and geological survey services, diving, and subsea services by using remote operated vehicle (ROV)	Vung Tau City, Vietnam	100	100	100	100
3	Petro Hotel Company Limited	Hotel services and related services to domestic and oversea companies in petroleum industry	Vung Tau City, Vietnam	100	100	100	100
4	PTSC Labuan Company Limited	Providing service vessels in petroleum and gas exploration	Malaysia	100	100	100	100
5	PTSC Quang Ngai Joint Stock Company	Management, operation and supply technology service vessels; supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	Quang Ngai Province, Vietnam	95.19	95.19	95.19	95.19
6	PTSC Offshore Services Joint Stock Company	Offshore transportation, installation, hook up commissioning, modification, operation and maintenance, offshore facilities decommissioning services of oil and gas projects	Vung Tau City, Vietnam	84.95	84.95	84.95	84.95
7	PTSC Phu My Port Joint Stock Company	Supplying port-based services	Ba Ria - Vung Tau Province, Vietnam	59.61	59.61	59.61	59.61
8	PTSC Thanh Hoa Port Joint Stock Company	Supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	Thanh Hoa Province, Vietnam	54.69	54.69	54.69	54.69
9	PTSC Production Services Joint Stock Company	Management, operation and maintenance of the floating storage and offloading ("FSO"), floating production storage and offloading ("FPSO"), supply of petroleum specialized labour	Vung Tau City, Vietnam	51	51	51	51
10	Dinh Vu Petroleum Services Port Joint Stock Company	Supplying port-based services and container services	Hai Phong City, Vietnam	51	51	51	51
11	PetroVietnam Security Joint Stock Company	Security services	Ha Noi, Vietnam	51	51	51	51
12	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company	Supplying port-based services	Vung Tau City, Vietnam	51	51	51	51
13	PTSC CGGV Geophysical Survey Company Limited	2D and 3D seismic data acquisition service	Vung Tau City, Vietnam	51	51	51	51

# **PETRO VIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09 – DN**

## **1 GENERAL INFORMATION (continued)**

### **The Corporation's structure (continued)**

No.	Name	Principal activities	Place of incorporation and operation	2021		2020	
				Ownership interest %	Voting power held %	Owners hip interest %	Voting power held %
Directly owned associates and joint ventures							
1	Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT")	Management, business and operation of the floating production storage and offloading ("FPSO")	Malaysia	60	50	60	50
2	PTSC South East Asia Private Limited ("PTSC SEA")	Management, business and operation of the floating storage and offloading ("FSO")	Singapore	51	50	51	50
3	PTSC Asia Pacific Private Limited ("PTSC AP")	Management, business and operation of the floating production storage and offloading ("FPSO")	Singapore	51	50	51	50
4	Malaysia Vietnam Offshore Terminal (Labuan) Limited ("MVOT")	Management, business and operation of the floating storage and offloading ("FSO")	Malaysia	49	50	49	50
5	Rong Doi MV12 Pte. Ltd. ("MV12")	Management, business and operation of the floating storage and offloading ("FSO")	Singapore	33	33	33	33
6	PetroVietnam Marine Shipyard Joint Stock Company ("PV Shipyard")	Building, repair and conversion of drilling rigs, marine vessels	Vung Tau City, Vietnam	28.75	28.75	28.75	28.75
Indirectly owned associate							
1	Thi Vai General Port Joint Stock Company	Supplying port-based services	Vung Tau City, Vietnam	21.46	36	21.46	36

As at 31 December 2021, the Corporation had 1,630 employees (as at 31 December 2020: 1,698 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 operations and 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.

Separately, the Corporation has also prepared consolidated financial statements of 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.

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.

### **2.2 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" or "Dong"). The Corporation determines its accounting currency based on the currency which is mainly used in sales of goods and rendering of services, which has a significant impact on selling prices of goods and services, which is normally used to list selling prices and receive payments; which is mainly used in purchases of goods or services, which has a significant impact on cost of labor, materials, merchandise, and other production or operating costs and normally used as payments of those costs.

In addition, the Corporation also uses this currency to raise financial resources and/or regularly collects this currency from business operation and savings.



## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **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.

### **2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks, demand deposits, and other short-term investments with an original maturity of three months or less, which are highly liquid and readily convertible to the known amounts of cash, and subject to an insignificant risk of changes in value at the date of the separate financial statements.

### **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 made for each outstanding amount not overdue but doubtful and so the Corporation may be unable to collect the debts. Receivables are written off in accordance with the current prevailing accounting regulations and the Corporation's finance management policies.

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

### **2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes direct materials, direct labor costs, overhead expenses, purchase cost, conversion cost, 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 such as publicity, selling and distribution expenses.

The Corporation applies the perpetual system for inventories.

Provision is made, in accordance with current prevailing accounting regulations, for obsolete, slow-moving and defective inventory items. The difference between the provision of this fiscal year and the provision of the previous fiscal year are recognised as an increase or decrease of cost of goods sold in the year.

Inventories are classified into long-term and short-term inventories on the separate balance sheet based on planned usage in the Corporation's principal activities at the separate balance sheet date.

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

**2.8 Investments**

**(a) Investments held-to-maturity**

Investments held-to-maturity are investments which the Corporation has 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 on the trade date and measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from investments held-to-maturity is recognised in the separate income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Subsequently, the Board of Management 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 accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

**(b) 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 investments. The Corporation's share of the net profit of the subsidiaries after acquisition is recognized in the separate income statement. Other distributions received other than such profit shared are deducted from the cost of the investments as recoverable amounts.

Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year-end (if any).

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

**2.8 Investments (continued)**

**(c) Investments in associates and joint ventures**

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint venture arrangements that involve the establishment of a separate entity in which each venture has an interest are referred to as jointly controlled entities.

Associates are the investments that the Corporation has significant influence but not control and would generally have from 20% to under 50% in which significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Investments in associates and joint ventures are accounted for at cost of acquisition including purchase cost or capital contribution value plus other expenditure directly attributable to the investments. The Corporation's share of the net profit of the associates and joint ventures after acquisition is recognized in the separate income statement. Other distributions received other than such profit shared are deducted from the cost of the investments as recoverable amounts.

Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year-end (if any).

**(d) Investments in other entities**

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 Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year-end (if any).

**(e) Provision for investments in subsidiaries, associates and joint ventures, and other entity**

Provision for diminution in value of investments in subsidiaries, associates and joint ventures, and other entity is made in accordance with current accounting regulations and Corporation's accounting policies when there is a diminution in value of the investments at the year end. Regarding investments in listed shares or those whose fair value can be determined reliably that the Corporation plans to invest in the long-term, the provision for diminution in value is made when cost is higher than its expected recoverable value. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Construction contracts

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose of use.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised over the year of the contract as revenue and expenses, respectively. The Corporation uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in the fiscal year. The percentage of completion is measured by reference to the proportion of actual contract costs incurred to date to the estimated total costs of each contract, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are only recognised when incurred during the year.

Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, and when the contract performance result is reliably determined and certified by customers, the revenue and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the year and reflected in the billed invoices.

The aggregate of the costs incurred, and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and profits recognised (less recognised losses) exceed progress billings, the balance is presented as construction contracts-in-progress receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as construction contracts-in-progress payables.

### 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 their suitable conditions for their intended use, in which the historical costs of purchased fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their suitable conditions for their intended use.

In regard fixed assets formed from construction investment by contractual mode or self-construction or self-generating process, the historical costs are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the historical cost is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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 is charged to the separate income statement when incurred.

## 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 historical cost of the fixed assets over their estimated useful lives. The principal annual useful lives of each asset class are as follows:

Buildings and structures	3 – 45 years
Machinery and equipment	3 – 7 years
Vehicles	6 – 12 years
Office equipment	3 – 5 years
Other tangible fixed assets	3 years
Software	3 years

Land use rights are comprised of land use rights granted by the State for which land use fees are collected. Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of the 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.

#### *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 reparation, expansion or technology upgradation, 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. In the event of the construction project has been completed and put into use, these expenses will be capitalized to the historical cost of fixed assets at the estimated cost based on the actual cost incurred (in case the settled costs have not been approved). According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

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.

#### *Depreciation*

#### *Investment properties held for lease*

Investment properties are depreciated under the straight-line method to write off the historical cost of the assets over their estimated useful lives. The estimated useful lives of each asset class are as follows:

Plant and buildings	20 years
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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.

### 2.13 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the separate balance sheet. Prepaid expenses are recorded at cost and allocated on a straight-line basis over estimated useful lives.

Additionally, prepayments for land rental contracts, which became effective after 2003, are also recorded as prepaid expenses in accordance with the guidance of Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by Ministry of Finance and, allocated using the straight-line method in accordance with such land use right certificates.

### 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 not relating to purchases of goods and services.

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

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.15 Borrowings**

Borrowings include borrowings from banks.

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are charged to the separate income statement when incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets.

### **2.16 Accrued expenses**

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

### **2.17 Provisions**

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events that the Corporation is obliged to settle this obligation, 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 paid in advance for one or many fiscal years for asset leases and rendering of relevant services to the asset leases. The Corporation records unearned revenue for the future obligations that the Corporation must fulfil. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the separate income statement to the extent that it has met the recognition criteria.

Unearned revenue is classified into short-term and long-term on the separate balance sheet according to the portion of obligations that are satisfied for revenue recognition as at the separate balance sheet.

## **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 and are recorded according to 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) Undistributed earnings**

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

### **2.20 Appropriation of profit after BIT**

Profit after BIT could be distributed to shareholders in accordance with the Resolutions of the Annual General Meeting of Shareholders including dividend distribution and appropriation to funds in accordance with the Corporation's charter and Vietnamese regulations.

In accordance with the charter of the Corporation, dividends are recognised as a liability on the separate financial statements in the year in which the shareholder list for dividend payment is finalised according to Resolution of Board of Management after the dividends are approved by shareholders at the Annual General Meeting of Shareholders.

The Corporation's funds are as below:

#### **(a) Investment and development fund**

Investment and development fund is appropriated from net profit after BIT of the Corporation and subject to shareholders' approval at the Annual General Meeting of Shareholders. This fund is used for expanding and developing the business of the Corporation in the form of additional capital contribution.

#### **(b) Bonus and welfare fund**

Bonus and welfare fund is appropriated from the Corporation's net profit after BIT and subject to shareholders' approval at the Annual General Meeting of Shareholders. This fund is presented as a liability on the separate balance sheet and 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) 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 recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

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

#### **(b) Revenue from 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.

#### **(c) Revenue from construction contracts**

Revenues from construction contracts are comprised of the revenue initially set out in contracts; increases and/or decreases during the term of the contract; bonuses; and other payments to be received from customers or other parties to compensate for the costs not included in the contractual price; other payments that customers agreed to compensate, and other payments provided that these amounts can change the revenue and can be reliably determined. Revenue from construction contracts is recognised in accordance with the guidance presented in Note 2.9.

#### **(d) Revenue from rendering of operating lease services**

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

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.21 Revenue recognition (continued)**

#### **(e) Interest income**

Interest income is recognised on an earned basis.

#### **(f) Dividend, profit distribution income**

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

### **2.22 Cost of goods sold and services rendered**

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

### **2.23 Financial expenses**

Financial expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities, expenses of 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 sales of goods, and rendering of services, which include: marketing expenses, product introduction, product promotion, sales commission and other sales expenses.

### **2.25 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff; social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials; tools and supplies; depreciation and amortisation of fixed assets used for administration; land rental; licence tax; provision for bad debts; outside services and other expenses.

### **2.26 Current and deferred income tax**

Income taxes include all income taxes which are 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 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.

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **2.26 Current and deferred income tax (continued)**

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 fiscal 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

The determination of the tax currently payable is based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

### **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, or owning, directly or indirectly, an interest in the voting power of the Corporation that gives them significant influence over the Corporation, including key management personnel and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

### **2.28 Segment reporting**

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

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

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

**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 Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities; disclosures of contingent assets and liabilities at the date of the separate financial statements; and the reported amounts of revenues and expenses during the fiscal 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 Board of Management.

**3 CASH AND CASH EQUIVALENTS**

	2021 VND	2020 VND
Cash on hand	2,694,751,338	3,904,070,280
Cash at bank	1,778,464,553,835	1,660,389,060,847
Cash equivalents (*)	1,754,000,000,000	1,411,000,000,000
	<u>3,535,159,305,173</u>	<u>3,075,293,131,127</u>

(\*) Cash equivalents include term deposits in VND with the original maturity of three months or less at commercial banks and earn interest at the average rates from 2.9% to 3.5% per annum (as at 31 December 2020: 3% to 4% per annum).

**PETRO VIETNAM TECHNICAL SERVICES CORPORATION**

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**4 INVESTMENTS (continued)**

**(a) Investments held-to-maturity**

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	1,639,000,000,000	1,639,000,000,000	2,071,000,000,000	2,071,000,000,000

Term deposits represent the value of term deposits in VND with the remaining maturity of not more than 12 months at commercial banks and earn interest at the rate from 3.7% to 6.7% per annum (as at 31 December 2020: from 4.2% to 7.5% per annum).

**(b) Long-term investments**

	2021		2020	
	Cost VND	Provision VND	Cost VND	Provision VND
Investments in subsidiaries (i)	3,186,935,509,600	(804,000,276,368)	3,186,935,509,600	(819,971,244,459)
Investments in associates and joint ventures (ii)	1,603,077,039,235	(172,063,452,400)	1,603,077,039,235	(172,063,452,400)
Investments in other entity (iii)	3,000,000,000	(810,237,811)	3,000,000,000	(799,729,584)
	4,793,012,548,835	(976,873,966,579)	4,793,012,548,835	(992,834,426,443)

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**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

**(i) Investments in subsidiaries**

Details of investments in subsidiaries are as follows:

No	Company	2021				2020					
		Ownership %	Voting right %	Cost VND	Market value/Fair value VND	Provision VND	Ownership VND	Voting right %	Cost %	Market value/Fair value VND	Provision VND
1	PTSC Geos and Subsea Services Company Limited	100	100	300,000,000,000	(*)	-	100	100	300,000,000,000	(*)	-
2	PTSC Mechanical and Construction Services Company Limited	100	100	628,160,788,070	(*)	-	100	100	628,160,788,070	(*)	-
3	Petro Hotel Company Limited	100	100	20,000,000,000	(*)	(20,000,000,000)	100	100	20,000,000,000	(*)	(17,155,046,312)
4	PTSC Labuan Company Limited	100	100	12,790,119,530	(*)	-	100	100	12,790,119,530	(*)	-
5	PTSC Quang Ngai Joint Stock Company	95.19	95.19	285,581,000,000	(*)	(186,183,172,368)	95.19	95.19	285,581,000,000	(*)	(204,999,094,147)
6	PTSC Offshore Services Joint Stock Company	84.95	84.95	339,807,000,000	(*)	-	84.95	84.95	339,807,000,000	(*)	-
7	PTSC Phu My Port Joint Stock Company	59.61	59.61	208,645,000,000	(*)	-	59.61	59.61	208,645,000,000	(*)	-
8	PTSC Thanh Hoa Port Joint Stock Company	54.69	54.69	218,773,000,000	(*)	-	54.69	54.69	218,773,000,000	(*)	-
9	PTSC Production Services Joint Stock Company	51	51	102,000,000,000	(*)	-	51	51	102,000,000,000	(*)	-
10	Dinh Vu Petroleum Services Port Joint Stock Company	51	51	204,000,000,000	(*)	-	51	51	204,000,000,000	(*)	-
11	PetroVietnam Securities Joint Stock Company	51	51	15,300,000,000	(*)	-	51	51	15,300,000,000	(*)	-
12	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company	51	51	254,061,498,000	(*)	-	51	51	254,061,498,000	(*)	-
13	PTSC CGGV Geophysical Survey Company Limited (**)	51	51	597,817,104,000	(*)	(597,817,104,000)	51	51	597,817,104,000	(*)	(597,817,104,000)
				3,186,935,509,600	(804,000,276,368)					3,186,935,509,600	(819,971,244,459)

(\*) As at 31 December 2021 and 31 December 2020, these are long-term investments that the Corporation intends to invest in the long run. As a result, the fair value of such investments may be different from their book value.

(\*\*) As at this reporting date, PTSC CGGV has stopped its operation and has been carrying out necessary procedures to dissolve its operation in accordance with approved official documents from authorities and the Resolution of the Corporation's Board of Directors.

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**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

*(ii) Investment in associates and joint ventures*

Details of investments in associates and joint ventures are as follows:

No	Company	2021				2020						
		Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	
1	Vietnam Offshore Floating Terminal (Ruby) Limited (i)	60	50	156,473,118,448	(*)	-	60	50	156,473,118,448	(*)	-	
2	PTSC South East Asia Private Limited (ii)	51	50	340,800,232,500	(*)	-	51	50	340,800,232,500	(*)	-	
3	PTSC Asia Pacific Private Limited (iii)	51	50	641,415,780,000	(*)	-	51	50	641,415,780,000	(*)	-	
4	Malaysia Vietnam Offshore Terminal (Labuan) Limited (iv)	49	50	292,324,455,887	(*)	-	49	50	292,324,455,887	(*)	-	
5	Rong Doi MV12 Private Limited (v)	33	33	106,022,400	(*)	(106,022,400)	33	33	106,022,400	(*)	(106,022,400)	
6	PetroVietnam Marine Shipyard Joint Stock Company (vi)	28.75	28.75	171,957,430,000	(*)	(171,957,430,000)	28.75	28.75	171,957,430,000	(*)	(171,957,430,000)	
				1,603,077,039,235		(172,063,452,400)					1,603,077,039,235	(172,063,452,400)

**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

**(ii) *Investment in associates and joint ventures (continued)***

- (\*) As at 31 December 2021 and 31 December 2020, these are long-term investments. As a result, the fair value of such investments may be different from their book value.
- (i) Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT") is a jointly controlled venture company established by MISC, from 2009, in which, the Corporation owns 60% of the charter capital to own, manage and operate the FPSO "Ruby II" for oil exploration and production of Petronas Carigali Vietnam Limited till 9 September 2017. Since 10 September 2017, Vietnam Oil and Gas Group replaced, received rights and obligations of Petronas Carigali Vietnam Limited for the contract with VOLT based on the agreement between Vietnam Oil and Gas Group and Petronas Carigali Vietnam Limited. The FPSO "Ruby II" started the operation since June 2010. As at 31 December 2021 and 31 December 2020, the Corporation's capital contribution in VOLT is USD8,784,000, equivalent to VND156,473,118,448.
- (ii) PTSC South East Asia Private Limited ("PTSC SEA") is a jointly controlled venture company established in September 2011 by the Corporation with Yinson Holdings Berhad under Foreign Investment Certificate No. 474/BKHDT-DTRNN issued by the Ministry of Planning and Investment dated 31 October 2011 to invest and supply FSO services for Branch of Vietnam Oil and Gas Group - Bien Dong POC about crude oil exploitation at Lot 05.2 and Lot 05.3 at Vietnamese coastline. The total investment capital of the project is USD149,318,329, equivalent to VND3,071,478,027,530, in which the capital contributions of joint venture parties are USD37,329,582, taking up 25% of its investment capital, the remaining is borrowed capital. As at 31 December 2021 and 31 December 2020, the Corporation's capital contribution in PTSC SEA is USD16,320,000, equivalent to VND340,800,232,500.
- (iii) PTSC Asia Pacific Private Limited ("PTSC AP") is a jointly controlled venture company established in 2012 by the Corporation and Yinson Holdings Berhad under the Foreign Investment Certificate No. 561/BKHDT-DTRNN dated 19 October 2012 issued by the Ministry of Planning and Investment to contribute to investment capital in floating storage, production and processing of oil (FPSO) for Petrovietnam Exploration Production Corporation to rent to develop Lot 01/97 and Lot 02/97 of Cuu Long area in Vietnamese coastline. The total investment capital of the project is USD429,977,481, equivalent to VND9,113,372,709,795, in which, the capital contribution of joint venture parties is USD119,996,426, accounting for 27.9% of total investment capital, the remaining is borrowed capital. The Corporation registered to contribute the capital obligation of USD61,198,177, equivalent to VND1,272,922,081,600, taking up 51% of its chartered capital. The Corporation had contributed capital to PTSC AP with total amount of USD51,000,000, equivalent to VND1,069,026,300. In 2018, the two joint venture parties agreed to reduce the capital contribution into PTSC AP from USD100,000,000 to USD60,000,000 at the same voting right and ownership; and PTSC AP completed its repayments of capital contribution to these owners. As at 31 December 2021 and 31 December 2020, the Corporation's contributed capital in PTSC AP is USD30,600,000 equivalent to VND641,415,780,000.



**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

*(ii) Investment in associates and joint ventures (continued)*

(iv) Malaysia Vietnam Offshore Terminal (Labuan) Limited ("MVOT") is a jointly controlled venture company established between the Corporation and its partner, Malaysia International Shipping Corporation Berhard ("MISC"), in 2009 to:

- invest in FSO "Orkid" with the capacity of 650,000 barrels of oil for customers to rent within 10 years for crude oil exploitation at the PM-3 commercial overlap area between Vietnam and Malaysia. MVOT signed a contract appendix with lessors about extension of lease period from 1 January 2018 to 31 December 2027; and
- invest in FSO "Golden Star" with the capacity of 654,717 barrels of oil for crude oil exploitation at the Sao Vang Dai Nguyet Mine offshore of Vietnam with the 7-year duration since November 2020 to November 2027. The contract can be extended for another 8 years.

(v) Rong Doi MV12 Private Limited is a jointly controlled venture company established between the Corporation and its partner, Modec Inc., and Mitsui Co., Ltd. (Both Modec, Inc. and Mitsui Co., Ltd are incorporated in Japan) in 2006 to invest in FSO "MV 12" with the capacity of 300,000 barrels of oil for Korea National Oil Corporation ("KNOC") to charter from 2007; and to use for oil exploitation at Rong Doi field. As at 31 December 2021 and 31 December 2020, the Corporation's capital contribution in Rong Doi MV12 Pte. Ltd. is USD6,600, equivalent to VND106,022,400.

As at 31 December 2021 and 31 December 2020, the Corporation's capital contribution in MVOT is USD17,258,911, equivalent to VND292,324,455,887.

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## 4 INVESTMENTS (continued)

### (b) Long-term investments (continued)

#### (ii) Investment in associates and joint ventures (continued)

- (vi) PetroVietnam Marine Shipyard Joint Stock Company is a joint stock company established under the Enterprise Registration Certificate No. 3500806844 dated 9 July 2007 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province with the registered charter capital of VND594,897,870,000. As at 31 December 2021 and 31 December 2020, the Corporation's contributed capital at PetroVietnam Marine Shipyard Joint Stock Company is VND171,056,430,000, accounting for 28.75% of charter capital.

#### (iii) Investment in other entity

Details of investment in other entity are as follows:

Company	31.12.2021				31.12.2020			
	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND
Nhon Trach Shipyard Joint Stock Company	1.49%	1.49%	3,000,000,000	(*)	(810,237,811)	1.49%	1.49%	3,000,000,000
								(*) (799,729,584)

- (\*) As at 31 December 2021 and 31 December 2020, this is a long-term investment. As a result, the fair value of such investment may be different from its book value.

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**4 INVESTMENTS (continued)**

**(b) Long-term investments (continued)**

**(iii) Investment in other entity (continued)**

Movement of provision for diminution in value of long-term investments during the year was as follows:

	2021		
	Investments in subsidiaries VND	Investments in associates and joint ventures VND	Investments in other entity VND
As at 1 January 2021	819,971,244,459	172,063,452,400	799,729,584
Additional provision	-	-	10,508,227
Reversal of provisions	(15,970,968,091)	-	-
As at 31 December 2021	804,000,276,368	172,063,452,400	810,237,811
			Total VND
			992,834,426,443
			10,508,227
			(15,970,968,091)
			976,873,966,579

	2020		
	Investments in subsidiaries VND	Investments in associates and joint ventures VND	Investments in other entity VND
As at 1 January 2020	839,940,126,348	171,957,430,000	776,902,962
Additional provision	-	106,022,400	22,826,622
Reversal of provisions	(19,968,881,889)	-	-
As at 31 December 2020	819,971,244,459	172,063,452,400	799,729,584
			Total VND
			1,012,674,459,310
			128,849,022
			(19,968,881,889)
			992,834,426,443

**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Third parties		
TPSK Consortium	297,761,391,378	126,303,173,163
Operating Office of Idemitsu Gas Production (Vietnam) Co., Ltd. in Ho Chi Minh City	52,424,258,293	91,176,956,643
Operating Office of Premier Oil Vietnam Offshore B.V. in Ho Chi Minh City	18,801,307,049	19,743,765,783
Minh Anh Construction Joint Stock Company	16,669,265,711	16,669,265,711
Cuu Long Joint Operating Company	11,834,980,827	20,730,645,078
Thang Long Joint Operating Company	9,471,656,854	-
Hoang Long Joint Operating Company	8,826,033,532	8,224,815,107
Others	107,494,755,388	136,202,412,580
Related parties (Note 37(b))	2,400,402,489,332	2,683,727,723,335
	<u>2,923,686,138,364</u>	<u>3,102,778,757,400</u>

As at 31 December 2021 and 31 December 2020, the balances of short-term trade accounts receivable which were past due and were considered for provision of doubtful debts are presented in Note 9.

**6 PREPAYMENTS TO SUPPLIERS**

**(a) Short-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Third parties		
Vietnam Machinery Installation Corporation	100,613,950,134	100,613,950,134
Black Cat Joint Stock Company	16,246,344,703	9,986,485,202
SCI E&C Joint Stock Company	13,728,101,409	13,728,101,409
Phu Xuan Construction and Consultant Joint Stock Company	-	12,790,191,429
Others	47,992,484,560	63,574,999,713
Related parties (Note 37(b))	107,004,980,557	142,630,392,982
	<u>285,585,861,363</u>	<u>343,324,120,869</u>

As at 31 December 2021 and 31 December 2020, there was no balance of short-term prepayments to suppliers that was past due or not past due but doubtful.

**6 PREPAYMENTS TO SUPPLIERS (continued)**

**(b) Long-term**

	2021 VND	2020 VND
Third parties		
South Viet New Spring Corporation	14,526,732,593	34,628,991,731
Hoang Lien Son Construction Company Limited	5,377,755,690	-
Anh Minh Marine Services and Trading Co., LTD	-	11,108,917,448
Others	1,677,393,421	15,224,137,497
Related parties (Note 37(b))	1,316,405,634	17,136,455,852
	<u>22,898,287,338</u>	<u>78,098,502,528</u>

As at 31 December 2021 and 31 December 2020, there was no balances of long-term prepayments to suppliers which were past due.

**7 CONSTRUCTION CONTRACTS-IN-PROGRESS RECEIVABLES/PAYABLES**

	2021 VND	2020 VND
Construction contracts-in-progress receivables	79,509,916,775	85,720,543,145
Construction contracts-in-progress payables	(292,132,423,826)	(63,945,055,438)
	<u>(212,622,507,051)</u>	<u>21,775,487,707</u>

In which:

Accumulated contract costs incurred plus recognized profits less recognized losses	6,108,391,833,128	4,561,355,289,968
Amount of progress billings	(6,321,014,340,179)	(4,539,579,802,261)
	<u>(212,622,507,051)</u>	<u>21,775,487,707</u>

**7 CONSTRUCTION CONTRACTS-IN-PROGRESS RECEIVABLES/PAYABLES  
(continued)**

Details of construction contracts-in-progress receivables/payables by projects are as follows:

	2021 VND	2020 VND
<b>Receivables</b>		
NPK project	11,927,115,975	74,459,687,366
NH3 project	-	10,829,184,856
LNG Thi Vai warehouse EPC project	67,582,800,800	431,670,923
	<u>79,509,916,775</u>	<u>85,720,543,145</u>
<b>Payables</b>		
Sao Vang - Dai Nguyet pipeline project	184,348,611,688	33,961,929,987
Southern Petrochemical complex project	107,783,812,138	29,983,125,451
	<u>292,132,423,826</u>	<u>63,945,055,438</u>

**8 OTHER RECEIVABLES**

**(a) Short-term**

	2021		2020	
	Value VND	Provision VND	Value VND	Provision VND
Accrued revenue from rendering services	231,842,952,135	-	10,264,076,515	-
Receivables from subsidiaries	79,176,968,480	-	125,554,868,851	-
Interest receivables	15,473,102,301	-	23,301,556,997	-
Receivables from contract penalties	6,219,161,494	-	6,219,161,494	-
Others	43,111,276,665	(556,197,892)	63,895,064,620	(785,665,568)
	<u>375,823,461,075</u>	<u>(556,197,892)</u>	<u>229,234,728,477</u>	<u>(785,665,568)</u>
In which:				
Third parties	78,120,124,054	-	58,175,577,202	-
Related parties (Note 37(b))	297,703,337,021	(556,197,892)	171,059,151,275	(785,665,568)
	<u>375,823,461,075</u>	<u>(556,197,892)</u>	<u>229,234,728,477</u>	<u>(785,665,568)</u>

As at 31 December 2021 and 31 December 2020, the balances of other short-term receivables which were past due and were considered for provision of doubtful debts are presented in Note 9.

**8 OTHER RECEIVABLES (continued)**

**(b) Long-term**

	<b>2021</b>		<b>2020</b>	
	<b>Value VND</b>	<b>Provision VND</b>	<b>Value VND</b>	<b>Provision VND</b>
Deposits:				
- North East Sea Petroleum Transport Services Joint Stock Company	34,736,526,000	-	-	-
- Long SBS Vietnam Joint Stock Company	30,573,790,000	-	-	-
- Other third parties	6,801,478,971	-	6,780,391,684	-
Related party (*)	358,891,628,649	-	358,907,128,649	-
	<u>431,003,423,620</u>	<u>-</u>	<u>365,687,520,333</u>	<u>-</u>

- (\*) Other long-term receivables with a related party represent the value of receivables arising from the transactions between the Corporation and PTSC Quang Ngai Joint Stock Company (Note 37(b)).

As at 31 December 2021 and 31 December 2020, there was no balances of other long-term receivables which were past due.

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**9 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM**

	<b>2021</b>		
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Number of overdue</b>
Third parties	66,004,848,382	62,137,362,700	Over 6 months - Over 3 years
Related parties			
PTSC CCGV Geophysical Survey Company Limited	75,067,614,298	-	Over 2 years - Over 3 years
PetroVietnam Fertilizer and Chemicals Corporation	68,416,092,099	35,162,060,575	Over 1 years - Over 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	34,991,401,253	8,865,219,165	Over 2 years - Over 3 years
Management Board of Nghi Son Refinery and Petrochemical Complex Project	15,098,497,832	-	Over 3 years
Others	93,546,335,400	79,361,363,968	Over 6 months - Over 3 years
	<u>353,124,789,264</u>	<u>185,526,006,408</u>	

	<b>2020</b>		
	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Number of overdue</b>
Third parties	8,349,574,152	3,578,340,221	Over 6 months - Over 3 years
Related parties			
PTSC CCGV Geophysical Survey Company Limited	73,352,304,143	-	Over 1 years - Over 3 years
PetroVietnam Fertilizer and Chemicals Corporation	19,285,726,751	5,839,740,126	Over 1 years - Over 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	30,428,345,634	4,848,147,001	Over 6 months - Over 3 years
Management Board of Nghi Son Refinery and Petrochemical Complex Project	15,098,497,832	-	Over 3 years
Others	25,884,619,881	7,085,374,359	Over 6 months - Over 3 years
	<u>172,399,068,393</u>	<u>21,351,601,707</u>	

151,047,466,686



**10 INVENTORIES**

**(a) Inventories**

	<b>2021</b>		<b>2020</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Raw materials	25,295,595,142	(76,363,636)	30,284,532,395	(34,363,636)
Tools and supplies	2,002,678,461	-	4,652,222,886	-
Work in progress (*)	125,375,393,076	-	30,292,307,811	-
Merchandise	2,894,820,176	-	1,439,815,673	-
	<u>155,568,486,855</u>	<u>(76,363,636)</u>	<u>66,668,878,765</u>	<u>(34,363,636)</u>

(\*) Work in progress represents the cost incurred from construction contracts of the following projects:

	<b>2021 VND</b>	<b>2020 VND</b>
Southern Petrochemical Complex project	82,125,622,748	3,344,832,788
LNG Thi Vai warehouse EPC project	23,522,199,969	17,943,938,123
Supply of FPSO service	12,575,577,235	7,441,011,158
Others	7,151,993,124	1,562,525,742
	<u>125,375,393,076</u>	<u>30,292,307,811</u>

Movements of provision in decline in value of inventories during the year is as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
Beginning of year	34,363,636	34,363,636
Increase	42,000,000	-
End of year	<u>76,363,636</u>	<u>34,363,636</u>

**(b) Long-term substituted equipment, supplies, and spare parts**

Long-term substituted equipment, supplies, and spare parts represent the value of substituted equipment, supplies and spare parts used for maintenance of vehicles whose plans is more than 12 months.

**11 PREPAID EXPENSES**

**(a) Short-term**

Details of short-term prepaid expenses are as follows:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Tools and supplies	3,943,577,871	1,585,210,875
Insurance	1,519,252,968	3,521,151,864
Others	4,246,566,206	5,767,821,961
	<u>9,709,397,045</u>	<u>10,874,184,700</u>

**(b) Long-term**

Details of long-term prepaid expenses are as follows:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Office rental expense at head office, No. 1-5 Le Duan street	270,158,138,070	277,130,295,474
Site clearance at Son Tra Port	90,114,098,310	92,602,218,595
Repair and maintenance costs waiting to be allocated	25,816,418,428	14,998,841,331
Prepayment for land rental at Son Tra Port	3,068,967,463	3,153,561,236
Others	8,200,356,045	2,832,588,641
	<u>397,357,978,316</u>	<u>390,717,505,277</u>

Movement of long-term prepaid expenses during the year is as follows:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Beginning of year	390,717,505,277	391,995,756,090
Increase	26,384,499,952	13,467,696,940
Allocation	(19,744,026,913)	(14,745,947,753)
End of year	<u>397,357,978,316</u>	<u>390,717,505,277</u>

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**12 FIXED ASSETS**

**(a) Tangible fixed assets**

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>Historical cost</b>						
As at 1 January 2021	1,229,840,879,842	138,337,895,391	3,593,904,884,162	95,679,132,306	2,234,719,074	5,059,997,510,775
New purchases	-	595,200,000	-	1,232,900,000	321,500,000	2,149,600,000
Transfers from construction in progress (Note 14)	501,281,818	-	131,977,849,250	-	-	132,479,131,068
Disposals	(31,231,147)	(1,622,153,441)	(215,359,990,000)	(16,482,654,510)	-	(233,496,029,098)
Others	362,234,409	4,896,757,828	(5,747,932,256)	332,610,000	-	(156,330,019)
As at 31 December 2021	1,230,673,164,922	142,207,699,778	3,504,774,811,156	80,761,987,796	2,556,219,074	4,960,973,882,726
<b>Accumulated depreciation</b>						
As at 1 January 2021	860,594,291,067	126,436,440,974	2,827,470,069,189	91,792,712,148	1,693,164,836	3,907,986,678,214
Charge for the year	26,937,780,260	10,499,591,894	128,839,030,715	3,093,205,825	317,676,968	169,687,285,662
Disposals	(31,231,147)	(1,622,153,441)	(215,359,990,000)	(16,482,654,510)	-	(233,496,029,098)
Others	(6)	(189,175,059)	189,552,458	(69,654,137)	-	(69,276,744)
As at 31 December 2021	887,500,840,174	135,124,704,368	2,741,138,662,362	78,333,609,326	2,010,841,804	3,844,108,658,034
<b>Net book value</b>						
As at 1 January 2021	369,246,588,775	11,901,454,417	766,434,814,973	3,886,420,158	541,554,238	1,152,010,832,561
As at 31 December 2021	343,172,324,748	7,082,995,410	763,636,148,794	2,428,378,470	545,377,270	1,116,865,224,692

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2021 was VND3,104 billion (as at 31 December 2020: VND3,227 billion).

As at 31 December 2021, the Corporation has pledged its tangible fixed assets formed from borrowings as collateral assets for the borrowings of the Corporation (Note 23) whose historical cost is VND1,200 billion (as at 31 December 2020: VND1,068 billion).

**12 FIXED ASSETS (continued)**

**(b) Intangible fixed assets (continued)**

	Land use rights VND	Patents VND	Others VND	Total VND
<b>Historical cost</b>				
As at 1 January 2021	1,310,220,000	53,057,447,229	132,000,000	<b>54,499,667,229</b>
Disposals	-	(282,012,368)	-	<b>(282,012,368)</b>
Others (*)	-	(11,591,290,651)	-	<b>(11,591,290,651)</b>
As at 31 December 2021	<u>1,310,220,000</u>	<u>41,184,144,210</u>	<u>132,000,000</u>	<u><b>42,626,364,210</b></u>
<b>Accumulated amortisation</b>				
As at 1 January 2021	379,599,850	44,702,439,107	132,000,000	<b>45,214,038,957</b>
Charge for the year	26,204,400	3,957,090,509	-	<b>3,983,294,909</b>
Disposals	-	(282,012,368)	-	<b>(282,012,368)</b>
Others (*)	-	(11,591,290,651)	-	<b>(11,591,290,651)</b>
As at 31 December 2021	<u>405,804,250</u>	<u>36,786,226,597</u>	<u>132,000,000</u>	<u><b>37,324,030,847</b></u>
<b>Net book value</b>				
As at 1 January 2021	<u>930,620,150</u>	<u>8,355,008,122</u>	<u>-</u>	<u><b>9,285,628,272</b></u>
As at 31 December 2021	<u>904,415,750</u>	<u>4,397,917,613</u>	<u>-</u>	<u><b>5,302,333,363</b></u>

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2021 was VND35 billion (as at 31 December 2020: VND35 billion).

(\*) The Corporation does not continue to renew the rights of use for some software copyrights expired.

**13 INVESTMENT PROPERTIES****Buildings  
VND****Historical cost**

As at 1 January 2021 and 31 December 2021	49,793,402,682
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**Accumulated depreciation**

As at 1 January 2021	13,693,185,766
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Charge for the year	2,489,670,144
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As at 31 December 2021	16,182,855,910
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**Net book value**

As at 1 January 2021	36,100,216,916
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As at 31 December 2021	33,610,546,772
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**13 INVESTMENT PROPERTIES (continued)**

Investment properties represent the value of wharfs being constructed and held for lease.

In 2021, revenue from investment properties is VND4.788.000.000 (in 2020: VND4.347.000.000). Direct expenses incurred from investment properties relating to revenue from leasing in 2020 are VND2.489.670.139 (in 2019: VND2.489.670.139).

The Corporation has not been collected sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 31 December 2021 has not been disclosed in the separate financial statements. However, given the occupancy rate of these properties, in the view of the Board of Management, the market value of these properties is higher than the net book values at the separate balance sheet date.

**14 LONG-TERM ASSETS IN PROGRESS****(a) Long-term work in progress**

Long-term work in progress represents the work in progress of Long Phu 1 Thermal Power Plant Project for foreign design by Black & Veatch International ("the Contractor"). By the time of preparing the separate financial statements, the Corporation and the investor have not finalized the value of this item. The Corporation has assessed the cost of long-term work in progress in the Inventory Assessment Minutes No. 07/BB-PTSCLP of the Inventory Assessment Council - Work in progress were established under Decision No.0934/QD-PTSCLP dated 21 December 2017, accordingly, the Corporation decided to make provision for net realizable value of the cost with total amount of VND301,308,440,489.

**14 LONG-TERM ASSETS IN PROGRESS (continued)**

**(b) Construction in progress**

Details of construction in progress are as below:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Land use right of Lot 1838.9m2 at 266 Le Loi, Vung Tau City	49,463,685,500	-
MP Manuver vessel	-	119,042,319,850
Others	497,710,203	552,940,337
	<u>49,961,395,703</u>	<u>119,595,260,187</u>

Movements of construction in progress during the year are as follows:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Beginning of year	119,595,260,187	1,743,970,405
Increase	62,845,266,584	128,609,241,610
Transfer to tangible fixed assets (Note 13(a))	(132,479,131,068)	(9,649,998,828)
Transfer to intangible fixed assets	-	(1,107,953,000)
	<u>49,961,395,703</u>	<u>119,595,260,187</u>

**15 DEFERRED INCOME TAX ASSETS**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The details were as follows:

	2021 VND	2020 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	83,565,571,486	142,108,446,462
Deferred tax liabilities:		
Deferred tax liabilities to be recovered after more than 12 months	-	(1,659,626,421)
	<u>83,565,571,486</u>	<u>140,448,820,041</u>

The movement in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the year is as follows:

	2021 VND	2020 VND
Beginning of year	140,448,820,041	143,932,063,208
Separate income statement charge	(56,883,248,555)	(3,483,243,167)
End of year	<u>83,565,571,486</u>	<u>140,448,820,041</u>

In which, deferred income tax mainly arises from the temporary differences of the following items:

	2021 VND	2020 VND
Accrued expenses and provisions for liabilities	73,321,363,961	142,104,069,998
Loss/(Gain) from foreign currency translation at year end	10,243,020,736	(1,659,626,421)
Depreciation expense	1,186,789	4,376,464
	<u>83,565,571,486</u>	<u>140,448,820,041</u>

The Corporation uses tax rate of 20% to determine deferred income tax.

The Corporation's tax losses can be carried forward to offset against future taxable income for a maximum period of no more than five consecutive years from the year right after the year in which the loss was incurred. The actual amount of tax losses that can be carried forward is subject to review and approval of the tax authorities and may be different from the figures presented. The estimated amount of tax losses available for offset against the Corporation's future taxable income is:

Year of tax loss	Loss incurred VND	Loss utilised VND	Loss carried forward VND
2019	292,090,335,343	-	292,090,335,343
2020	149,826,716,178	-	149,826,716,178
2021	1,694,986,297	-	1,694,986,297

The Corporation did not recognise deferred income tax assets relating to the above tax losses carried forward, as the realisation of the sufficient related tax benefit through future taxable income currently cannot be assessed as probable.



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**16 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	2021		2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Vietnam Machinery Installation Corporation				
- Joint Stock Company	59,992,827,687	59,992,827,687	59,992,827,687	59,992,827,687
South Viet New Spring Corporation	58,549,339,456	58,549,339,456	-	-
SCI E&C Joint Stock Company	45,912,280,686	45,912,280,686	50,408,108,196	50,408,108,196
Hai Duong Company Limited	44,197,707,828	44,197,707,828		
Saigon Shipyard Company Limited	42,062,400,000	42,062,400,000		
Asia Investment and Asset Management Joint Stock Company	35,831,702,252	35,831,702,252	42,062,400,000	42,062,400,000
Fecon Corporation	33,924,635,591	33,924,635,591	51,450,955,630	51,450,955,630
North East Sea Petroleum Transport Services			34,657,770,927	34,657,770,927
Joint Stock Company	24,827,000,000	24,827,000,000	-	-
Thanh An Trading and Service Company Limited	18,314,725,000	18,314,725,000	-	-
Black & Veatch International Co.	14,379,892,254	14,379,892,254	14,564,973,764	14,564,973,764
Lam Hong Diving Service Company Limited	13,708,162,384	13,708,162,384	12,887,442,981	12,887,442,981
Anh Minh Marine Services and Trading Company Limited	12,701,808,769	12,701,808,769	-	-
Minh Anh Construction Joint Stock Company	12,412,981,569	12,412,981,569	12,412,981,569	12,412,981,569
Toisa Limited	11,583,707,491	11,583,707,491	11,720,164,778	11,720,164,778
Bach Dang Construction Corporation - Joint Stock Company	10,139,686,237	10,139,686,237	12,610,848,538	12,610,848,538
Tan Cang Offshore Services Joint Stock Company	9,607,374,852	9,607,374,852	21,165,016,795	21,165,016,795
Hai Duong Company Limited	-	-	151,717,794,166	151,717,794,166
Seahorse Marine and Energy Joint Stock Company	-	-	5,812,912,909	5,812,912,909
Others	299,652,879,828	299,652,879,828	320,123,526,033	320,123,526,033
Related parties (Note 37(b))	1,950,643,204,255	1,950,643,204,255	2,147,443,450,319	2,147,443,450,319
	<u>2,698,442,316,139</u>	<u>2,698,442,316,139</u>	<u>2,949,031,174,292</u>	<u>2,949,031,174,292</u>

**17 ADVANCES FROM CUSTOMERS**

**(a) Short-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Third parties		
TPSK Consortium	54,408,599,849	149,587,366,234
Yunnan (HongKong) Logistics Development Limited	17,540,255,268	11,266,807,693
Phu Bia Mining Limited	8,030,885,544	-
Vientiane Hongshi Saythitath Cement Co., Ltd	6,107,570,056	6,107,570,056
Others	18,217,039,298	12,203,550,142
Related parties (Note 37(b))	37,795,592,179	319,530,000
	<u>142,099,942,194</u>	<u>179,484,824,125</u>

**(b) Long-term**

Long-term advances from customers is mainly comprised of the value of:

- The advances from Long Phu 1 Power Plant Project Management Board for the Long Phu Thermal Plant project with the balance as at 31 December 2021 of VND781,044,054,435 (as at 31 December 2020: VND778,479,407,707); and
- The advances from PetroVietnam Gas Joint Stock Corporation for the LNG Thi Vai warehouse EPC project and Sao Vang - Dai Nguyet pipeline project with the balance as at 31 December 2021 of VND65,986,958,343 (as at 31 December 2020: VND141,237,895,281).

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**18 TAX AND OTHER (RECEIVABLES) FROM/PAYABLES TO THE STATE**

	2021 VND	2020 VND
BIT	630,313,049	(6,932,783,505)
Value added tax	2,903,245,999	14,018,108,768
Personal income tax	3,620,544,729	17,176,349,327
Others	5,365,440,374	3,057,352,906
	<u>12,519,544,151</u>	<u>27,319,027,496</u>

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

	As at 1.1.2021 VND	Payable during the year VND	Paid during the year VND	As at 31.12.2021 VND
BIT	(6,932,783,505)	108,611,778,323	(101,048,681,769)	630,313,049
Value added tax	14,018,108,768	49,789,097,824	(60,903,960,593)	2,903,245,999
Personal income tax	17,176,349,327	61,677,854,740	(75,233,659,338)	3,620,544,729
Withholding tax	3,057,352,906	77,875,731,660	(75,567,644,192)	5,365,440,374
Khác	-	1,509,093,971	(1,509,093,971)	-
	<u>27,319,027,496</u>	<u>299,463,556,518</u>	<u>(314,263,039,863)</u>	<u>12,519,544,151</u>

**19 SHORT-TERM ACCRUED EXPENSES**

	2021 VND	2020 VND
Cost of Southern Petrochemical Complex project	180,846,215,896	127,201,283,312
Cost of supply FSO refrigerated LPG in the North of Vietnam	48,325,341,906	-
Cost of PVN 15 project	45,709,917,243	45,709,917,243
Cost of vessels for Nghi Son Refinery and Petrochemicals Complex project	11,219,101,243	7,722,023,922
Cost of NH3 project	8,551,130,249	8,535,629,539
Cost of LNG Thi Vai warehouse EPC project	4,729,162,365	19,830,704,388
Cost of Long Phu Thermal Power Plant 1 project	5,482,085,962	1,675,927,248
Cost of NPK project	2,222,461,257	18,444,186,002
Cost of packages of services for Nghi Son Refinery and Petrochemicals Plant	1,519,736,590	4,400,296,906
Cost of Sao Vang - Dai Nguyet pipeline project	-	223,289,218,541
Cost of GPP Ca Mau project	-	9,763,729,250
Others	29,703,702,826	31,853,163,563
	<u>338,308,855,537</u>	<u>498,426,079,914</u>

**20 UNEARNED REVENUE**

The unearned revenue represents the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited according to the Contract No. 037/2016/NSRP.OPE-PTSC dated 7 October 2016 on shipbuilding, using ships and maritime services in 15 years since 2019.

**21 OTHER SHORT-TERM PAYABLES**

**(a) Short-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Shipbuilding Industry Corporation (i)	414,334,908,728	420,093,454,966
Payables to employees	11,751,163,404	22,555,707,280
Dividend payables (ii)	8,545,046,574	5,804,775,274
Others	23,080,491,351	24,512,825,578
Related parties (Note 37(b))	14,966,394,977	8,085,693,775
	<u>472,678,005,034</u>	<u>481,052,456,873</u>

(i) Payable to Vietnam Shipbuilding Industry Corporation is the last payment for the project of building FSO, in which, the Corporation is the project's investor and Vietnam Shipbuilding Industry Corporation is the constructor. Currently, both parties are carrying out the procedures to finalize the contract for payment of this amount.

(ii) Dividend payables to non-custodial shareholders represent the dividends of the previous years which these shareholders have not yet proceeded to receive.

**(b) Long-term**

Other long-term payables mainly represent the deposit of the Branch of PetroVietnam Gas Corporation – Joint Stock Company – Gas Trading Company for the supply of ships and operation services of LPG storage vessels for 3 year in the Northern region in accordance with the Contract No. 36/HDKN/2021/KDK-PTSC/04 dated 31 March 2021 with total amount of VND 69,473,052,000.

21 OTHER SHORT-TERM PAYABLES

	2021 VND	2020 VND
Shipbuilding Industry Corporation (i)	414,334,908,728	420,093,454,966
Payables to employees	11,751,163,404	22,555,707,280
Dividend payables (ii)	8,545,046,574	5,804,775,274
Others	23,080,491,351	24,512,825,578
Related parties (Note 37(b))	14,966,394,977	8,085,693,775
	<u>472,678,005,034</u>	<u>481,052,456,873</u>

- (i) Payable to Vietnam Shipbuilding Industry Corporation is the last payment for the project of building FSO, in which, the Corporation is the project's investor and Vietnam Shipbuilding Industry Corporation is the constructor. Currently, both parties are carrying out the procedures to finalize the contract for payment of this amount.
- (ii) Dividend payables to non-custodial shareholders represent the dividends of the previous years which these shareholders have not yet proceeded to receive.

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**22 BORROWINGS**

**(a) Short-term**

	As at 1.1.2021 VND	Drawdown VND	Repayment VND	Current portion VND	Foreign exchange differences VND	As at 31.12.2021 VND
Bank loans	-	2,000,000,000	(2,000,000,000)	-	-	-
Current portion (Note 22(b))	101,674,381,772	-	(101,341,906,772)	79,203,691,772	(477,400,000)	79,058,766,772
	<u>101,674,381,772</u>	<u>2,000,000,000</u>	<u>(103,341,906,772)</u>	<u>79,203,691,772</u>	<u>(477,400,000)</u>	<u>79,058,766,772</u>

**(b) Long-term**

	As at 1.1.2021 VND	Drawdown VND	Repayment VND	Current portion VND	Foreign exchange differences VND	As at 31.12.2021 VND
Bank loans	435,223,546,597	99,481,706,082	-	(79,203,691,772)	(106,562,500)	455,394,998,407
	<u>435,223,546,597</u>	<u>99,481,706,082</u>	<u>-</u>	<u>(79,203,691,772)</u>	<u>(106,562,500)</u>	<u>455,394,998,407</u>

Long-term borrowings represent 4 credit facilities from commercial banks in Vietnam, in which:

- Credit facility 1 is in VND with the credit limit of more than VND670 billion and will be matured in 120 months since 2018;
- Credit facility 2 is in VND with the credit limit of more than VND 25 billion and will be matured in 72 months since 2016; and
- Credit facility 3 is in USD with the credit limit of more than USD10 million and will be matured in 84 months since 2015;
- Credit facility 4 is in VND with the credit limit of more than VND692 billion and will be matured in 96 months since 2021.

The purpose of the long-term borrowings is to invest in long-term assets such as supply bases, service vessels, specialized equipment used in petroleum technical services.

**22 BORROWINGS (continued)**

**(b) Long-term (continued)**

The interest of long-term borrowings in VND ranged from 2.92% per annum to 8.1% per annum in year 2021 (year 2020: from 3% per annum to 9.3% per annum). The interest of long-term borrowings in USD ranged from 2.97% per annum to 3.14% per annum in year 2021 (year 2020: from 3.17% per annum to 5.02% per annum).

The Corporation used assets formed in the future from these long-term borrowings as its mortgaged assets.

The repayment schedule of long-term borrowing are as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
Within one year	79,058,766,772	101,674,381,772
In the second year	71,157,799,069	65,073,722,579
In the third to fifth year	213,473,397,208	185,074,912,009
After five years	170,763,802,130	185,074,912,009
	<hr/>	<hr/>
Payment within 12 months	79,058,766,772	101,674,381,772
	<hr/>	<hr/>
	<b>534,453,765,179</b>	<b>536,897,928,369</b>
	<hr/>	<hr/>

**23 PROVISIONS FOR OTHER LIABILITIES**

**(a) Short-term**

	<b>2021 VND</b>	<b>2020 VND</b>
Provision for guarantee obligation (ii)	314,751,241,602	318,802,359,240
Provision for operation and maintenance of FPSO Lam Son (iii)	41,579,866,001	40,741,009,201
Provision for periodic overhaul of service vessels (iv)	6,989,072,165	27,392,086,417
Provision for construction warranty of GPP Ca Mau project	-	12,933,752,687
	<hr/>	<hr/>
	<b>363,320,179,768</b>	<b>399,869,207,545</b>
	<hr/>	<hr/>



**23 PROVISIONS FOR OTHER LIABILITIES (continued)**

**(b) Long-term**

	2021 VND	2020 VND
Provision for construction warranty (i):		
Sao Vang - Dai Nguyet pipeline project	66,621,273,873	-
NPK project	5,369,614,670	5,369,614,670
NH3 project	4,828,044,991	10,174,081,141
	<u>76,818,933,534</u>	<u>15,543,695,811</u>

- (i) Provision for construction warranty is made for warranty obligations according to the terms and conditions of EPC contracts with customers, from 1% to 3% of the contract value.
- (ii) Provisions for guarantee obligations are made against the Corporation's guarantee obligations for PTSC CGGV's borrowing balance with CGG Holding BV, a foreign company that contributes capital to the establishment of PTSC CGGV. As at 31 December 2020, the borrowing balance of PTSC CGGV is USD 26,926,670.91. As described in Note 4(b), PTSC CGGV has ceased its operations and is implementing the necessary procedures for dissolution. The Corporation assesses the possibility that this subsidiary can repay the above borrowing is uncertain.
- (iii) Provision for operation and maintenance costs of FPSO Lam Son is the value that the Corporation may be payable to PetroVietnam Exploration and Development Corporation ("PVEP") in relation to the Settlement Agreement for the contract signed between the Corporation and Lam Son Joint Operating Company ("Lam Son JOC"), a joint venture between PVEP and Petronas.
- (iv) Provisions for periodic overhaul of service vessels represents the provision made annually based on the approved budget cost until the year when the overhaul is expected to occur. In the year when the overhaul occurs, if the actual overhaul cost is greater than the approved budget cost or vice versa, the difference is recorded in the separate income statement of respective fiscal year.

**24 BONUS AND WELFARE FUND**

	2021 VND	2020 VND
Beginning of year	197,674,753,005	199,772,053,173
Appropriation from undistributed earnings (Note 26)	215,000,000,000	69,212,814,451
Utilisation	(71,062,117,896)	(71,310,114,619)
End of year	<u>341,612,635,109</u>	<u>197,674,753,005</u>

**25 OWNERS' CAPITAL**

**(a) Number of shares**

	2021		2020	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	477,966,290	-	477,966,290	-
Number of shares issued	477,966,290	-	477,966,290	-
Number of shares repurchased	-	-	-	-
Number of existing shares in circulation	477,966,290	-	477,966,290	-

**(b) Details of owners' shareholding**

	2021		2020	
	Ordinary shares	%	Ordinary shares	%
Vietnam Oil and Gas Group	245,565,000	51.38	245,565,000	51.38
Others	232,401,290	48.62	232,401,290	48.62
Number of shares	477,966,290	100	477,966,290	100

**(c) Movement of share capital**

	Number of shares	Ordinary shares VND	Total VND
As at 1 January 2020	477,966,290	4,779,662,900,000	4,779,662,900,000
New shares issued	-	-	-
As at 31 December 2020	477,966,290	4,779,662,900,000	4,779,662,900,000
New shares issued	-	-	-
As at 31 December 2021	477,966,290	4,779,662,900,000	4,779,662,900,000

The par value of each share is VND10,000. The Corporation does not have any preference shares.

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**26 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Bond conversion option VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2020	4,779,662,900,000	39,617,060,000	2,636,503,189,630	609,703,317,627	8,065,486,467,257
Net profit for the year	-	-	-	759,338,195,834	759,338,195,834
Appropriation to bonus and welfare fund	-	-	-	(69,212,814,451)	(69,212,814,451)
Dividends paid	-	-	-	(477,966,290,000)	(477,966,290,000)
As at 31 December 2020	4,779,662,900,000	39,617,060,000	2,636,503,189,630	821,862,409,010	8,277,645,558,640
Net profit for the year	-	-	-	675,988,710,649	675,988,710,649
Appropriation to investment and development fund (*)	-	-	75,933,819,583	(75,933,819,583)	-
Appropriation to bonus and welfare fund (Note 24) (*)	-	-	-	(215,000,000,000)	(215,000,000,000)
Dividends paid (*)	-	-	-	(477,966,000,000)	(477,966,000,000)
As at 31 December 2021	4,779,662,900,000	39,617,060,000	2,712,437,009,213	728,951,300,076	8,260,668,269,289

(\*) According to the Resolution No. 134/NQ-DVKT-ĐHĐCD dated 28 April 2021 of the Corporation's Shareholders Annual General Meeting, the shareholders approved the dividend of 2020 with the rate of 10% in cash equivalent to VND477,966,000,000; and appropriation to bonus and welfare fund; appropriation to reward fund for management with the total amount of VND215,000,000,000 and Investment and development fund with the total amount of VND75,933,819,583.

**27 OFF SEPARATE BALANCE SHEET ITEMS**

**Foreign currencies**

As at 31 December 2021 and 31 December 2020, included in cash and cash equivalents are balances held in following foreign currencies:

	2021 VND	2020 VND
US Dollar (USD)	60,731,750	55,893,283
British Pound (GBP)	244,708	244,715
Russian Rubble (RUB)	1,532,395	1,533,253

**28 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES**

	2021 VND	2020 VND
<b>Revenue</b>		
Revenue from rendering of services	3,918,840,951,420	5,174,680,514,302
Revenue from construction contracts	1,572,949,335,759	2,686,908,937,371
Revenue from sales of finished goods	2,486,743,081	17,873,218,555
	<u>5,494,277,030,260</u>	<u>7,879,462,670,228</u>
<b>Sale deduction</b>	<u>-</u>	<u>-</u>
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from rendering of services	3,918,840,951,420	5,174,680,514,302
Net revenue from construction contracts (*)	1,572,949,335,759	2,686,908,937,371
Net revenue from sales of finished goods	2,486,743,081	17,873,218,555
	<u>5,494,277,030,260</u>	<u>7,879,462,670,228</u>

(\*) In which:

	2021 VND	2020 VND
Accumulated revenue from completed construction contracts in the year	-	170,713,361,962
Accumulated revenue from in progress construction contracts during the year	5,925,861,459,314	4,378,824,916,154
	<u>5,925,861,459,314</u>	<u>4,549,538,278,116</u>

**29 COST OF GOODS SOLD AND SERVICES RENDERED**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Cost of services rendered	3,618,447,965,598	5,132,889,516,737
Cost of construction contract	1,556,499,605,353	2,625,480,519,763
Cost of merchandises sold	2,394,678,085	17,153,580,597
	<u>5,177,342,249,036</u>	<u>7,775,523,617,097</u>

**30 FINANCIAL INCOME**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Dividend income and profit distributed	868,393,421,511	1,034,976,082,344
Interest income	133,168,863,830	137,505,047,253
Foreign exchange gains	39,629,222,167	81,567,887,837
	<u>1,041,191,507,508</u>	<u>1,254,049,017,434</u>

**31 FINANCIAL EXPENSES**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Foreign exchange losses	48,602,939,150	66,012,369,510
Interest expenses	38,167,679,647	49,414,244,423
Reversal of provision for diminution in value of investments	(15,960,459,863)	(19,840,032,867)
Others	865,953,563	98,570,036
	<u>71,676,112,497</u>	<u>95,685,151,102</u>

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09 – DN**

**32 SELLING EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Marketing expenses	11,522,588,283	13,893,473,676
Others	20,311,707,676	25,926,966,156
	<u>31,834,295,959</u>	<u>39,820,439,832</u>

**33 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Staff costs	236,197,956,988	232,819,951,929
Outside services expenses	109,689,458,100	121,492,352,442
Provision /(reversal of provision for doubtful debts)	9,962,228,832	(48,587,744,580)
Depreciation and amortisation	12,917,710,920	20,035,802,377
Others	56,463,719,291	72,728,491,260
	<u>425,231,074,131</u>	<u>398,488,853,428</u>

**34 NET OTHER INCOME AND OTHER EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>Other income</b>		
Reversal of provision warranty of construction contract	12,933,752,687	-
Fines	2,538,248,898	-
Gains on disposal of fixed assets	446,292,727	8,001,834,903
Others	178,356,757	2,523,700,793
	<u>16,096,651,069</u>	<u>10,525,535,696</u>
<b>Other expenses</b>		
Penalties	776,253,379	561,003,451
Others	3,221,466,336	3,118,702,923
	<u>3,997,719,715</u>	<u>3,679,706,374</u>

**35 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:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Accounting profit before tax	841,483,737,499	830,839,455,525
In which:		
Adjustment decreases amounts	(918,866,735,863)	(1,043,274,214,452)
Adjustment increases amounts	75,688,012,067	62,608,042,749
	<hr/>	<hr/>
Loss from normal business activities	(1,694,986,297)	(149,826,716,178)
Tax rate	20%	20%
	<hr/>	<hr/>
BIT from normal business activities	-	-
	<hr/>	<hr/>
Taxable income from profit sharing from overseas investments	569,726,467,732	374,754,000,000
Tax rate	20%	20%
	<hr/>	<hr/>
	113,945,293,546	74,950,800,000
Adjustment for under-provision in previous years	(8,454,916,654)	(6,932,783,505)
Adjustment for tax paid overseas	3,121,401,431	-
	<hr/>	<hr/>
BIT from profit sharing from overseas investments	108,611,778,323	68,018,016,495
	<hr/>	<hr/>
BIT	<u>108,611,778,323</u>	<u>68,018,016,495</u>

**36 COST OF OPERATION BY FACTOR**

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

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Raw materials	198,485,249,867	256,262,760,315
Staff costs	707,019,047,861	790,089,828,303
Depreciation and amortisation expenses	176,160,250,715	196,036,112,222
Cost of construction contracts	1,565,721,691,177	2,598,565,559,611
Outside service expenses	2,845,191,905,002	4,235,110,785,644
Others	145,827,194,219	137,767,864,262
	<u>5,638,405,338,841</u>	<u>8,213,832,910,357</u>

**37 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is PVN which owns 51.38% of the Corporation's share capital (Note 26).

Accordingly, PVN, fellow PVN group subsidiaries, subsidiaries, associates and joint ventures of the Corporation are considered the Corporation's related parties. Apart from subsidiaries, associates and joint ventures disclosed in Note 1 and 4, during the year, the Corporation has balances and transactions with below parties:

<b>Name</b>	<b>Relationship</b>
Vietnam Oil and Gas Group	Parent company
PTSC Ca Rong Do Limited	Company in PVN Group
PetroVietnam Exploration Production Corporation	Company in PVN Group
Dung Quat Shipbuilding Industry Company Limited	Company in PVN Group
PetroVietnam Drilling and Well Services Corporation	Company in PVN Group
PetroVietnam Transportation Corporation	Company in PVN Group
Vietnam Public Joint Stock Commercial Bank	Company in PVN Group
PetroVietnam Construction Joint Stock Company	Company in PVN Group
PetroVietnam Fertilizer and Chemicals Corporation	Company in PVN Group
Vietnam - Russia Joint Venture Vietsovpetro	Company in PVN Group
PetroVietnam Oil Corporation	Company in PVN Group
PetroVietnam Power Corporation	Company in PVN Group
Binh Son Oil Refinery Company Limited	Company in PVN Group
PetroVietnam Drilling Fluid and Chemical Corporation	Company in PVN Group
PVI Insurance Corporation	Company in PVN Group
Petroleum Design Consulting Corporation	Company in PVN Group
PetroVietnam Maintenance - Repair Corporation	Company in PVN Group
Petroleum General Service Joint Stock Corporation	Company in PVN Group



37 RELATED PARTY DISCLOSURES (continued)

Name (continued)	Relationship
Nghi Son Refining and Petrochemical Company Limited	Company in PVN Group
Nghi Son Refinery and Petrochemical Complex Project Management Board	Company in PVN Group
Bien Dong Petroleum Operating Company	Company in PVN Group
Long Phu 1 Power Plant Project Management Board	Company in PVN Group
PetroVietnam Domestic Exploration Production Operating Company Limited	Company in PVN Group
PetroVietnam Gas Corporation	Company in PVN Group
Foreign Petroleum Exploration and Exploitation Operations One Member LLC	Company in PVN Group
Cuu Long Petroleum Operating Company	Company in PVN Group
Petro Vietnam Coating Joint Stock Company	Company in PVN Group

(a) Related party transactions

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

	2021 VND	2020 VND
<b>i) Sales of goods and services</b>		
PetroVietnam Exploration Production Corporation Limited	1,126,047,295,608	1,391,976,062,871
PetroVietnam Gas Joint Stock Corporation	826,361,231,719	2,112,548,864,973
Bien Dong Petroleum Operating Company	455,630,863,621	488,948,974,988
Nghi Son Refinery and Petrochemical Limited Liability Company	318,002,400,483	314,046,092,714
PTSC Ca Rong Do Limited	167,778,181,818	-
Malaysia Vietnam Offshore Terminal (Labuan) Limited	81,348,607,725	116,585,561,174
PetroVietnam Drilling & Well Service Corporation	27,743,504,420	48,449,821,509
Vietnam Offshore Floating Terminal (Ruby) Limited	-	32,920,731,427
Other PVN Group companies	135,460,072,957	234,345,506,388
Subsidiaries	-	-
PTSC Mechanical and Construction Services Company Limited	75,371,598,149	97,936,735,573
PTSC Offshore Services Joint Stock Company	51,599,542,082	101,748,755,487
PTSC Thanh Hoa Port Joint Stock Company	14,632,480,297	22,108,519,742
PTSC Geos and Subsea Services Company Limited	9,554,366,511	10,485,245,630
Other subsidiaries	28,236,818,486	32,385,173,145
	<u>3,317,766,963,876</u>	<u>5,004,486,045,621</u>

**37 RELATED PARTY DISCLOSURES (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>ii) Dividend received</b>		
Vietnam Offshore Floating Terminal (Ruby) Limited	275,760,000,000	280,200,002,080
PTSC Asia Pacific Pte. Ltd	175,873,500,000	-
PTSC South East Asia Private Limited	92,493,600,000	94,554,000,000
Subsidiaries	-	-
PTSC Mechanical and Construction Services Company Limited	170,731,445,474	579,565,791,433
PTSC Offshore Services Joint Stock Company	50,971,050,000	23,786,490,000
PTSC Production Services Joint Stock Company	30,600,000,000	20,400,000,000
Other subsidiaries	71,963,826,037	36,469,798,831
	<u>868,393,421,511</u>	<u>1,034,976,082,344</u>
<b>iii) Purchases of goods and services</b>		
PTSC Asia Pacific Private Limited	600,250,419,680	732,072,346,473
PTSC Ca Rong Do Joint Venture	-	962,713,183,118
PTSC South East Asia Private Limited	182,314,152,025	203,879,368,750
Other PVN Group companies	118,793,727,602	65,829,166,092
Subsidiaries	-	-
PTSC Offshore Services Joint Stock Company	451,956,739,257	669,683,807,278
PTSC Production Services Joint Stock Company	383,372,935,945	386,834,208,742
PTSC Quang Ngai Joint Stock Company	349,143,851,445	96,167,645,832
PTSC Thanh Hoa Port Joint Stock Company	343,758,784,843	245,516,670,725
Other subsidiaries	41,527,284,206	248,140,209,784
	<u>2,471,117,895,003</u>	<u>3,610,836,606,794</u>

**37 RELATED PARTY DISCLOSURES (continued)**

**(b) Related party transactions (continued)**

	<b>2021 VND</b>	<b>2020 VND</b>
<b>iv) Compensation of key management</b>		
Gross salaries and other benefits	21,950,121,000	23,713,533,000
In which:		
Mr. Phan Thanh Tung - Chairman of BOD	2,008,745,000	2,265,616,200
Mr. Le Manh Cuong - President and Chief Executive Officer, Member of BOD	2,110,718,000	2,211,771,000
Mr. Nguyen Xuan Ngoc - Member of BOD	1,470,798,000	1,689,392,600
Mr. Do Quoc Hoan - Member of BOD	1,614,248,000	1,889,144,000
Mr. Luu Duc Hoang - Member of BOD	1,452,566,000	1,671,172,600
Others	13,293,046,000	13,986,436,600

**(b) Year end balances with related parties**

	<b>2021 VND</b>	<b>2020 VND</b>
<b>i) Short-term trade accounts receivable (Note 5)</b>		
PetroVietnam Exploration Production Corporation Limited	1,615,173,949,593	1,510,244,555,501
PetroVietnam Long Phu 1 Thermal Power Project Management Board	156,738,176,730	151,225,238,914
PetroVietnam Gas Joint Stock Corporation	122,240,604,869	397,464,702,250
Nghi Son Refinery And Petrochemical Limited Liability Company	76,679,225,589	71,111,510,041
PetroVietnam Fertilizer and Chemicals Corporation - Joint Stock Company	68,416,092,099	60,197,518,266
Bien Dong Petroleum Operating Company	60,024,745,241	105,474,456,986
Nghi Son Refinery and Petrochemical Complex Project Management Board	37,203,110,659	37,203,110,659
PetroVietnam Domestic Exploration Production Operating Company Limited	35,269,427,044	52,035,155,862
Malaysia Vietnam Offshore Terminal (Labuan) Limited	19,621,379,368	30,707,153,348
PetroVietnam Drilling & Well Service Corporation	43,139,763,224	6,708,056,223
Other PVN Group companies	14,382,120,450	91,916,113,508
Subsidiaries		
PTSC CGGV Geophysical Survey Company Limited	75,067,614,298	75,828,137,236
PTSC Offshore Services Joint Stock Company	42,462,454,960	51,781,532,241
PTSC Mechanical and Construction Services Company Limited	11,727,628,772	15,321,329,684
Other subsidiaries	22,256,196,436	26,509,152,616
	2,400,402,489,332	2,683,727,723,335

37 RELATED PARTY DISCLOSURES (continued)

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

	2021 VND	2020 VND
<b>ii) Short-term prepayments to supplier (Note 6(a))</b>		
PetroVietnam Marine Shipyard Joint Stock Company	2,225,926,853	1,033,416,496
Subsidiaries		
PTSC Offshore Services Joint Stock Company	64,452,016,395	73,389,532,559
PTSC Quang Ngai Joint Stock Company	29,768,832,999	40,352,026,743
PTSC Thanh Hoa Port Joint Stock Company	10,558,204,310	27,855,417,184
	<u>107,004,980,557</u>	<u>142,630,392,982</u>
<b>iii) Long-term prepayments to suppliers (Note 6(b))</b>		
Subsidiaries		
PTSC Quang Ngai Joint Stock Company	1,316,405,634	1,316,405,634
Other subsidiaries	-	15,820,050,218
	<u>1,316,405,634</u>	<u>17,136,455,852</u>
<b>iv) Other short-term receivables (Note 8(a))</b>		
PetroVietnam Exploration Production Corporation Limited	10,047,098,575	741,698,418
Nghi Son Refinery and Petrochemical Limited Liability Company	11,974,889,962	5,412,481,470
Vietnam Oil and Gas Group	10,632,042,898	10,632,042,898
Russia - Vietnam Joint Venture Vietsopetro	167,778,181,818	-
Other PVN Group companies	18,094,155,288	28,718,059,638
Subsidiaries	-	-
PTSC Quang Ngai Joint Stock Company	30,315,308,221	75,921,308,221
Petro Hotel Company Limited	24,601,517,301	28,876,582,408
PTSC Thanh Hoa Port Joint Stock Company	18,507,484,206	18,507,484,206
PTSC Offshore Services Joint Stock Company	4,953,710,119	1,475,924,333
Other subsidiaries	798,948,633	773,569,683
	<u>297,703,337,021</u>	<u>171,059,151,275</u>

**37 RELATED PARTY DISCLOSURES (continued)**

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

	2021 VND	2020 VND
<b>v) Other long-term receivables (Note 8(b))</b>		
Subsidiary		
PTSC Quang Ngai Joint Stock Company	358,891,628,649	358,907,128,649
<b>vi) Short-term trade accounts payable (Note 17)</b>		
PTSC Asia Pacific Private Limited	1,506,278,128,866	1,806,345,174,570
PTSC South East Asia Private Limited	56,218,405,200	33,807,710,282
PetroVietnam Marine Shipyard Joint Stock Company	15,373,146,799	10,628,561,176
PetroVietnam Coating Joint Stock Company	-	29,757,861,786
Petrovietnam Urban Development Joint-Stock Company	-	15,118,656,105
Other PVN Group companies	11,764,669,868	20,933,302,617
Subsidiaries	-	-
PTSC Production Services Joint Stock Company	113,714,246,536	102,668,968,441
PTSC Quang Ngai Joint Stock Company	86,672,493,306	9,936,290,898
PTSC Thanh Hoa Port Joint Stock Company	74,404,778,363	54,199,572,663
PTSC Offshore Services Joint Stock Company	68,966,497,197	38,266,036,217
Other subsidiaries	17,250,838,120	25,781,315,564
	1,950,643,204,255	2,147,443,450,319
<b>vii) Advances from customers (Note 17(a))</b>		
PetroVietnam Gas Joint Stock Corporation	37,791,032,173	-
Others	4,560,006	-
Subsidiary	-	319,530,000
	37,795,592,179	319,530,000
<b>viii) Long-term advance from customers (Note 17(b))</b>		
PetroVietnam Long Phu 1 Thermal Power Project Management Board	781,044,054,435	778,479,407,707
PetroVietnam Gas Joint Stock Corporation	65,986,958,343	141,237,895,281
	847,031,012,778	919,717,302,988

**37 RELATED PARTY DISCLOSURES (continued)**

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

	<b>2021 VND</b>	<b>2020 VND</b>
<b>ix) Short-term accrued expenses</b>		
Vietnam Oil and Gas Group	9,072,974,998	16,340,608,498
Subsidiaries		
PetroVietnam Construction Joint Stock Company	107,889,986,369	226,816,796,375
PTSC CGGV Geophysical Survey Company Limited	45,709,917,243	45,709,917,243
PTSC Thanh Hoa Port Joint Stock Company	39,379,437,004	34,349,880,581
PTSC Quang Ngai Joint Stock Company	17,646,711,817	28,456,902,507
Other subsidiaries	201,485,680	1,088,097,305
	<u>219,900,513,111</u>	<u>352,762,202,509</u>
<b>x) Other short-term payables (Note 22)</b>		
PetroVietnam Exploration Production Corporation Limited	6,536,414,822	-
Other PVN Group companies	2,576,054,892	2,065,883,056
Subsidiaries	-	-
PTSC Production Services Joint Stock Company	5,820,702,240	5,820,702,240
Other subsidiaries	33,223,023	199,108,479
	<u>14,966,394,977</u>	<u>8,085,693,775</u>
<b>xi) Other long-term payables (Note 21(b))</b>		
PetroVietnam Gas Joint Stock Corporation	<u>69,473,052,000</u>	<u>-</u>

**38 COMMITMENTS UNDER OPERATING LEASES**

**(a) The Corporation as a lessee**

At the separate balance sheet date, the Corporation had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	864,235,068,896	838,049,579,961
Between one and five years	1,413,613,395,503	1,214,136,825,079
Over five years	1,147,968,211,923	1,010,137,917,608
Total minimum payments	<u>3,425,816,676,322</u>	<u>3,062,324,322,648</u>

(\*) As at 31 December 2021 and 31 December 2020, the Corporation has entered into a non-cancellable operating lease commitment contract of vessels rental, land rental in Vung Tau City, land rental at Son Tra Port, and hotel lease for its operating activities. In which:

- FSO/FPSO, vessels rental contracts were signed with duration from 1 year to 5 years;
- Land lease in Vung Tau City was signed with the term of 50 years since year 2002;
- Land rental contract at Son Tra Port was signed with the term of 50 years since 2008; and
- Hotel lease contract was signed with the term of 10 years since 2012.

**(b) The Corporation as a lessor**

As at the separate balance sheet date, the future minimum lease receivables under operating leases were as follows:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	1,388,833,085,235	1,385,601,412,945
Between one and five years	3,049,355,405,025	4,443,497,757,500
Over five years	2,129,574,700,069	1,946,423,830,504
Total minimum payments	<u>6,567,763,190,329</u>	<u>7,775,523,000,949</u>


As at 31 December 2021 and 31 December 2020, the Corporation has entered into a non-cancellable operating lease commitment contract of leasing service vessels with the term of 15 years and FSO/FPSO with the term of 5 years.


39 CONTINGENT LIABILITIES

**Long Phu 1 Thermal Power Project**

On 23 August 2019, Power Machines Company ("PM") - the main contractor of Long Phu 1 Thermal Power Project, sent a notice to Singapore International Arbitration Center about the unresolved dispute with the Vietnam Oil and Gas Group regarding the EPC Contract No. 9488/HD-DKVN dated on 27 December 2013 between the consortium of General Contractor Power Machines – PetroVietnam Technical Services Corporation and Vietnam Oil and Gas Group. At the date of this report, the lawsuit is still being reviewed by the Singapore International Arbitration Center. The Board of Management of the Corporation assesses and believes that the case would not have significant effect on the Corporation's operation. As a result, the Corporation has not made any provision for this lawsuit.

The separate financial statements were approved by the Board of Management on 25 March 2022.

  
\_\_\_\_\_  
Duong Thi Ngoc Quy  
Preparer

  
\_\_\_\_\_  
Nguyen Van Bao  
Chief Accountant

  
\_\_\_\_\_  
Le Manh Cuong  
President and CEO

  
TỔNG CÔNG TY  
CỐ PHẦN  
DỊCH VỤ KỸ THUẬT  
DẦU KHÍ  
VIỆT NAM  
QUẬN 1 - TP. HỒ CHÍ MINH

