

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

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



# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

## **CONSOLIDATED 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 was initially issued by the Department of Planning and Investment of Hanoi 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)
Ms. 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 Ho Bac	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, Petro Vietnam 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

### THE RESPONSIBILITY OF THE BOARD OF MANAGEMENT IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management of PetroVietnam Technical Services Corporation ("the parent Company") is responsible for preparing the consolidated financial statements of the parent Company and its subsidiaries (together, "the Corporation") which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2021 and the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated 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 consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Corporation will continue in business.

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

### APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to 84 which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2021 and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management



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

Ho Chi Minh City, SR Vietnam  
29 March 2022



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

We have audited the accompanying consolidated financial statements of PetroVietnam Technical Services Corporation ("the parent Company") and its subsidiaries (together, "the Corporation") which were prepared on 31 December 2021 and approved by the Board of Management on 29 March 2022. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements, as set out on pages 5 to 84.

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

The Board of Management is responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Management determines as necessary to enable the preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

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

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

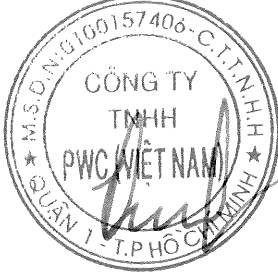
### Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2021, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

### Other 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



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

Report reference number: HCM11950  
Ho Chi Minh City, 29 March 2022



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

## CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at	
			31.12.2021 VND	31.12.2020 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>15,378,378,675,062</b>	<b>16,603,118,184,269</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>5,747,277,411,831</b>	<b>5,212,155,694,269</b>
111	Cash		3,483,868,789,231	3,387,221,129,416
112	Cash equivalents		2,263,408,622,600	1,824,934,564,853
<b>120</b>	<b>Short-term investments</b>		<b>2,676,700,567,303</b>	<b>3,310,783,914,291</b>
123	Investments held to maturity	4(a)	2,676,700,567,303	3,310,783,914,291
<b>130</b>	<b>Short-term receivables</b>		<b>4,642,453,246,540</b>	<b>5,662,418,361,322</b>
131	Short-term trade accounts receivable	5	4,005,773,767,806	5,073,158,592,886
132	Short-term prepayments to suppliers	6(a)	291,253,241,235	372,545,963,728
134	Construction contracts-in-progress receivables	7	79,509,916,775	85,720,543,145
136	Other short-term receivables	8(a)	435,483,138,153	265,280,299,858
137	Provision for doubtful debts - short-term	9	(169,566,817,429)	(134,287,038,295)
<b>140</b>	<b>Inventories</b>	<b>10(a)</b>	<b>2,086,094,175,564</b>	<b>2,111,275,628,447</b>
141	Inventories		2,088,285,341,725	2,173,327,952,701
149	Provision for decline in value of inventories		(2,191,166,161)	(62,052,324,254)
<b>150</b>	<b>Other current assets</b>		<b>225,853,273,824</b>	<b>306,484,585,940</b>
151	Short-term prepaid expenses	11(a)	38,205,702,547	31,676,397,728
152	Value Added Tax ("VAT") to be reclaimed		153,427,456,145	199,858,428,385
153	Tax and other receivables from the State	19(a)	8,606,598,768	49,336,243,463
155	Other current assets	12	25,613,516,364	25,613,516,364

The notes on pages 10 to 84 are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEET**  
**(continued)**

Code	ASSETS (continued)	Note	As at	
			31.12.2021 VND	31.12.2020 VND
<b>200</b>	<b>NON-CURRENT ASSETS</b>		<b>9,466,598,388,289</b>	<b>9,676,158,942,668</b>
<b>210</b>	<b>Long-term receivables</b>		<b>175,179,801,036</b>	<b>153,709,968,223</b>
212	Long-term prepayments to suppliers	6(b)	22,898,287,338	62,278,452,310
216	Other long-term receivables	8(b)	152,281,513,698	91,431,515,913
<b>220</b>	<b>Fixed assets</b>		<b>2,981,748,785,565</b>	<b>3,135,205,849,581</b>
221	Tangible fixed assets	13(a)	2,968,414,845,549	3,113,723,499,166
222	Historical cost		12,118,345,721,437	11,840,246,850,059
223	Accumulated depreciation		(9,149,930,875,888)	(8,726,523,350,893)
227	Intangible fixed assets	13(b)	13,333,940,016	21,482,350,415
228	Historical cost		127,255,860,720	136,664,574,783
229	Accumulated amortisation		(113,921,920,704)	(115,182,224,368)
<b>230</b>	<b>Investment properties</b>	14	<b>173,865,504,627</b>	<b>178,600,776,483</b>
231	Historical cost		229,280,786,454	229,280,786,454
232	Accumulated depreciation		(55,415,281,827)	(50,680,009,971)
<b>240</b>	<b>Long-term assets in progress</b>		<b>183,770,310,336</b>	<b>235,819,369,525</b>
241	Long-term work in progress	15(a)	69,815,950,708	69,815,950,708
242	Construction in progress	15(b)	113,954,359,628	166,003,418,817
<b>250</b>	<b>Long-term investments</b>		<b>4,841,227,023,772</b>	<b>4,960,766,192,708</b>
252	Investments in associates and joint ventures	4(b)	4,824,330,619,445	4,941,851,498,906
253	Investments in other entities	4(b)	41,655,000,000	41,655,000,000
254	Provision for long-term investments	4(b)	(24,758,595,673)	(22,740,306,198)
<b>260</b>	<b>Other long-term assets</b>		<b>1,110,806,962,953</b>	<b>1,012,056,786,148</b>
261	Long-term prepaid expenses	11(b)	610,779,207,619	647,959,290,807
262	Deferred income tax assets	16	477,030,804,692	337,988,470,122
263	Long-term spare equipment, supplies and parts	10(b)	22,996,950,642	26,109,025,219
<b>270</b>	<b>TOTAL ASSETS</b>		<b>24,844,977,063,351</b>	<b>26,279,277,126,937</b>

The notes on pages 10 to 84 are an integral part of these consolidated financial statements.



PETROVIETNAM TECHNICAL SERVICES CORPORATION

Form B 01 – DN/HN

CONSOLIDATED BALANCE SHEET  
(continued)

Code	RESOURCES	Note	As at	
			31.12.2021 VND	31.12.2020 VND
<b>300</b>	<b>LIABILITIES</b>		<b>12,310,655,145,782</b>	<b>13,395,159,975,310</b>
<b>310</b>	<b>Current liabilities</b>		<b>8,735,376,980,582</b>	<b>9,802,865,550,700</b>
311	Short-term trade accounts payable	17	4,281,695,231,480	6,177,990,507,244
312	Short-term advances from customers	18(a)	221,767,130,827	437,994,312,232
313	Tax and other payables to the State	19(b)	184,438,171,379	103,970,046,811
314	Payable to employees		577,014,632,663	603,839,251,744
315	Short-term accrued expenses	20	1,211,808,399,603	449,917,173,426
317	Construction contracts-in-progress payables	7	292,132,423,826	63,945,055,438
318	Short-term unearned revenue	21(a)	57,765,278,437	46,175,228,624
319	Other short-term payables	22(a)	586,729,643,125	630,736,118,353
320	Short-term borrowings	23(a)	711,101,884,029	734,645,866,948
321	Provision for short-term liabilities	24(a)	49,547,606,070	193,714,837,216
322	Bonus and welfare fund	25	561,376,579,143	359,937,152,664
<b>330</b>	<b>Non-current liabilities</b>		<b>3,575,278,165,200</b>	<b>3,592,294,424,610</b>
332	Long-term advances from customers	18(b)	854,528,821,993	927,215,112,203
333	Long-term accrued expenses		143,375,872	127,030,620
336	Long-term unearned revenue	21(b)	187,553,913,712	222,072,690,757
337	Other long-term payables	22(b)	69,697,498,385	155,419,885
338	Long-term borrowings	23(b)	534,043,674,869	473,725,620,270
341	Deferred income tax liabilities	16	832,810,743,790	804,489,461,046
342	Provision for long-term liabilities	24(b)	1,088,089,864,739	1,125,912,729,833
343	Fund for scientific and technological development	26	8,410,271,840	38,596,359,996
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>12,534,321,917,569</b>	<b>12,884,117,151,627</b>
<b>410</b>	<b>Capital and reserves</b>		<b>12,534,321,917,569</b>	<b>12,884,117,151,627</b>
411	Owners' capital	27, 28	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	28	39,617,060,000	39,617,060,000
417	Foreign exchange differences	28	284,397,049,341	360,314,913,497
418	Investment and development fund	28	3,081,668,462,592	2,995,104,942,632
421	Undistributed earnings	28	3,620,836,912,033	3,970,850,786,921
421a	- Undistributed post-tax profits of previous years		3,035,884,533,418	3,379,724,046,817
421b	- Post-tax profit of the current year		584,952,378,615	591,126,740,104
429	Non-controlling interests	28, 29	728,139,533,603	738,566,548,577
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>24,844,977,063,351</b>	<b>26,279,277,126,937</b>

Duong Thi Ngoc Quy  
Preparer

Nguyen Van Bao  
Chief Accountant

  
 Le Manh Cuong  
President and CEO  
29 March 2022

The notes on pages 10 to 84 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Code	Note	For the year ended 31 December	
		2021 VND	2020 VND
01	Revenue from sales of goods and rendering of services	14,215,477,732,078	20,179,913,749,667
02	Less deductions	(17,036,288,370)	-
10	Net revenue from sales of goods and rendering of services	14,198,441,443,708	20,179,913,749,667
11	Cost of goods sold and services rendered	(13,422,789,092,617)	(19,401,747,769,545)
20	Gross profit from sales of goods and rendering of services	775,652,351,091	778,165,980,122
21	Financial income	277,549,431,638	399,913,306,190
22	Financial expenses	(94,374,867,465)	(142,818,222,582)
23	- Including: Interest expense	(45,619,511,092)	(55,755,530,102)
24	Profit sharing from associates and joint ventures	506,796,118,343	190,645,361,065
25	Selling expenses	(89,440,083,792)	(118,646,294,100)
26	General and administration expenses	(712,481,910,717)	(797,515,784,603)
30	Net operating profit	663,701,039,098	309,744,346,092
31	Other income	234,883,459,609	732,982,368,598
32	Other expenses	(20,975,713,140)	(18,194,821,894)
40	Net other income	213,907,746,469	714,787,546,704
50	Net accounting profit before tax	877,608,785,567	1,024,531,892,796
51	Business income tax ("BIT") - current	(311,065,619,548)	(140,634,037,204)
52	BIT - deferred	110,721,051,886	(173,998,846,299)
60	Net profit after tax	677,264,217,905	709,899,009,293
61	Attributable to: Owners of the parent Company	601,160,329,023	623,996,082,965
62	Non-controlling interests	76,103,888,882	85,902,926,328
70	Basic earnings per share	911	824
71	Diluted earnings per share	911	824

Duong Thi Ngoc Quy  
Preparer

Nguyen Van Bao  
Chief Accountant

Le Manh Cuong  
President and CEO  
29 March 2022

The notes on pages 10 to 84 are an integral part of these consolidated financial statements.

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

Code	Notes	For the year ended 31 December	
		2021 VND	2020 VND
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
01	<b>Net accounting profit before tax</b>	<b>877,608,785,567</b>	<b>1,024,531,892,796</b>
	Adjustments for:		
02	Depreciation and amortisation	500,368,315,798	538,662,164,792
03	Reversals of the provisions	(204,553,185,724)	(423,842,121,977)
04	Unrealised foreign exchange losses/(gains)	18,690,777,026	(42,646,834,137)
05	Profits from investing activities	(719,915,705,425)	(460,160,812,465)
06	Interest expense	45,619,511,092	55,755,530,102
07	Other adjustments	(26,892,519,520)	8,310,000,000
08	<b>Operating profit before changes in working capital</b>	<b>490,925,978,814</b>	<b>700,609,819,111</b>
09	Decrease/(increase) in receivables	995,270,619,983	(839,767,732,446)
10	Decrease/(Increase) in inventories	88,154,685,553	(657,550,333,992)
11	(Decrease)/increase in payables	(1,352,896,958,995)	619,964,676,677
12	Decrease/(Increase) in prepaid expenses	30,650,778,369	(62,962,052,028)
14	Interest paid	(45,200,893,212)	(60,618,632,183)
15	BIT paid	(155,145,199,635)	(221,031,189,145)
17	Other payments on operating activities	(189,737,172,438)	(158,198,117,172)
20	<b>Net cash outflows from operating activities</b>	<b>(137,978,161,561)</b>	<b>(679,553,561,178)</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
21	Purchases of fixed assets and other long-term assets	(252,646,370,694)	(501,920,801,056)
22	Proceeds from disposals of fixed assets	13,065,790,259	8,274,108,381
23	Term deposits with maturity of more than 3 months	(4,170,534,557,415)	(3,727,696,085,455)
24	Term deposits with maturity of more than 3 months collected	4,804,617,904,403	3,156,760,419,478
26	Proceeds from divestment in other entities	-	9,375,000,000
27	Interest, dividend and profit received	767,385,371,602	657,419,691,956
30	<b>Net cash inflows/(outflows) from investing activities</b>	<b>1,161,888,138,155</b>	<b>(397,787,666,696)</b>
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
33	Proceeds from short-term and long-term borrowings	309,865,823,081	91,739,026,003
34	Repayments of borrowings	(264,564,420,982)	(238,489,371,633)
36	Dividends paid, profits distributed to owners	(554,033,686,700)	(526,178,124,864)
40	<b>Net cash outflows from financing activities</b>	<b>(508,732,284,601)</b>	<b>(672,928,470,494)</b>
50	<b>Net increase/(decrease) in cash</b>	<b>515,177,691,993</b>	<b>(1,750,269,698,368)</b>
60	<b>Cash and cash equivalents at beginning of year</b>	<b>5,212,155,694,269</b>	<b>6,949,116,096,040</b>
61	Effect of foreign exchange differences	19,944,025,569	13,309,296,597
70	<b>Cash and cash equivalents at end of year</b>	<b>5,747,277,411,831</b>	<b>5,212,155,694,269</b>

Duong Thi Ngoc Quy  
Preparer

Nguyen Van Bao  
Chief Accountant

Le Manh Cuong  
President and CEO  
29 March 2022

The notes on pages 10 to 84 are an integral part of these consolidated financial statements.

#### 44 CONTINGENT LIABILITY

##### 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 these consolidated financial statements, 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. As a result, the Corporation has not made any provision for this lawsuit.

#### 45 COMPARATIVE FIGURES

Certain comparative figures on the consolidated financial statements have been reclassified to comfort with this year's presentation.

The consolidated financial statements were approved by the Board of Management on 29 March 2022.



Duong Thi Ngoc Quy  
Preparer



Nguyen Van Bao  
Chief Accountant





Le Manh Cuong  
General Director

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

**1 GENERAL INFORMATION**

**Structure of ownership**

PetroVietnam Technical Services Corporation (“the parent Company”, the parent Company and its subsidiaries together as “the Corporation”) is a joint stock company established in SR Vietnam pursuant to the initial Enterprise registration certificate No. 0103015198 which was issued by the Department of Planning and Investment of Hanoi City dated 29 December 2006 and the amended Enterprise registration certificates No. 0100150577 issued by the Department of Planning and Investment of Ho Chi Minh City. The latest 10th amendment was issued by the Department of Planning and Investment of Ho Chi Minh City on 20 February 2019.

The stocks of the parent Company have been officially listed in the Hanoi Stock Exchange since 20 September 2007 with the stock 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 is Vietnam Oil and Gas Group (“the Group”). Details of capital contribution are presented in Note 27.

**Principal activities**

The principal activities of the Corporation are comprised of:

- Supplying oil and gas services;
- Management, operation and supply of the technology service vessels;
- Supplying port-based services;
- Supplying ship services, tallying services and freight forwarding;
- Management, business and operation of the floating storage and offloading (“FSO”), floating production storage and offloading (FPSO);
- 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;
- Repair shipping vessels and the offshore oil and gas projects;
- Seismic survey services, geophysical and geological survey services, diving, and subsea services by using remote operated vehicles (“ROV”) for oil and gas exploration, exploitation, production and industrial buildings, civil;
- Maintenance, repair, building and conversion of floating facilities;
- Exportation and importation of equipment for oil and gas supplies;
- Supply of 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
- Manufacturing, trading of petroleum products, fertilizer and chemicals for agriculture (except chemicals banned by the State).
- 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, and 1 indirect associate (as at 31 December 2020, the Corporation has 6 branches, 13 direct subsidiaries, 6 direct associates and joint ventures, and 1 indirect associate). Details are presented as follows:

*Representative office and branches*

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 at Hanoi	No. 142, Nguyen Khuyen Street, Van Mieu Ward, Dong da District, Hanoi City

# PETROVIETNAM TECHNICAL SERVICES CORPORATION

Form B 09 – DN/HN

## 1 GENERAL INFORMATION (continued)

### The Corporation's structure (continued)

			31.12.2021		31.12.2020		
No	Name	Place of incorporation and operation	Principal activities	Ownership (%)	Voting Right (%)	Ownership (%)	Voting Right (%)
I - Direct subsidiaries							
1	PTSC Mechanical and Construction Services Company Limited	Vung Tau City, Vietnam	Maintenance and construction for oil and gas field	100	100	100	100
2	PTSC Geos and Subsea Services Company Limited	Vung Tau City, Vietnam	Operation of 2D and 3D vessels, seismic survey services, geophysical and geological survey services, diving, and subsea services by using remote operated vehicle ("ROV")	100	100	100	100
3	Petro Hotel Company Limited	Vung Tau City, Vietnam	Hotel services and related services to domestic and oversea companies in petroleum industry	100	100	100	100
4	PTSC Labuan Company Limited	Malaysia	Providing service vessels in petroleum and gas exploration	100	100	100	100
5	PTSC Quang Ngai Joint Stock Company	Quang Ngai Province, Vietnam	Management, operation and supply technology service vessels; supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	95.19	95.19	95.19	95.19
6	PTSC Offshore Services Joint Stock Company	Vung Tau City, Vietnam	Offshore transportation, installation, hook up commissioning, modification, operation and maintenance, offshore facilities decommissioning services of oil and gas projects	84.95	84.95	84.95	84.95
7	PTSC Phu My Port Joint Stock Company	Ba Ria - Vung Tau Province, Vietnam	Supplying port-based services	59.61	59.61	59.61	59.61
8	PTSC Thanh Hoa Port Joint Stock Company	Thanh Hoa Province, Vietnam	Supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	54.69	54.69	54.69	54.69
9	PTSC Production Services Joint Stock Company	Vung Tau City, Vietnam	Management, operation and maintenance of the floating storage and offloading ("FSO"), floating production storage and offloading ("FPSO"), supply of petroleum specialized labour	51	51	51	51
10	Dinh Vu Petroleum Services Port Joint Stock Company	Hai Phong City, Vietnam	Supplying port-based services and container services	51	51	51	51
11	PetroVietnam Security Joint Stock Company	Hanoi City, Vietnam	Security services	51	51	51	51

# PETROVIETNAM TECHNICAL SERVICES CORPORATION

Form B 09 – DN/HN

## 1 GENERAL INFORMATION (continued)

### The Corporation's structure (continued)

No	Name	Place of incorporation and operation	Principal activities	31.12.2021		31.12.2020	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
I - Direct subsidiaries (continued)							
12	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company	Vung Tau City, Vietnam	Supplying port-based services	51	51	51	51
13	PTSC CGGV Geophysical Survey Company Limited ("PTSC CGGV") (*)	Vung Tau City, Vietnam	2D and 3D seismic data acquisition service	51	51	51	51
II - Direct associates and joint ventures							
1	Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT")	Malaysia	Management, business and operation of the floating production storage and offloading ("FPSO")	60	50	60	50
2	PTSC South East Asia Private Limited ("PTSC SEA")	Singapore	Management, business and operation of the floating storage and offloading ("FSO")	51	50	51	50
3	PTSC Asia Pacific Private Limited ("PTSC AP")	Singapore	Management, business and operation of the floating production storage and offloading ("FPSO")	51	50	51	50
4	Malaysia Vietnam Offshore Terminal (Labuan) Limited ("MVOT")	Malaysia	Management, business and operation of the floating storage and offloading ("FSO")	49	50	49	50
5	Rong Doi MV12 Private Limited ("MV12")	Singapore	Management, business and operation of the floating storage and offloading ("FSO")	33	33	33	33
6	PetroVietnam Marine Shipyard Joint Stock Company ("PV Shipyard")	Vung Tau City, Vietnam	Building, repair and conversion of drilling rigs, marine vessels	28.75	28.75	28.75	28.75
III - Indirect associate							
1	Thi Vai General Port Joint Stock Company	Ba Ria - Vung Tau Province, Vietnam	Supplying port-based services	21.46	36	21.46	36



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

- (\*) As at the date of these consolidated financial statements, the parent Company is working with CGG Holding B.V. (formerly known as, “CGG Veritas Services Holding B.V.”) to end the joint venture contract before its expiration and to carry out necessary procedures to dissolve PTSC CGGV’s operation in accordance with official approved documents from authorities and the Resolutions of the parent Company’s Board of Directors.

Since 2018 to the date of these consolidated financial statements, PTSC CGGV has stopped its operation. Accordingly, the Board of Members of PTSC CGGV has evaluated and decided to prepare its financial statements for the year ended 31 December 2021 on liquidation basis in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

As at 31 December 2021, the Corporation had 7,115 employees (as at 31 December 2020: 7,514 employees).

## **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention and on a going concern basis except for investments in associates and joint ventures and business combinations as presented in Note 2.5, and the basis of accounting for PTSC CGGV’s financial statements on liquidation basis as presented in Note 1.

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

The consolidated financial statements in the Vietnamese language are the official statutory consolidated financial statements of the Corporation. The consolidated 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. Consolidated financial statements are prepared for fiscal year from 1 January to 31 December.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.3 Currency**

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

The Corporation determines their accounting currencies based on the currencies which are mainly used in sales of goods and rendering of services, which have a significant impact on selling prices of goods and services, which are normally used to list selling prices and receive payments; which are mainly used in purchases of goods or services, which have a significant impact on cost of labour, materials, merchandise, and other production or operating costs and normally used as payments for those costs.

Additionally, the Corporation also uses these currencies to raise financial resources and/or regularly collects these currencies from business operation and savings.

On consolidating, if the currencies used in the components' financial statements are different from that of the parent Company, the Corporation is required to translate those financial statements into the currency used in the Corporation's consolidated financial statements under the following principles:

- Assets and liabilities are translated at actual exchange rate at the end of the reporting year;
- Capital contribution of the Corporation are translated at the exchange rate of contribution date;
- Net assets of those acquired companies are translated at the exchange rate of acquisition date;
- Undistributed earnings or accumulated losses incurred after acquisition date are translated based on the translation of income and expenses in the income statement;
- Profits and dividends already paid are translated at the actual exchange rate at the date of payment;
- Items of the income statement and the cash flow statement are translated at the average exchange rate of the fiscal year if it approximates the actual rate at the time of the transaction;
- The accumulative amount of exchange differences arising from translation is presented in a separate component of owners' equity of the consolidated balance sheet. For subsidiaries, accumulated exchange differences attributable to the parent Company are presented in "Foreign exchange differences" and those attributable to non-controlling interests are allocated to "Non-controlling interests"; and
- Upon disposal, the accumulated exchange difference relating to translation of these companies' financial statements presented in owners' equity of the consolidated balance sheet is recognised as financial income or financial expense in the same reporting year.

## **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 consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial bank(s) where the Corporation regularly trades. Foreign currencies deposited in commercial bank(s) at the consolidated 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 consolidated income statement.

### **2.5 Basis of consolidation**

#### **Subsidiaries**

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

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Corporation. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Corporation's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

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

In a multi-phase acquisition, when determining goodwill or bargain purchase, the consideration is the sum of the total consideration on the date of acquiring control and previous considerations remeasured to fair value on the date of control acquisition.

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

### **2.5 Basis of consolidation (continued)**

#### **Subsidiaries (continued)**

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

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

#### **Non-controlling transactions and interests**

The Corporation applies a policy for transactions with non-controlling interests as transactions with external parties to the Corporation.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at date of acquisition.

The divestment of the Corporation's interest in a subsidiary that does not result in a loss of control is accounted for as a transaction with owners. The difference between the change in the Corporation's share of net assets of the subsidiary and any consideration paid or received from divestment of Corporation's interest in the subsidiary is recorded directly in the undistributed earnings or accumulated losses under equity.

In a divestment of the Corporation's interest in a subsidiary that results in a loss of control, the difference between the Corporation's share in the net assets of the subsidiary and the net proceeds from divestment is recognised in the consolidated income statement. The retained interest in the entity will be accounted for as either an investment in other entity or investment to be equity accounted for since the divestment date.

#### **Associates and joint ventures**

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which 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.

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

### **2.5 Basis of consolidation (continued)**

#### **Associates and joint ventures (continued)**

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The Corporation's investment in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss.

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

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

Unrealised gains and losses on transactions between the Corporation and its associates and joint ventures are eliminated to the extent of the Corporation's interest in the associates and joint ventures in accordance with the current prevailing accounting regulations.

### **2.6 Cash and cash equivalents**

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

### **2.7 Receivables**

Receivables represent trade receivables arising from sales of goods and rendering of services or non-trade receivables 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 that is not overdue but doubtful and so the Corporation may be unable to collect the debts. Bad debts are written off when identified according to current prevailing accounting regulations and the Corporation's finance management policies.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.8 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 year and the provision of the previous 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 consolidated balance sheet based on planned usage in the Corporation's principal activities at the consolidated balance sheet date.

**2.9 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 and measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from investments held-to-maturity is recognised in the consolidated 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 fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.9 Investments (continued)****(b) Investments in other entities**

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost. Subsequently, the 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 in other entities is made in accordance with current prevailing accounting regulations and current 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 long-term, the provision for diminution in value is made when cost is higher than its expected recoverable amount. 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.

**2.10 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 financial 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.11 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 consolidated income statement when incurred.

*Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line method so as to write off the historical cost of the fixed assets over their estimated useful lives. The estimated 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 right	50 years

Land use rights are comprised of land use rights with a definite useful life are recorded in accordance with the terms indicated in the land use rights certificate issued by Department of Planning and Investment of Ho Chi Minh City on 29 December 2006 and amortised using the straight-line method over 50 years in accordance with such land use rights certificate.



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.11 Fixed assets (continued)

#### *Disposals*

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

#### *Construction in progress*

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, including 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.

### 2.12 Operating leases

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

### 2.13 Investment properties

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

#### *Depreciation*

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 investment properties are as follows:

Infrastructure	48 - 49 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 consolidated income statement.

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

### **2.14 Prepaid expenses**

Prepaid expenses include short-term and long-term prepayments on the consolidated 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.

### **2.15 Payables**

Classifications of payables are based on their nature as follows:

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

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

### **2.16 Borrowing**

Borrowings include borrowings from banks, related parties and third parties.

Borrowings are classified into long-term and short-term borrowings on the consolidated balance sheet based on their remaining period from the consolidated 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. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Corporation determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on that assets. The capitalisation rate is the weighted average of the interest rates applicable to the Corporation's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

### **2.17 Accrued expenses**

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

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

### **2.18 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.

### **2.19 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting periods for leasing assets and related services accompanied the assets. The Corporation records unearned revenue for the future obligations that the Corporation has to fulfill. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the consolidated income statement to the extent that it has met the recognition criteria.

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

### **2.20 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 issued price of shares; the difference between the repurchased price and re-issuing price of treasury shares.

#### **(c) Undistributed earnings**

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

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

### **2.21 Appropriation of net profit after BIT**

Profit after BIT could be distributed to shareholders in accordance with Resolutions of the Shareholders' Annual General Meetings of the parent Company and its subsidiaries including dividend paid and appropriation to funds in accordance with the Corporation's charter and Vietnamese regulations.

The Corporation's dividends are recognised as a liability on the consolidated financial statements in the year in which the shareholder list for dividend payment is finalised according to the Resolution of the Board of Directors and 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 the Shareholders. This fund is used for expanding and developing the business of the Corporation under 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 the Shareholders. This fund is presented as a liability on the consolidated balance sheet and is used for rewarding and encouraging, enhancing the physical and mental well-being of the employees.

### **2.22 Revenue recognition**

#### **(a) Revenue from sales of goods**

Revenue from sale of goods is recognised in the consolidated 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.

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

**2.22 Revenue recognition (continued)**

**(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) 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 consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

**(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 2.10.

**(d) Revenue from operating leases**

Revenue from operating lease is recorded on straight line basis over the lease terms.

**(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.

**2.23 Cost of goods sold and services rendered**

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

**2.24 Financial expenses**

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

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

### **2.25 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling goods, and rendering services, which mainly include publicity, promotions, advertising expenses, and sales commission and other expenses.

### **2.26 General and administration expenses**

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staff; compulsory insurances of administrative staff; expenses of office materials; tools and supplies; depreciation and amortisation of fixed assets used for administration; land rental; provision for bad debts; outside services and other expenses.

### **2.27 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.

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

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.28 Related parties**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Corporation, 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, the Corporation considers the substance of the relationship not merely the legal form.

**2.29 Segment reporting**

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

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

**2.30 Critical accounting estimates**

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the 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 financial impacts on the Corporation and that are believed to be reasonable under the circumstances by the Board of Management.

**3 CASH AND CASH EQUIVALENTS**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Cash on hand	8,081,845,815	10,492,190,937
Cash in banks	3,475,359,795,561	3,376,348,015,847
Cash in transit	427,147,855	380,922,632
Cash equivalent (*)	2,263,408,622,600	1,824,934,564,853
	<u>5,747,277,411,831</u>	<u>5,212,155,694,269</u>

(\*) Cash equivalents include term deposits in VND at banks with the original maturity of three months or less, and earn interest at the average rates ranging from 2% to 4.6% per annum (as at 31 December 2020: 2.9% to 4.25% per annum).



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**4 INVESTMENTS**

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

	2021		2020	
	Cost VND	Book value VND	Cost VND	Book value VND
Term deposits	2,676,700,567,303	2,676,700,567,303	3,310,783,914,291	3,310,783,914,291

Term deposits include bank deposits in VND with the remaining maturity of not more than 12 months and earn interest at the rate ranging from 2.8% to 6.55% per annum (as at 31 December 2020: from 3.3% to 6.7% per annum).

**(b) Long-term investments**

	2021			2020		
	Cost VND	Book value VND	Provision VND	Cost VND	Book value VND	Provision VND
Investments in associates and joint ventures (i)	1,624,677,039,235	4,824,330,619,445	-	1,624,677,039,235	4,941,851,498,906	-
Investments in other entities (ii)	41,655,000,000	41,655,000,000	(24,758,595,673)	41,655,000,000	41,655,000,000	(22,740,306,198)
	1,666,332,039,235	4,865,985,619,445	(24,758,595,673)	1,666,332,039,235	4,983,506,498,906	(22,740,306,198)

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**4 INVESTMENTS (continued)**

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

*(i) Investment in associates and joint ventures*

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

	No	Name	2021			2020		
			Cost VND	Book value VND	Fair value VND	Cost VND	Book value VND	Fair value VND
	1	Rong Doi MV12 Private Limited (i)	106,022,400	-	(*)	106,022,400	-	(*)
	2	Malaysia Vietnam Offshore Terminal (Labuan) Limited (ii)	292,324,455,887	1,716,765,047,707	(*)	292,324,455,887	1,582,850,858,101	(*)
	3	Vietnam Offshore Floating Terminal (Ruby) Limited (iii)	156,473,118,448	1,068,022,437,067	(*)	156,473,118,448	932,977,757,965	(*)
	4	PTSC South East Asia Private Limited (iv)	340,800,232,500	1,059,534,498,178	(*)	340,800,232,500	1,214,342,524,496	(*)
	5	PTSC Asia Pacific Private Limited (v)	641,415,780,000	937,065,686,889	(*)	641,415,780,000	1,175,123,060,234	(*)
	6	Petro Vietnam Marine Shipyard Joint Stock Company (vi)	171,957,430,000	-	(*)	171,957,430,000	-	(*)
	7	Thi Vai General Port Joint Stock Company (vii)	21,600,000,000	42,942,949,604	(*)	21,600,000,000	36,557,298,110	(*)
			<u>1,624,677,039,235</u>	<u>4,824,330,619,445</u>		<u>1,624,677,039,235</u>	<u>4,941,851,498,906</u>	

**4 INVESTMENTS (continued)**

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

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

Movement of investment in associates and joint ventures during the year were as follows:

	2021 VND	2020 VND
Cost of investments	1,624,677,039,235	1,624,677,039,235
Profit sharing from associates and joint ventures:		
Beginning of year	3,317,174,459,671	3,555,692,688,555
Profit sharing from investments in associates and joint ventures during the year (*)	506,796,118,343	190,645,361,065
Dividends received	(548,447,100,000)	(380,154,000,000)
Exchange rate differences from translating the financial statements during the year	(75,869,897,804)	(49,009,589,949)
End of year	<u>4,824,330,619,445</u>	<u>4,941,851,498,906</u>

(\*) Details of profits/(losses) sharing from investments in associates and joint ventures during the year are as follows:

	2021 VND	2020 VND
Vietnam Offshore Floating Terminal (Ruby) Limited (iii)	417,834,486,284	436,725,789,824
Malaysia Vietnam Offshore Terminal (Labuan) Limited (ii)	165,778,622,729	140,222,538,542
PTSC Asia Pacific Private Limited (v)	(50,059,813,719)	(238,961,037,002)
Thi Vai General Port Joint Stock Company (vi)	10,705,651,494	6,011,703,543
PTSC South East Asia Private Limited (iv)	(37,462,828,445)	(28,799,894,978)
Rong Doi MV12 Private Limited (i)	-	(124,553,738,864)
	<u>506,796,118,343</u>	<u>190,645,361,065</u>

**4 INVESTMENTS (continued)**

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

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

Information relating to investments in associates and joint ventures are as follows:

(\*) 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.

(i) 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, operating at Rong Doi field for Korea National Oil Corporation ("KNOC") to charter from 2007. The fixed lease term is 7 years and can be extended each year until the expired using time of FSO. 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.

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

- to invest in FSO "Orkid" with the capacity of 650,000 barrels of oil for Talisman Malaysia Limited to rent for the purpose of serving offshore oil exploitation in the overlapping commercial trade area PM-3 between Vietnam and Malaysia from 2019 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.

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.

(iii) Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT") is a jointly controlled venture company established by the Corporation and its partner, Malaysia International Shipping Corporation Berhard, 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. Since 10 September 2017, Vietnam Oil and Gas Group replaced, received rights and obligations of Petronas Carigali Vietnam Limited for the contract with VOFI based on the agreement between Vietnam Oil and Gas Group and Petronas Carigali Vietnam Limited. Since June 2020, FPSO "Ruby II" has started oil exploitation operations. As at 31 December 2021 and 31 December 2020, the Corporation's capital contribution in VOFI is USD8,784,000, equivalent to VND156,473,118,448.

**4 INVESTMENTS (continued)**

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

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

- (iv) 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.
- (v) 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. 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.
- (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.
- (vii) Thi Vai General Port Joint Stock Company ("Thi Vai General Port") is a joint stock company established under the Enterprise Registration Certificate No. 3502259121 dated 21 July 2014 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province with the registered charter capital of VND60,000,000,000. According to Thi Vai General Port's Enterprise Registration Certificate, PTSC Phu My Port Joint Stock Company - a subsidiary, holds 36% charter capital of Thi Vai General Port. Therefore, the Corporation indirectly owns 21.46% charter capital of Thi Vai General Port. Hence, Thi Vai General Port is an associate of the Corporation according to current prevailing accounting regulations.

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**4 INVESTMENTS (continued)**

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

*(ii) Investments in other entities*

Details of investments in other entities are as follows:

No	Name	2021			2020		
		Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
1	Nhon Trach Shipyard Joint Stock Company	3,000,000,000	(810,237,811)	(*)	3,000,000,000	(799,729,584)	(*)
2	Duyen Hai Petro Construction Investment Joint Stock Company	28,125,000,000	(13,418,357,862)	(*)	28,125,000,000	(11,410,576,614)	(*)
3	High Tech Concrete Investment Joint Stock Company	10,530,000,000	(10,530,000,000)	(*)	10,530,000,000	(10,530,000,000)	(*)
		41,655,000,000	(24,758,595,673)		41,655,000,000	(22,740,306,198)	

(\*) 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.

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

	2021 VND	2020 VND
Beginning of year	22,740,306,198	23,759,623,481
Provision/(reversal of provisions) (Note 35)	2,018,289,475	(1,019,317,283)
End of year	24,758,595,673	22,740,306,198

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**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	252,496,624,027	276,393,454,606
Chevron Thailand Exploration and Production Ltd., Chevron Offshore (Thailand) Ltd.	195,017,834,095	-
North Oil Company	84,382,055,890	251,384,978,063
Sapura Fabrication Sdn Bhd	33,969,673,393	31,414,661,012
GE Power Systems Vietnam Company Limited	32,902,457,057	27,552,836,256
Cuu Long Joint Operating Company	24,999,950,417	69,058,976,793
Geolantic Sdn.Bhd.	22,064,361,020	-
Thoresen Vinama Logistics Company Limited	21,000,209,718	818,707,051
Operating Office of Premier Oil Vietnam Offshore B.V. in Ho Chi Minh City	18,934,669,505	19,744,909,233
Korea National Oil Corporation	17,799,964,620	16,437,116,305
Minh Anh Construction Joint Stock Company	16,669,265,711	16,669,265,711
Marsol Offshore Construction LLC	13,606,079,660	15,340,739,884
Cong Thanh Cement Joint Stock Company	13,175,104,138	19,767,290,454
Operating Office of ENI Vietnam B.V in Ho Chi Minh City	4,944,322,402	59,292,669,720
Technip Geoproduction (M) Sdn Bhd	357,961,449	471,868,864,531
Japan Vietnam Petroleum Co., Ltd	-	24,270,049,121
Others	483,144,569,954	443,896,703,203
	<u>1,533,226,494,434</u>	<u>1,870,214,395,106</u>
Related parties (Note 41(b))	<u>2,472,547,273,372</u>	<u>3,202,944,197,780</u>
	<u><u>4,005,773,767,806</u></u>	<u><u>5,073,158,592,886</u></u>

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

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**6 PREPAYMENTS TO SUPPLIERS**

**(a) Short-term**

	<b>2021 VND</b>	<b>2020 VND</b>
Third parties		
Vietnam Machinery Installation Corporation	100,613,950,134	100,613,950,134
No 7 Vietnam Construction Joint Stock Company	13,812,212,195	19,972,677,529
Black Cat Insulation Technical Joint Stock Company	16,246,344,703	9,986,485,202
SCI E&C Joint Stock Company	13,728,101,409	22,869,818,022
Gulf Agency Company Qatar W.L.L.	-	13,728,101,409
Phu Xuan Construction and Consultant Joint Stock Company	-	12,790,191,429
Others	144,626,705,941	191,551,323,507
	<u>289,027,314,382</u>	<u>371,512,547,232</u>
Related parties (Note 41(b))	2,225,926,853	1,033,416,496
	<u>291,253,241,235</u>	<u>372,545,963,728</u>

**(b) Long-term**

	<b>2021 VND</b>	<b>2020 VND</b>
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	9,504,119,961
Others	2,993,799,055	18,145,340,618
	<u>22,898,287,338</u>	<u>62,278,452,310</u>

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



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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
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>

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

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Receivables		
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>
Payables		
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>

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**8 OTHER RECEIVABLES**
**(a) Short-term**

	<b>2021</b>		<b>2020</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Accrued revenue from rendering of service				
PTSC Ca Rong Do Ltd	167,778,181,818	-	-	-
PetroVietnam Exploration Production Corporation Limited	10,047,098,575	-	627,920,218	-
Nghi Son Refinery and Petrochemical Complex LLC	12,188,084,868	-	6,606,181,257	-
LONGSBS Joint Stock Company	15,352,971,376	-	-	-
PTTEP International Limited	16,498,055,302	-	-	-
Operating Office of Idemitsu Gas Production (Vietnam) Co., Ltd. in Ho Chi Minh City	-	-	420,328,500	-
PetroVietnam Overseas Exploration Production Operating Company Limited	-	-	10,061,561,353	-
Others	44,631,384,892	-	50,460,024,863	-
Accrued interest income	37,174,931,265	-	54,823,326,949	-
Deposits	33,416,954,634	-	18,782,979,836	-
Advances	13,955,469,103	-	14,059,454,917	-
VAT not yet deducted	30,237,827,359	-	33,487,826,939	-
Others	54,202,178,961	(3,339,526,892)	75,950,695,026	(1,755,167,920)
	<u>435,483,138,153</u>	<u>(3,339,526,892)</u>	<u>265,280,299,858</u>	<u>(1,755,167,920)</u>

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

**(b) Long-term**

	<b>2021 VND</b>	<b>2020 VND</b>
Deposits	135,792,313,470	77,906,965,640
Others	16,489,200,228	13,524,550,273
	<u>152,281,513,698</u>	<u>91,431,515,913</u>

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**8 OTHER RECEIVABLES (continued)**

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

Details of other receivables type of customers are as follows:

	<b>2021 VND</b>	<b>2020 VND</b>
<b>Short-term</b>		-
Third parties	303,229,345,490	206,187,697,923
Related parties (Note 41(b))	132,253,792,663	59,092,601,935
	<u>435,483,138,153</u>	<u>265,280,299,858</u>
<b>Long-term</b>		
Third parties	<u>152,281,513,698</u>	<u>91,431,515,913</u>

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

	2021			
	Cost VND	Recoverable amount VND	Provision VND	Overdue
<b>Short-term trade accounts receivable</b>				
<b>Third parties</b>				
Marsol Offshore Construction L.L.C	11,641,505,712	672,099	(11,640,833,613)	Over 1 year - Under 3 years
Berlanga Myanmar Private Limited	13,606,079,660	6,759,006,477	(6,847,073,183)	Over 3 years
Sai Gon Offshore Fabrication and Engineering Limited	13,531,918,730	-	(13,531,918,730)	Over 3 years
Others	112,750,975,972	74,944,030,837	(37,806,945,135)	Over 6 months - Over 3 years
	151,530,480,074	81,703,709,413	(69,826,770,661)	
<b>Related parties</b>				
Petrovietnam Fertilizer and Chemicals Corporation	68,416,092,099	35,162,060,575	(33,254,031,524)	Over 1 year - Over 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	37,369,296,504	8,865,219,165	(28,504,077,339)	Over 2 year - Over 3 years
Nghi Son Refinery and Petrochemical Complex project Management Board	15,098,497,832	-	(15,098,497,832)	Over 3 years
PetroVietnam Exploration Production Corporation Limited	8,060,004,136	20,618,966	(8,039,385,170)	Over 2 years - Over 3 years
Others	88,864,849,954	77,360,321,944	(11,504,528,011)	Over 6 months - Over 3 years
	217,808,740,525	121,408,220,650	(96,400,519,876)	
<b>Other short-term receivables</b>				
<b>Related parties</b>				
Duyen Hai Petrovietnam Investment and Construction Joint Stock Company	3,642,003,000	858,674,000	(2,783,329,000)	Over 6 months - Over 3 years
Others	971,195,501	414,997,609	(556,197,892)	Over 6 months - Over 3 years
	4,613,198,501	1,273,671,609	(3,339,526,892)	
	373,952,419,100	204,385,601,672	(169,566,817,429)	

9 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM (continued)

	2020			
	Cost VND	Recoverable amount VND	Provision VND	Overdue
<b>Short-term trade accounts receivable</b>				
<b>Third parties</b>				
Marsol Offshore Construction L.L.C	15,340,739,884	8,245,885,496	(7,094,854,388)	Over 6 months - Under 2 years
Berlanga Myanmar Private Limited	13,645,734,640	2,004,901,027	(11,640,833,613)	Over 1 year - Under 2 years
Sai Gon Offshore Fabrication and Engineering Limited	13,531,918,730	-	(13,531,918,730)	Over 3 years
Others	26,571,428,705	9,574,749,153	(16,996,679,552)	Over 6 months - Over 3 years
	69,089,821,959	19,825,535,676	(49,264,286,283)	
<b>Related parties</b>				
Petrovietnam Fertilizer and Chemicals Corporation	53,338,719,355	39,796,924,579	(13,541,794,776)	Under 6 months - Under 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	43,311,997,427	15,354,802,493	(27,957,194,934)	Under 6 months - Over 3 years
Nghi Son Refinery and Petrochemical Complex project Management Board	15,098,497,832	-	(15,098,497,832)	Over 3 years
PetroVietnam Exploration Production Corporation Limited	13,887,083,418	299,701,973	(13,587,381,445)	Over 1 year - Over 3 years
PTSC Ca Rong Do Ltd.	9,902,752,259	2,970,825,678	(6,931,926,581)	Over 2 years - Under 3 years
Others	24,764,334,931	18,613,546,407	(6,150,788,524)	Over 6 months - Over 3 years
	160,303,385,222	77,035,801,130	(83,267,584,092)	
	229,393,207,181	96,861,336,806	(132,531,870,375)	
<b>Other short-term receivables</b>				
<b>Third parties</b>				
Others	12,969,200	11,649,200	(1,320,000)	Over 1 year - Over 3 years
	12,969,200	11,649,200	(1,320,000)	
<b>Related parties</b>				
Duyen Hai Petrovietnam Investment and Construction Joint Stock Company	3,612,011,000	1,870,904,500	(1,741,106,500)	Over 6 months - Over 3 years
Others	147,497,500	134,756,080	(12,741,420)	Over 6 months - Under 1 years
	3,772,477,700	2,017,309,780	(1,755,167,920)	
	233,165,684,881	98,878,646,586	(134,287,038,295)	

**10 INVENTORIES**

**(a) Inventories**

	2021		2020	
	Book value VND	Provision VND	Book value VND	Provision VND
Goods in transits	17,459,964,469	-	3,724,288,759	-
Raw materials	317,084,388,344	(2,114,802,525)	413,216,663,457	(2,198,714,129)
Tools and supplies	39,612,745,455	-	46,212,166,349	-
Work-in-progress (*)	1,710,624,217,836	-	1,708,281,322,513	(59,853,610,125)
Merchandises	3,504,025,621	(76,363,636)	1,893,511,623	-
	<u>2,088,285,341,725</u>	<u>(2,191,166,161)</u>	<u>2,173,327,952,701</u>	<u>(62,052,324,254)</u>

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

	2021 VND	2020 VND
Sao Vang - Dai Nguyet project	629,049,507,394	473,270,914,557
Gallaf project - Phase 1	491,631,126,125	1,032,257,768,113
Sao Vang - Dai Nguyet pipeline project	202,475,155,036	-
Southern Petrochemical complex project	153,653,341,964	42,339,674,713
LNG Thi Vai warehouse EPC project	86,116,992,560	66,262,114,568
GE structural steel fabrication project	34,975,771,970	-
Supply of FPSO services	12,575,577,235	7,441,011,158
Repair and maintenance STG package	-	26,956,980,263
Others	100,146,745,552	59,752,859,141
	<u>1,710,624,217,836</u>	<u>1,708,281,322,513</u>

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

	2021 VND	2020 VND
Beginning of year	62,052,324,254	2,338,041,333
(Reversal of provision)/Provision	(59,861,158,093)	59,714,282,921
End of year	<u>2,191,166,161</u>	<u>62,052,324,254</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**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Insurance	15,374,902,246	9,256,596,275
Tools and supplies	11,777,860,629	11,320,202,470
Land rental	4,787,092,096	-
Repair and maintenance	559,300,792	7,248,743,096
Others	5,706,546,784	3,850,855,887
	<u>38,205,702,547</u>	<u>31,676,397,728</u>

**(b) Long-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Office rental at Head Office, No. 1-5 Le Duan Street	270,158,138,070	277,130,295,474
Land rental in Dinh Vu port	107,720,312,129	98,921,421,059
Site clearance cost at Son Tra port	90,114,098,310	92,602,218,595
Repair and maintenance	84,130,616,375	97,303,319,783
Tools and supplies	31,981,257,533	34,339,724,654
Factory rental at Vung Tau port	13,522,045,426	21,734,547,751
Others	13,152,739,776	25,927,763,491
	<u>610,779,207,619</u>	<u>647,959,290,807</u>

**12 OTHER CURRENT RECEIVABLES**

As presented in Note 1, the financial statements for the year ended 31 December 2021 and the financial statements for the year ended 31 December 2020 of PTSC CGGV were prepared on liquidation accounting basis, accordingly, PTSC CGGV's fixed assets are revalued and recorded at their net realisable value. As at 31 December 2021, net realisable value of PTSC CGGV's fixed asset is VND25,613,516,364 (as at 31 December 2020: VND25,613,516,364) and classified as other current assets on consolidated balance sheet.

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**13 FIXED ASSETS**

**(a) Tangible fixed assets**

	Buildings and structures VND	Machinery and equipment VND	Vehicles VND	Office equipment VND	Others VND	Total VND
<b>Historical cost</b>						
As at 1 January 2021	3,558,840,724,468	2,447,141,582,490	5,508,195,812,777	211,612,885,698	114,455,844,626	11,840,246,850,059
New purchases	851,028,870	39,398,962,216	10,361,626,539	10,088,460,363	668,828,936	61,368,906,924
Transfers from construction in progress (Note 15)	501,281,818	113,883,463,375	166,988,195,766	-	-	281,372,940,959
Disposals	(3,038,547,015)	(6,174,027,838)	(36,651,451,274)	(18,566,915,359)	(55,000,000)	(64,485,941,486)
Others	645,725,416	(3,933,387,564)	2,408,506,303	1,318,321,545	(596,200,719)	(157,035,019)
As at 31 December 2021	3,557,800,213,557	2,590,316,592,679	5,651,302,690,111	204,452,752,247	114,473,472,843	12,118,345,721,437
<b>Accumulated depreciation</b>						
As at 1 January 2021	2,360,475,533,547	1,711,827,141,923	4,428,092,131,990	188,083,946,463	38,044,596,970	8,726,523,350,893
Charge for the year	99,007,633,132	161,013,383,752	204,681,578,530	15,173,146,366	5,285,765,175	485,161,506,955
Disposals	(305,715,121)	(6,174,027,838)	(36,611,190,671)	(18,566,915,359)	(55,000,000)	(61,712,848,989)
Others	-	(189,552,458)	217,696,231	(69,276,744)	-	(41,132,971)
As at 31 December 2021	2,459,177,451,558	1,866,476,945,379	4,596,380,216,080	184,620,900,726	43,275,362,145	9,149,930,875,888
<b>Net book value</b>						
As at 1 January 2021	1,198,365,190,921	735,314,440,567	1,080,103,680,787	23,528,939,235	76,411,247,656	3,113,723,499,166
As at 31 December 2021	1,098,622,761,999	723,839,647,300	1,054,922,474,031	19,831,851,521	71,198,110,698	2,968,414,845,549

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2021 was VND5,653 billion (as at 31 December 2020: VND 5,997 billion).

As at 31 December 2021, the historical cost of tangible fixed assets formed from borrowings pledged as collateral assets for the borrowings of the Corporation (as presented in Note 23) is VND1,590 billion (as at 31 December 2020: VND1,643 billion).



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**13 FIXED ASSETS (continued)**

**(b) Intangible fixed assets**

	Land use right VND	Software VND	Others VND	Total VND
<b>Historical cost</b>				
As at 1 January 2021	1,310,220,000	133,515,093,069	1,839,261,714	136,664,574,783
New purchases	-	2,650,320,000	-	2,650,320,000
Disposal	(327,193,412)	(140,550,000)	-	(467,743,412)
Others increase/(decrease) (*)	490,193,529	(12,081,484,180)	-	(11,591,290,651)
As at 31 December 2021	1,473,220,117	123,943,378,889	1,839,261,714	127,255,860,720
<b>Accumulated amortisation</b>				
As at 1 January 2021	379,599,850	112,963,362,804	1,839,261,714	115,182,224,368
Charge for the year	26,204,400	10,445,332,587	-	10,471,536,987
Disposal	-	(140,550,000)	-	(140,550,000)
Others increase/(decrease) (*)	-	(11,591,290,651)	-	(11,591,290,651)
As at 31 December 2021	405,804,250	111,676,854,740	1,839,261,714	113,921,920,704
<b>Net book value</b>				
As at 1 January 2021	930,620,150	20,551,730,265	-	21,482,350,415
As at 31 December 2021	1,067,415,867	12,266,524,149	-	13,333,940,016

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2021 was VND103 billion (as at 31 December 2020: VND81 billion).

(\*) Others decrease: the Corporation does not continue to renew the rights of use for some Software Copyrights that have expired.

# 14 INVESTMENT PROPERTIES

Details of investment properties are presented as follows:

	2021 VND	2020 VND
Investment properties hold for leasing:		
Infrastructure project - 39.8 hectare	98,911,251,276	101,658,786,027
Infrastructure project - 23 hectare	74,954,253,351	76,941,990,456
	<u>173,865,504,627</u>	<u>178,600,776,483</u>

Investment properties mainly include:

- Infrastructure project - 39.8 hectare with historical cost of VND131,881,668,267 being depreciated under straight line method over rental period of 48 years; and
- Infrastructure project - 23 hectare with historical cost of VND97,399,118,187 being depreciated under straight line method over rental period of 49 years.

For the year ended 31 December 2021, revenue incurred from investment properties is VND5,203,799,784 (in year 2020: VND5,203,799,784). Direct expenses incurred from investment properties leasing in 2021 (including tools and supplies, utilities, management fee) are VND4,735,271,856 (in year 2020: VND4,735,271,856).

Movement of investment properties during the year is as follows:

	Infrastructure VND
<b>Historical cost</b>	
As at 1 January 2021 and 31 December 2021	<u>229,280,786,454</u>
<b>Accumulated depreciation</b>	
As at 1 January 2021	50,680,009,971
Charge for the year	4,735,271,856
As at 31 December 2021	<u>55,415,281,827</u>
<b>Net book value</b>	
As at 1 January 2021	<u>178,600,776,483</u>
As at 31 December 2021	<u>173,865,504,627</u>

**14 INVESTMENT PROPERTIES (continued)**

The Corporation has not been obtained 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 consolidated 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 consolidated balance sheet date.

**15 CONSTRUCTION IN PROGRESS**

**(a) Long-term work in progress**

Details of work in progress are presented as follows:

	2021		2020	
	Cost VND	Recoverable amount VND	Cost VND	Recoverable amount VND
Long Phu 1 Thermal Power Plant project (i)	301,308,440,489	-	301,308,440,489	-
Bio Ethanol project (ii)	69,815,950,708	69,815,950,708	69,815,950,708	69,815,950,708
	<u>371,124,391,197</u>	<u>69,815,950,708</u>	<u>371,124,391,197</u>	<u>69,815,950,708</u>

- (i) Long-term work-in-progress of Long Phu 1 Thermal Power Plant project represents the foreign design costs performed by Black & Veatch International ("the Contractor"). By the reporting date of these consolidated financial statements, the Corporation and the investor have not finalized the value of this cost. 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 established under Decision No.0934/QD-PTSCLP dated 21 December 2017 and decided to make provision for net realizable value with total amount of VND301,308,440,489.
- (ii) Long-term work-in-progress of Bio Ethanol project represents the work-in-progress of Dung Quat Bio-Ethanol fuel factory project. The construction of infrastructure has been completed and handed over to its investor - Vietnam Central Biofuels Joint Stock Company. By the reporting date of these consolidated financial statement, both parties are working to finalize the value of the contract. As at 31 December 2021, the balance of long-term work-in-progress of VND69,815,950,708, equivalent to 5% of contract value, will be recognized in the income consolidated financial statements after completion of finalisation and remaining revenue will be recognized at the same time. Accordingly, the recoverable value will depend on the finalisation of the contract. As at the date of the consolidated financial statements, the Corporation and the investor have not completed the finalisation.

**15 CONSTRUCTION IN PROGRESS (continued)**

**(b) Long-term construction in progress**

Details of construction in progress are presented as follows:

	2021 VND	2020 VND
Construction of marine service base at Sao Mai - Ben Dinh	35,101,032,941	31,147,753,732
Land use right of Lot 1838.9 square meter at 266 Le Loi, Vung Tau City	49,463,685,500	-
Landscape embellishment project in Dung Quat	5,880,355,437	5,880,355,437
MP Manuever vessel	-	119,042,319,850
Others	23,509,285,750	9,932,989,798
	<u>113,954,359,628</u>	<u>166,003,418,817</u>

Movement in construction in progress during the year is as follows:

	2021 VND	2020 VND
Beginning of year	166,003,418,817	129,796,562,372
New purchases	229,323,881,770	174,144,547,730
Transfers to tangbile fixed assets (Note 13(a))	(281,372,940,959)	(137,937,691,285)
End of year	<u>113,954,359,628</u>	<u>166,003,418,817</u>

**16 DEFERRED INCOME TAX**

Details of deferred income tax are presented as follows:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	477,030,804,692	337,988,470,122
	<u>477,030,804,692</u>	<u>337,988,470,122</u>
Deferred income tax liabilities:		
Deferred income tax liabilities to be repaid after 12 months	(749,280,589,891)	(785,723,496,716)
Deferred income tax liabilities to be repaid within 12 months	(83,530,153,899)	(18,765,964,330)
	<u>(832,810,743,790)</u>	<u>(804,489,461,046)</u>

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, were as follows:

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Deferred income tax assets	337,988,470,122	494,919,804,855
Deferred income tax liabilities	(804,489,461,046)	(787,421,949,479)
Beginning of year	(466,500,990,924)	(292,502,144,624)
Charge to consolidated income statements	110,721,051,826	(173,998,846,300)
End of year	<u>(355,779,939,098)</u>	<u>(466,500,990,924)</u>
In which:		
Deferred income tax assets	477,030,804,692	337,988,470,122
Deferred income tax liabilities	<u>(832,810,743,790)</u>	<u>(804,489,461,046)</u>

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

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

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.

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 may be different from the figures presented. The estimated amount of tax losses available for offset against the Corporation's future taxable profit are:

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

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## 17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2021		2020	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
<b>Third parties</b>				
Ultra Deep Van Gogh Pte., Ltd	121,008,007,292	121,008,007,292	-	-
CGG Services SAS	113,731,272,637	113,731,272,637	115,195,091,374	115,195,091,374
CGG Services (Singapore) Pte Ltd	109,483,652,058	109,483,652,058	110,892,800,285	110,892,800,285
CGG Marine B.V.	86,070,019,205	86,070,019,205	87,177,813,955	87,177,813,955
Shelf Subsea Solutions Pte Ltd	70,141,248,588	70,141,248,588	116,075,000	116,075,000
Velocity Energy Pte Ltd	68,588,751,616	68,588,751,616	225,317,311,051	225,317,311,051
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	-	-
Technip Marine (M) Sdn Bhd	49,444,658,196	49,444,658,196	-	-
SCI E&C Joint Stock Company	45,912,280,686	45,912,280,686	50,408,108,196	50,408,108,196
Hai Duong Petroleum and Marine Corporation	44,197,707,828	44,197,707,828	-	-
Sai Gon Shipyard Company Limited	42,062,400,000	42,062,400,000	42,062,400,000	42,062,400,000
Asia Investment and Asset Management JSC (Ashico)	35,831,702,252	35,831,702,252	56,980,231,521	56,980,231,521
Ocean Works Asia Pte Ltd	27,668,347,860	27,668,347,860	113,759,693,066	113,759,693,066
Toan Thang Engineering Corporation	22,170,483,295	22,170,483,295	41,240,415,887	41,240,415,887
Fecon Joint Stock Company	33,924,635,591	33,924,635,591	34,657,770,927	34,657,770,927
Tan Cang Offshore Services Joint Stock Company	20,989,306,110	20,989,306,110	92,067,982,287	92,067,982,287
Thien Nam Offshore Services Joint Stock Company	4,856,271,853	4,856,271,853	278,764,993,071	278,764,993,071
Hai Duong Company Limited	-	-	234,217,190,351	234,217,190,351
Marinia LLC	-	-	207,006,073,775	207,006,073,775
Others	1,592,811,142,690	1,592,811,142,690	2,302,638,671,079	2,302,638,671,079
<b>Related parties (Note 41(b))</b>				
	2,607,434,054,900	2,607,434,054,900	4,052,495,449,512	4,052,495,449,512
	1,674,261,176,580	1,674,261,176,580	2,125,495,057,732	2,125,495,057,732
	4,281,695,231,480	4,281,695,231,480	6,177,990,507,244	6,177,990,507,244

As at 31 December 2021 and 31 December 2020, the Board of Management believes that the Corporation is able to fully repay all short-term trade accounts payable as and when they fall due.

**18 ADVANCES FROM CUSTOMERS****(a) Short-term**

	2021 VND	2020 VND
<b>Third parties</b>		
North Oil Company	-	171,463,269,795
TPSK Consortium	54,408,599,849	149,587,366,234
Yunnan (HongKong) Logistics Development Limited	17,540,255,268	-
Main contractor of Vien An Wind Power Plant	19,190,325,000	-
Others	44,593,366,025	48,711,877,673
	<hr/> 135,732,546,142	<hr/> 369,762,513,702
<b>Related parties (Note 41(b))</b>	86,034,584,685	68,231,798,530
	<hr/> 221,767,130,827	<hr/> 437,994,312,232

**(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 VND 781,044,054,435 (as at 31 December 2020: VND778,479,407,707) (Note 41(b)). As at the date of these consolidated financial statements, the Corporation and the investor have been working for finalisation minutes, therefore, the netting-off of receivable and payable balance of the investor has not been done yet; and
- The advances from PetroVietnam Gas Joint Stock Corporation for EPC warehouse LNG Thi Vai 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) (Note 41(b)).



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19 TAX AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE

(a) Receivables

	2021 VND	2020 VND
BIT overpaid	6,114,531,893	48,935,885,088
Personal income tax ("PIT") overpaid	2,427,238,283	335,529,783
Other overpayments	64,828,592	64,828,592
	<u>8,606,598,768</u>	<u>49,336,243,463</u>

(b) Payables

	2021 VND	2020 VND
VAT	10,545,280,024	33,130,342,705
BIT	144,261,539,737	31,576,243,205
PIT	9,893,805,640	28,424,007,490
Others	19,737,545,978	10,839,453,411
	<u>184,438,171,379</u>	<u>103,970,046,811</u>

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

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

	As at 1.1.2021 VND	Payables during the year VND	Paid during the year VND	As at 31.12.2021 VND
VAT on domestic goods	33,130,342,705	127,439,261,711	(150,024,324,394)	10,545,280,022
VAT on import goods	-	54,575,703,311	(54,575,703,311)	-
Import duties	-	18,471,548,621	(18,471,548,621)	-
BIT	(17,359,641,883)	311,065,619,548	(155,145,199,635)	138,560,778,030
PIT	28,088,477,707	159,575,922,479	(180,197,832,829)	7,466,567,357
Others	10,774,624,819	244,792,845,501	(236,308,523,118)	19,258,947,202
	<u>54,633,803,348</u>	<u>915,920,901,171</u>	<u>(794,723,131,908)</u>	<u>175,831,572,611</u>
In which:				
Tax and other receivables from the State	49,336,243,463			8,606,598,768
Tax and other payables to the State	<u>103,970,046,811</u>			<u>184,438,171,379</u>

**20 SHORT-TERM ACCRUED EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Cost of Gallaf 3 project - Phase 3	767,489,265,772	-
Cost of SHWE project	72,615,143,923	-
Cost of supply FSO refrigerated LPG in the North of Vietnam	48,325,341,906	-
Cost of designing, purchasing and manufacturing for 2021-2022 SAT DSV campaign - Thai lan package	47,900,627,156	-
Cost of yard rental at Nghi Son - Thanh Hoa	40,000,000,000	35,000,000,000
Cost of Southern Petrochemical complex project	38,810,450,468	22,671,453,058
Cost of operation of FSO, FPSO	25,936,490,807	17,185,281,056
Cost of Dung Quat Bio Ethanol project	27,726,930,636	28,460,929,088
Cost of geological survey and subsea services	24,791,501,909	16,773,121,198
Cost of Sao Vang Dai Nguyet pipeline project	14,259,026,057	61,262,011,048
Cost of PVN15 project	10,626,044,225	10,786,974,219
Others	93,327,576,744	257,777,403,759
	<u>1,211,808,399,603</u>	<u>449,917,173,426</u>

**21 UNEARNED REVENUE**

**(a) Short-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Supply of vessels for Nghi Son Refinery and Petrochemicals plant (i)	17.272.727.261	34.545.454.548
Designing, purchasing and manufacturing project for 2021-2022 SAT DSV Thailand	17.600.454.300	-
Office leasing (iii)	12.042.250.000	1.152.000.000
Infrastructure leasing services at Sao Mai Ben Dinh (ii)	5.203.799.784	5.203.799.784
Others	5.646.047.092	5.273.974.292
	<u>57.765.278.437</u>	<u>46.175.228.624</u>

**21 UNEARNED REVENUE (continued)**

**(b) Long-term**

	2021 VND	2020 VND
Infrastructure leasing services at Sao Mai - Ben Dinh (ii)	185,868,163,712	191,071,963,496
Office leasing (iii)	1,685,750,000	13,728,000,000
Supply of vessels for Nghi Son Refinery and Petrochemicals plant (i)	-	17,272,727,261
	<u>187,553,913,712</u>	<u>222,072,690,757</u>

In which:

- (i) Supply of vessels for Nghi Son Refinery and Petrochemicals plant 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 vessels and maritime services in 15 years since 2019.
- (ii) Infrastructure leasing services at Sao Mai - Ben Dinh represents the advanced amount received for leasing the infrastructure and land at Infrastructure project – 39.8 square hectare and Infrastructure project – 23 square hectare of Sao Mai – Ben Dinh Marine Petroleum Services Base in Vung Tau City. This unearned revenue is allocated into the consolidated financial statements with under the straight-line method over the rental period of 48 years and 49 years.
- (iii) Office leasing represents the amount of the advance payment for office leasing, which would be allocated to the Corporation's results of operation for the leasing period ranging from 10 to 15 years.

**22 OTHER PAYABLES**

**(a) Short-term**

	2021 VND	2020 VND
Vietnam Shipbuilding Industry Corporation (i)	414,334,908,728	420,093,454,966
Salary payables	34,297,622,077	94,121,183,549
Dividend payables	20,292,705,013	16,713,663,999
Compulsory insurance	11,373,787,948	9,018,872,992
Others	106,430,619,359	90,788,942,847
	<u>586,729,643,125</u>	<u>630,736,118,353</u>

**22 OTHER PAYABLES (continued)****(a) Short-term (continued)**

- (i) Payable to Vietnam Shipbuilding Industry Corporation represents the last payment for the project of building FSO5, in which, the Corporation is the project's investor and Vietnam Shipbuilding Industry Corporation is the constructor. As at the date of the consolidated financial statements, both parties are carrying out the procedures to finalize the contract for payment of this amount.

Details of other short-term payables by type of vendors are as follows:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Third parties	575,360,746,332	624,150,306,375
Related parties (Note 41(b))	11,368,896,793	6,585,811,978
	<u>586,729,643,125</u>	<u>630,736,118,353</u>

**(b) Long-term**

Other long-term payables represent the deposit of PetroVietnam Gas Trading Company for supply FSO refrigerated LPG and services within 3 years in the North of Vietnam according to Contract No.36/HĐKN/2021/KDK-PTSC/04 dated 31 March 2021 with total amount of VND69,473,052,000.

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**23 BORROWINGS**

**(a) Short-term**

Details of short-term borrowings of the Corporation are as follows:

	As at 1.1.2021 VND	Drawdown during the year VND	Repaid during the year VND	Current portion of long-term borrowings VND	Revaluation VND	As at 31.12.2021 VND
<b>(i) Borrowings from banks</b>						
Short-term borrowings	-	154,782,694,210	(154,782,694,210)	-	-	-
Current portion of long-term borrowings (Note 23(b))	109,543,201,772	-	(109,781,726,772)	94,658,511,772	(477,400,000)	93,942,586,772
<b>(iii) Borrowings from third party (*)</b>	625,102,665,176	-	-	-	(7,943,367,919)	617,159,297,257
	734,645,866,948	154,782,694,210	(264,564,420,982)	94,658,511,772	(8,420,767,919)	711,101,884,029

(\*) Borrowing from CGG Holding B.V. (formerly known as, "CGGVeritas Services Holding BV") represents the difference between the capital amount that CGG Holding B.V. should have been contributed to PTSC CGGV, corresponding to 49% of PTSC CGGV's charter capital, and the value of CGG Holding B.V.'s contributed assets to PTSC CGGV at the time of establishment in 2012, the term is 60 months. The borrowing has been extended to 22 August 2022. This borrowing is free of interest, arrangement fee, commissions, or any other related fees. The borrowing is guaranteed by parent Company for liabilities of PTSC CGGV equivalent to 51% of this borrowing balance.

As presented in Note 1, the financial statements for the year ended 31 December 2021 and financial statements for the year ended 31 December 2021 of PTSC CGGV were prepared on liquidation accounting basis, accordingly, PTSC CGGV's liabilities are classified as short-term liabilities on the consolidated financial statements.

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## **23 BORROWINGS (continued)**

### **(b) Long-term**

	As at 1.1.2021 VND	Drawdown during the year VND	Repaid during the year VND	Current portion of long-term borrowings VND	Revaluation VND	As at 31.12.2021 VND
Borrowings from banks (*)	473,725,620,270	155,083,128,871	-	(94,658,511,772)	(106,562,500)	534,043,674,869

(\*) Long-term borrowings represent 8 credit facilities from commercial banks in Vietnam, in which:

- Credit facility 1 is in VND with the credit limit of more than VND3.6 billion and will be matured in 36 months since 2020;
- Credit facility 2 is in VND with the credit limit of more than VND65 billion and will be matured in 120 months since 2017;
- Credit facility 3 is in VND with the credit limit of more than VND1.5 billion and will be matured in 36 months since 2020;
- Credit facility 4 is in VND with the credit limit of more than VND675 billion and will be matured in 120 months since 2018;
- Credit facility 5 is in VND with the credit limit of more than VND25.7 billion and will be matured in 72 months since 2016;
- Credit facility 6 is in VND with the credit limit of more than USD10 million and will be matured in 84 months since 2015; and
- Credit facility 7 is in USD with the credit limit of more than VND70 billion and will be matured in 84 months since 2020.
- Credit facility 8 is in VND with the credit limit of more than VND692.7 billion and will be matured in 96 months since 2021.

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 9.5% per annum). The interest of long-term borrowings in USD ranged from 2.92% per annum to 3.14% per annum in year 2021 (year 2020: from 3.03% 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 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.

**23 BORROWINGS (continued)**

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

The repayment schedule of borrowings is as follows:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Within one year	711,101,884,029	734,645,866,948
In the second year	87,023,794,069	87,179,074,272
In the third to fifth year	257,329,621,016	190,540,455,316
After five years	189,690,259,784	196,006,090,682
	<u>1,245,145,558,898</u>	<u>1,208,371,487,218</u>

**24 PROVISIONS FOR OTHER LIABILITIES**

**(a) Short-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Warranty provision for construction contracts (i):		
Gallaf project - phase 1	-	60,125,610,799
GPP Ca Mau project	-	12,933,752,687
Other projects	-	-
Provision of expense of Gallaf project - phase 1	-	12,341,405,713
Provision of operation and maintenance of FPSO Lam Son (ii)	41,579,866,001	40,741,009,201
Provision of periodic overhaul of GTG-B generator system on FPSO Lam Son	-	31,951,657,320
Provision of periodic overhaul of service vessels (iii)	5,298,420,000	27,392,086,417
Others	2,669,320,069	8,229,315,079
	<u>49,547,606,070</u>	<u>193,714,837,216</u>



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

**(b) Long-term**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Warranty provision for construction contracts (i):		
Sao Vang Dai Nguyet project	560,877,480,963	572,632,992,483
Sao Vang - Dai Nguyet pipeline project	66,621,273,873	-
Su Tu Trang Fullfield project	164,942,040,802	274,903,401,336
Gallaf project - Phase 1	251,386,169,293	192,603,476,923
Daman project	685,800,000	54,625,975,610
Others project	29,915,030,178	23,707,781,159
Provision of period overhaul of service vessels (iii)	13,662,069,630	7,439,102,322
	<u>1,088,089,864,739</u>	<u>1,125,912,729,833</u>

- (i) Warranty provision for construction contracts is made for warranty obligations according to the terms and conditions of EPC contracts with customers, at 1% - 5% of the contract value.
- (ii) Provision for operation and maintenance for FPSO Lam Son represents the value that the Corporation may be payable to Petrovietnam Exploration and Development Corporation ("PVEP") in relation to the Termination Agreement for the contract signed between the Corporation and Lam Son Joint Operating Company ("Lam Son JOC"), a joint venture between PVEP and Petronas.
- (iii) 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 consolidated income statement of respective financial year.

**25 BONUS AND WELFARE FUND**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Beginning of year	359,937,152,664	316,493,796,127
Appropriation from undistributed earnings (Note 28)	396,556,328,838	220,531,491,010
Utilisation	(195,116,902,359)	(177,088,134,473)
End of year	<u>561,376,579,143</u>	<u>359,937,152,664</u>

**26 FUND FOR SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Beginning of year	38,596,359,996	31,195,759,996
Appropriation	538,050,000	8,310,000,000
Fund utilisation	(3,728,268,636)	(909,400,000)
Reversal of unused fund	(26,995,869,520)	-
End of year	<u>8,410,271,840</u>	<u>38,596,359,996</u>

**27 OWNERS' CAPITAL**

**(a) Number of shares**

	<b>2021</b>		<b>2020</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
Number of shares registered	<u>477,966,290</u>	<u>-</u>	<u>477,966,290</u>	<u>-</u>
Number of shares issued	<u>477,966,290</u>	<u>-</u>	<u>477,966,290</u>	<u>-</u>
Number of shares in circulation	<u>477,966,290</u>	<u>-</u>	<u>477,966,290</u>	<u>-</u>

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

	<b>2021</b>		<b>2020</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
Vietnam Oil and Gas Group	245,565,000	51.38	245,565,000	51.38
Other shareholders	<u>232,401,290</u>	<u>48.62</u>	<u>232,401,290</u>	<u>48.62</u>
Number of shares issued	<u>477,966,290</u>	<u>100</u>	<u>477,966,290</u>	<u>100</u>

**27 OWNERS' CAPITAL (continued)**

**(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	<b>4,779,662,900,000</b>
As at 31 December 2020	477,966,290	4,779,662,900,000	<b>4,779,662,900,000</b>
As at 31 December 2021	477,966,290	4,779,662,900,000	<b>4,779,662,900,000</b>

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

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**28 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Investment and development fund VND	Foreign exchange differences VND	Post-tax undistributed earnings VND	Total VND	Non-controlling interests VND	Total owners' capital VND
As at 1 January 2020	4,779,662,900,000	39,617,060,000	2,984,495,208,487	409,506,565,762	4,039,343,483,744	12,252,625,217,993	718,121,217,616	12,970,746,435,609
Net profit for the year	-	-	-	-	623,996,082,965	623,996,082,965	85,902,926,328	709,899,009,293
Dividends paid	-	-	-	-	(477,966,290,000)	(477,966,290,000)	(48,838,860,000)	(526,805,150,000)
Appropriation to bonus and welfare fund	-	-	-	-	(203,825,169,506)	(203,825,169,506)	(16,706,321,504)	(220,531,491,010)
Appropriation to investment and development fund	-	-	10,609,362,591	-	(10,609,362,591)	-	-	-
Foreign exchange difference due to translation of financial statements	-	-	-	(49,191,652,265)	-	(49,191,652,265)	-	(49,191,652,265)
Others	-	-	371,554	-	(87,957,691)	(87,586,137)	87,586,137	-
As at 31 December 2020	4,779,662,900,000	39,617,060,000	2,995,104,942,632	360,314,913,497	3,970,850,786,921	12,145,550,603,050	738,566,548,577	12,884,117,151,627
Net profit for the year	-	-	-	-	601,160,329,023	601,160,329,023	76,103,888,882	677,264,217,905
Dividends paid	-	-	-	-	(477,966,000,000)	(477,966,000,000)	(75,980,717,000)	(553,946,717,000)
Appropriation to bonus and welfare fund (Note 25) (*)	-	-	-	-	(386,033,369,136)	(386,033,369,136)	(10,522,959,702)	(396,556,328,838)
Appropriation to investment and development fund (*)	-	-	86,563,192,762	-	(86,563,192,762)	-	-	-
Foreign exchange difference due to translation of financial statements	-	-	-	(75,917,864,156)	-	(75,917,864,156)	-	(75,917,864,156)
Others	-	-	327,198	-	(611,642,013)	(611,314,815)	(27,227,154)	(638,541,969)
As at 31 December 2021	4,779,662,900,000	39,617,060,000	3,081,668,462,592	284,397,049,341	3,620,836,912,033	11,806,182,383,966	728,139,533,603	12,534,321,917,569

(\*) Dividends paid and appropriation to funds of the parent Company and its subsidiaries was made in accordance to Resolution No. 134/NQ-DVKT-DHĐCĐ dated 28 April 2021 of the parent Company's Shareholders Annual General Meeting and resolutions of subsidiaries' Shareholders Annual General Meeting.

**29 NON-CONTROLLING INTEREST**

Details of non-controlling interest are as follows:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Owners' capital	1,523,361,857,420	1,523,361,857,420
Investment and development fund	133,916,447,678	124,433,028,882
Accumulated losses	(929,138,771,495)	(909,228,337,725)
	<u>728,139,533,603</u>	<u>738,566,548,577</u>

Movement of non-controlling interest was as follows:

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Beginning of year	738,566,548,577	718,121,217,616
Net profit attributed to non-controlling interests (Note 28)	76,103,888,882	85,902,926,328
Dividends paid (note 28)	(75,980,717,000)	(48,838,860,000)
Appropriation to bonus and welfare fund (Note 28)	(10,522,959,702)	(16,706,321,504)
Others	(27,227,154)	87,586,137
	<u>728,139,533,603</u>	<u>738,566,548,577</u>
End of year	<u>728,139,533,603</u>	<u>738,566,548,577</u>

**30 EARNINGS PER SHARE**

**(a) Basic earnings per share**

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

	2021	2020 (**)
Net profit attributable to shareholders (VND)	601,160,329,023	623,996,082,965
Less amount allocated to bonus and welfare funds (VND) (*)	(166,193,204,619)	(230,363,124,219)
Net profit attributable to shareholders (VND)	<u>434,967,124,404</u>	<u>393,632,958,746</u>
Weighted average number of ordinary shares in issue (shares)	477,966,290	477,966,290
Basic earnings per share	<u>911</u>	<u>824</u>

(\*) Estimated amounts appropriated to bonus and welfare funds for the year ended 31 December 2021 are determined based on the plan for 2021 profit distribution of the Group approved by shareholders at the Annual General Meeting in 2021.

(\*\*) Earning per share of fiscal year 2020 is recalculated according to the appropriation of bonus and welfare fund in 2020 approved by shareholders at the Annual General Meeting during the year 2021 as below:

	31.12.2020	
	Previously reported	Restated
Net profit attributable to shareholders (VND)	623,996,082,965	623,996,082,965
Appropriation to bonus and welfare fund	(124,402,808,600)	(230,363,124,219)
	<u>499,593,274,365</u>	<u>393,632,958,746</u>
Weighted average number of ordinary shares in issue (shares)	<u>477,966,290</u>	<u>477,966,290</u>
Basic earning per share (VND)	<u>1,046</u>	<u>824</u>

**30 EARNINGS PER SHARE (continued)**

**(b) Diluted earnings per share**

The parent Company did not have any ordinary shares potentially diluted during the year and up to the date of these consolidated financial statements. Therefore, the diluted EPS is equal to the basic EPS.

**31 OFF CONSOLIDATED BALANCE SHEET ITEMS**

**(a) 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	2020
United States Dollar ("USD")	115,197,762	111,928,757
Euro ("EUR")	1,887	1,912
Pound sterling ("GBP")	244,708	244,715
Russian rouble ("RUB")	1,532,395	1,533,253
	<u>                    </u>	<u>                    </u>

**(b) Operating lease assets**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 43.

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

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Revenue from sales of goods	57,458,771,025	295,154,606,152
Revenue from rendering of services	6,945,120,396,245	9,089,975,491,844
Revenue from construction contracts (*)	7,212,898,564,808	10,794,783,651,671
	<u>14,215,477,732,078</u>	<u>20,179,913,749,667</u>
Trade discounts	<u>(17,036,288,370)</u>	<u>-</u>

**Net revenue from sales of goods and rendering of services**

Net revenue from sales of goods	57,458,771,025	295,154,606,152
Net revenue from rendering of services	6,928,084,107,875	9,089,975,491,844
Net revenue from construction contracts (*)	7,212,898,564,808	10,794,783,651,671
	<u>14,198,441,443,708</u>	<u>20,179,913,749,667</u>

(\*) In which, the accumulated revenue from major projects:

Accumulated revenue from completed construction contracts until the date of consolidated financial statements	46,046,697,084	247,764,460,449
Accumulated revenue from in progress construction contracts during the year	<u>37,247,517,427,976</u>	<u>26,954,891,713,463</u>

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

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Cost of goods sold	51,435,983,630	279,961,774,659
Cost of services rendered	6,123,806,996,110	8,435,136,907,860
Cost of construction contracts	7,247,546,112,877	10,686,649,087,026
	<u>13,422,789,092,617</u>	<u>19,401,747,769,545</u>



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**34 FINANCIAL INCOME**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Interest income	201,289,875,918	261,241,343,019
Foreign exchange gains	76,259,555,720	138,671,963,171
	<u>277,549,431,638</u>	<u>399,913,306,190</u>

**35 FINANCIAL EXPENSES**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Interest expense	45,619,511,092	55,755,530,102
Provision/(reversal of provision) for long-term investments (Note 4(b))	2,018,289,475	(1,019,317,283)
Foreign exchange losses	46,737,066,898	88,082,009,763
	<u>94,374,867,465</u>	<u>142,818,222,582</u>

**36 SELLING EXPENSES**

	<b>2021</b> <b>VND</b>	<b>2020</b> <b>VND</b>
Advertising and marketing	45,540,621,439	56,069,176,979
Staff costs	19,615,812,666	31,282,759,985
Others	24,283,649,687	31,294,357,136
	<u>89,440,083,792</u>	<u>118,646,294,100</u>

**37 GENERAL AND ADMINISTRATION EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
Staff costs	409,741,595,076	436,157,046,945
Depreciation and amortisation	25,384,812,173	34,925,334,724
Out-sourced services	173,097,834,049	162,343,943,929
Reversal of provision for doubtful debts	(29,183,559,940)	(1,624,837,578)
Others	133,441,229,359	165,714,296,583
	<u>712,481,910,717</u>	<u>797,515,784,603</u>

**38 NET OTHER INCOME AND OTHER EXPENSES**

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>Other income</b>		
Reversal of scientific and development fund	26,995,869,520	-
Reversals of warranty provision for construction contracts (*)	179,288,425,580	693,567,048,928
Income from contracts' breach	9,081,241,009	14,382,290,848
Net gain from disposals of fixed assets	11,829,711,164	8,274,108,381
Others	7,688,212,336	16,758,920,441
	<u>234,883,459,609</u>	<u>732,982,368,598</u>
<b>Other expenses</b>		
Panalties	(13,939,665,678)	(4,027,909,460)
Others	(7,036,047,462)	(14,166,912,434)
	<u>(20,975,713,140)</u>	<u>(18,194,821,894)</u>
<b>Net other income</b>	<u>213,907,746,469</u>	<u>714,787,546,704</u>

(\*) The reversals of warranty provision for construction contracts represents reversal of the balance of warranty provision after the Corporation has fulfilled all warranty obligations under the scope of work and warranty period in accordance with terms on those construction contracts and confirmed by the customers.

**39 BUSINESS INCOME TAX (“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% under the current regulations as follows:

	2021 VND	2020 VND
Accounting profit before tax	877,608,785,567	1,024,531,892,796
Accounting profit before BIT	882,078,578,788	1,034,101,324,070
Accounting losses before BIT	(4,469,793,221)	(9,569,431,274)
	<hr/>	<hr/>
Adjustments increases amounts	877,608,785,567	1,024,531,892,796
Adjustments decreases amounts	1,460,083,912,986	1,761,035,486,260
Loss transferred	(706,003,906,167)	(2,235,639,522,082)
	<hr/>	<hr/>
Total taxable income	1,614,792,074,299	549,608,496,368
In which:		
Taxable income	1,621,944,452,743	748,320,705,511
Taxable losses	(7,152,378,444)	(198,712,209,143)
	<hr/>	<hr/>
BIT at tax rate of 20%	324,388,890,549	149,664,141,102
Tax incentive	(8,963,427,897)	(17,719,650,522)
(Over)/under provision	(4,359,843,103)	8,689,546,624
	<hr/>	<hr/>
BIT charge	311,065,619,548	140,634,037,204
	<hr/>	<hr/>

The BIT charge for the year is based on estimated taxable income for the fiscal year 2021 and is subject to review and possible adjustments by the tax authorities.

**40 COST OF OPERATION BY FACTOR**

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

	2021 VND	2020 VND
Raw materials	2,617,801,099,680	5,401,070,245,287
Staff costs	2,402,673,846,697	2,988,922,546,879
Depreciation and amortisation	500,368,315,798	538,662,164,792
Out-sourced services	4,741,999,852,539	8,943,710,380,998
Related cost of construction contracts	3,275,498,992,713	2,697,145,709,381
Others	657,832,184,903	783,682,059,652
	<hr/>	<hr/>
	14,196,174,292,330	21,353,193,106,989
	<hr/>	<hr/>

**41 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is PVN which owns 51.38% of the Corporation's share capital (Note 27).

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 Limited	Company in PVN Group
Dung Quat Shipbuilding Industry Company Limited	Company in PVN Group
PetroVietNam Drilling & Well Service 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 Corporation	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 Refining and Petrochemical Joint Stock Company	Company in PVN Group
PetroVietnam Chemical and Services Corporation	Company in PVN Group
PVI Insurance Corporation	Company in PVN Group
PetroVietnam Engineering Consultancy Joint Stock Company	Company in PVN Group
PetroVietnam Maintenance and Repair Corporation	Company in PVN Group
Nghi Son Refinery and Petrochemical Limited Liability Company	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
PetroVietNam Long Phu 1 Power Project Management Board	Company in PVN Group
Petrovietnam Domestic Exploration Production Operating Company Limited	Company in PVN Group
PetroVietnam Gas Joint Stock Company	Company in PVN Group
PetroVietnam Overseas Exploration Production Operating Company Limited	Company in PVN Group
PetroVietnam Ca Mau Fertilizer Joint Stock Company	Company in PVN Group
Thai Binh 2 Thermal Power Plant Project Management Board	Company in PVN Group

**41 RELATED PARTY DISCLOSURES (continued)**

**(a) Related party transactions**

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

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>i) Sales of goods and rendering of services</b>		
PetroVietnam Exploration Production Corporation Limited	1,218,045,098,968	1,830,762,606,736
PetroVietnam Gas Joint Stock Corporation	889,515,649,520	2,305,356,903,754
Bien Dong Petroleum Operating Company	480,289,833,165	515,131,078,014
Nghi Son Refining and Petrochemical Company Limited	430,697,465,303	314,046,092,714
Binh Son Refining and Petrochemical JSC	282,858,759,133	545,560,827,711
Vietnam Offshore Floating Terminal (Ruby) Limited	265,992,619,834	350,146,048,976
PTSC Ca Rong Do Limited	167,778,181,818	-
Malaysia Vietnam Offshore Terminal (Labuan) Limited	114,933,406,150	186,394,982,338
PetroVietnam Drilling and Well Services Corporation	39,489,441,555	30,768,683,913
PetroVietnam Drilling and Well Services Corporation	28,750,036,702	49,083,425,229
Others	183,295,057,371	34,986,462,149
	<u>4,101,645,549,519</u>	<u>6,162,237,111,534</u>
<b>ii) Purchases of goods and services</b>		
PTSC Asia Pacific Private Limited	600,250,419,680	732,072,346,473
PTSC South East Asia Private Limited	182,314,152,025	203,879,368,750
PetroVietnam Drilling and Well Services Corporation	111,822,150,985	31,396,049,251
PVI Insurance Corporation	85,272,331,343	55,714,686,754
PetroVietnam Oil Corporation	50,971,583,741	42,468,817,553
PTSC Ca Rong Do Limited	-	962,713,183,118
Others	114,073,251,443	91,285,048,277
	<u>1,144,703,889,217</u>	<u>2,119,529,500,176</u>

**41 RELATED PARTY DISCLOSURES (continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>iii) Compensation for 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 - Member of BOD cum President and Chief Executive Officer	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</b>	<b>2020</b>
	<b>VND</b>	<b>VND</b>
<b>i) Short-term trade accounts receivable (Note 5)</b>		
PetroVietnam Exploration Production Corporation Limited	1,635,248,057,021	1,532,188,110,602
PetroVietnam Gas Joint Stock Corporation	125,909,830,714	402,321,592,322
PetroVietnam Long Phu 1 Thermal Power Project Management Board	156,738,176,730	151,225,238,914
Vietnam Offshore Floating Terminal (Ruby) Limited	118,773,558,216	98,838,616,962
Nghi Son Refining and Petrochemical Company Limited	82,293,897,273	99,393,949,843
PetroVietnam Fertilizer and Chemicals Corporation	71,317,203,829	60,212,968,266
Bien Dong Petroleum Operating Company	67,053,976,870	119,225,076,011
Malaysia Vietnam Offshore Terminal (Labuan) Limited	43,254,728,491	6,708,056,223
Vietnam - Russia Joint Venture Vietsovpetro	37,203,110,659	37,203,110,659
PetroVietnam Domestic Exploration Production Operating Company Limited	38,513,085,853	184,295,367,932
Binh Son Refining and Petrochemical JSC	34,200,373,634	58,524,253,900
Nghi Son Refinery and Petrochemical Complex Project Management Board	30,073,584,916	206,604,362,561
Others	31,967,689,166	246,203,493,585
	2,472,547,273,372	3,202,944,197,780

**41 RELATED PARTY DISCLOSURES (continued)**

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

	2021 VND	2020 VND
<b>ii) Short-term prepayment to suppliers (Note 6(a))</b>		
PetroVietnam Marine Shipyard Joint Stock Company	2,225,926,853	1,033,416,496
<b>iii) Other short-term receivables (Note 8(b))</b>		
Nghi Son Refinery and Petrochemical Limited Liability Company	12,188,084,868	6,606,181,257
Vietnam Oil and Gas Group	10,632,042,898	10,632,042,898
PetroVietnam Overseas Exploration Production Operating Company Limited	10,061,561,353	10,061,561,353
PetroVietnam Exploration Production Corporation Limited	10,047,098,575	627,920,218
Vietnam - Russia Joint Venture Vietsovpetro	4,150,042,484	236,600,000
Bien Dong Petroleum Operating Company	-	114,392,800
Others	85,174,962,485	30,813,903,409
	<u>132,253,792,663</u>	<u>59,092,601,935</u>
<b>iv) 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 Drilling and Well Services Corporation	31,501,779,473	50,449,038,643
PetroVietnam Marine Shipyard Joint Stock Company	27,021,667,086	29,565,146,083
Nghi Son Refining and Petrochemical Company Limited	13,020,056,401	18,369,654,157
Vietnam - Russia Joint Venture Vietsovpetro	4,878,958,446	28,746,553,609
PetroVietnam Gas Corporation	257,337,862	29,757,861,786
Others	35,084,843,246	128,453,918,602
	<u>1,674,261,176,580</u>	<u>2,125,495,057,732</u>

**41 RELATED PARTY DISCLOSURES (continued)**

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

	2021 VND	2020 VND
<b>v) Short-term advance from customers (Note 18(a))</b>		
Binh Son Refining and Petrochemical JSC	45,816,725,642	68,048,102,530
PetroVietnam Gas Corporation	37,791,032,173	-
Others	2,426,826,870	183,696,000
	<u>86,034,584,685</u>	<u>68,231,798,530</u>
<b>vi) Long-term advance from customers (Note 18(b))</b>		
PetroVietnam Long Phu 1 Thermal Power Project Management Board	781,044,054,435	778,479,407,707
PetroVietnam Gas Corporation	65,986,958,343	141,237,895,281
	<u>847,031,012,778</u>	<u>919,717,302,988</u>
<b>vii) Other short-term payables (Note 22)</b>		
PetroVietnam Exploration Production Corporation Limited	6,536,414,822	-
Malaysia Vietnam Offshore Terminal (Labuan) Limited	2,692,225,602	2,692,225,602
PetroVietnam Construction Joint Stock Corporation	1,669,212,234	1,669,212,234
PVI Insurance Corporation	336,655,950	1,140,397,087
Others	134,388,185	1,083,977,055
	<u>11,368,896,793</u>	<u>6,585,811,978</u>



## PETROVIETNAM TECHNICAL SERVICES CORPORATION

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### 42 SEGMENT REPORTING

#### *Geographical segment*

The Corporation operates mainly in Vietnam. Therefore, the Corporation does not present geographic segment reports.

#### *Business activity segment*

For management purpose, the Corporation's structure is separated into seven business segments with the following principal activities:

<b>Business segment</b>	<b>Operation</b>
Supply of technology service vessels	Management, business and operation the technology service vessels
Floating storage and offloading (FSO), Floating production storage and offloading (FPSO) services	Supply of Floating storage and offloading (FSO), Floating production storage and offloading (FPSO)
Seismic survey, geophysical and geological survey and subsea	Supply of management and operation of 2D, 3D seismic survey vessels; Geophysical and geological survey services, diving, and subsea services by using ROV
Supply base services	Supply base services, offices rental, logistic, supply chain management and other related services
Mechanical and construction offshore facilities	Fabrication, engineering, construction, transportation and installation, hook-up and commissioning
Repair, maintenance and instalment oil and gas project	Supply of maintenance, repair, building and conversion of petroleum exploiting facilities
Other services	Supply other services

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**42 SEGMENT REPORTING (continued)**

*Business activity segment (continued)*

The Corporation presented business activity segment reporting by assets and liabilities as follows:

	2021							
	Supply of technology service vessels	FSO / FPSO services	Seismic survey, Geo survey and subsea services	Supply base services	Mechanical and construction	Maintenance, repair, and installment oil and gas project	Other services	Elimination
	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets	2,199,308,448,748	6,421,656,349,024	933,715,591,999	3,251,629,228,398	7,704,064,681,850	2,039,804,576,228	1,543,306,728,745	(4,232,746,902,114)
Profit from investments in associates and joint ventures								
Unallocated assets								
<b>Total assets</b>								
Segment liabilities	1,318,892,718,705	2,520,040,619,812	1,669,644,810,439	1,177,864,780,878	5,332,390,046,938	831,665,466,905	448,068,600,431	(2,263,822,464,021)
Deferred tax liabilities arise from profit sharing from associates and joint ventures								
Unallocated liabilities								
<b>Total liabilities</b>								

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**42 SEGMENT REPORTING (continued)**

*Business activity segment (continued)*

2020

	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Segment assets	2,509,242,950,945	5,762,366,446,076	922,907,721,719	3,835,094,750,900	8,198,825,268,007	2,665,668,481,511	1,317,063,368,937	(4,692,645,633,206)	20,518,523,354,889
Profit from Investments in associates and joint ventures									3,317,174,459,672
Unallocated assets									2,443,579,312,376
<b>Total assets</b>									<b>26,279,277,126,937</b>
Segment liabilities	1,462,390,306,859	2,755,380,833,186	1,684,782,098,448	1,331,705,485,573	5,510,936,669,774	1,507,319,602,324	505,575,626,025	(2,619,067,659,643)	12,139,022,962,546
Deferred tax liabilities arise from profit sharing from associates and joint ventures									583,216,464,535
Unallocated liabilities									672,920,548,229
<b>Total liabilities</b>									<b>13,395,159,975,310</b>

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

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**42 SEGMENT REPORTING (continued)**

*Business activity segment (continued)*

The Corporation presented business activity segment reporting by revenue and cost of sales as follows:

	2021								
	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Net revenue from external sales	1,567,360,741,880	1,977,452,302,243	285,148,180,581	1,567,630,916,655	7,177,766,486,956	1,096,379,885,542	526,702,929,851	-	14,198,441,443,708
Net revenue from internal sales	234,939,338,396	392,649,259,372	17,208,545,269	168,771,832,632	597,303,898,949	1,144,140,616,081	108,323,251,541	(2,663,336,742,240)	-
	1,802,300,080,276	2,370,101,561,615	302,356,725,850	1,736,402,749,287	7,775,070,385,905	2,240,520,501,623	635,026,181,392	(2,663,336,742,240)	14,198,441,443,708
Net cost from external sales	(1,441,794,240,474)	(1,767,848,919,019)	(262,165,490,485)	(1,247,625,380,270)	(7,138,691,356,356)	(1,046,716,337,251)	(517,947,368,762)	-	(13,422,789,092,617)
Net cost from internal sales	(234,939,338,396)	(390,982,089,702)	(18,543,864,825)	(168,594,661,192)	(584,689,101,409)	(1,071,229,994,201)	(83,156,473,144)	2,552,135,522,869	-
	(1,676,733,578,870)	(2,158,831,008,721)	(280,709,355,310)	(1,416,220,041,462)	(7,723,380,457,765)	(2,117,946,331,452)	(601,103,841,906)	2,552,135,522,869	(13,422,789,092,617)
Gross segment profit	125,566,501,406	211,270,552,894	21,647,370,540	320,182,707,825	51,689,928,140	122,574,170,171	33,922,339,486	(111,201,219,371)	775,652,351,091
Selling and administration expenses									(801,921,994,509)
Net income from financing activities									183,174,564,173
Profit sharing from associates and joint ventures									506,796,118,343
Profit from operating service									663,701,039,098
Net income from other activities									213,907,746,469
Net accounting profit before tax									877,608,785,567
BIT - current									(311,065,619,548)
BIT - deferred									110,721,051,886
Net profit after tax									677,264,217,905

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**42 SEGMENT REPORTING (continued)**

*Business activity segment (continued)*

	2020								
	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Net revenue from external sales	1,878,152,306,186	3,002,398,615,841	421,663,506,484	1,586,040,303,836	10,859,125,885,416	1,706,453,013,331	726,080,118,573	-	20,179,913,749,667
Net revenue from internal sales	249,398,518,078	395,080,803,629	27,049,636,951	221,467,791,739	225,189,892,214	1,695,683,968,700	100,304,184,456	(2,914,174,795,767)	-
	2,127,550,824,264	3,397,479,419,470	448,713,143,435	1,807,508,095,575	11,084,315,777,630	3,402,136,982,031	826,384,303,029	(2,914,174,795,767)	20,179,913,749,667
Net cost from external sales	(1,764,334,337,420)	(2,913,555,474,138)	(406,177,955,018)	(1,370,859,771,834)	10,653,565,748,079	(1,613,744,975,842)	(679,509,507,214)	-	(19,401,747,769,545)
Net cost from internal sales	(242,234,165,723)	(395,080,803,629)	(27,049,636,951)	(221,467,791,739)	(234,521,526,045)	(1,695,683,968,700)	(29,450,474,676)	2,845,488,367,463	-
	(2,006,568,503,143)	(3,308,636,277,767)	(433,227,591,969)	(1,592,327,563,573)	10,888,087,274,124)	(3,309,428,944,542)	(708,959,981,890)	2,845,488,367,463	(19,401,747,769,545)
Gross segment profit	120,982,321,121	88,843,141,703	15,485,551,466	215,180,532,002	196,228,503,506	92,708,037,489	117,424,321,139	(68,686,428,304)	778,165,980,122
Selling and administration expenses									(916,162,078,703)
Net income from financing activities									257,095,083,608
Profit sharing from associates and joint ventures									190,645,361,065
Profit from operating service									309,744,346,092
Net income from other activities									714,787,546,704
Net accounting profit before tax									1,024,531,892,796
BIT - current									(140,634,037,204)
BIT - deferred									(173,998,846,299)
Net profit after tax									709,899,009,293

**43 COMMITMENTS**

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

The future minimum lease payments under non-cancellable operating leases were as follows:

	2021 VND	2020 VND
Under 1 year	891,454,149,512	874,561,158,771
From 1 to 5 years	1,495,360,199,442	1,290,529,829,563
More than 5 years	1,211,929,786,207	1,086,000,531,384
	<hr/>	<hr/>
Total minimum payments	<u>3,598,744,135,161</u>	<u>3,251,091,519,718</u>

As at 31 December 2021 and 31 December 2020, the Corporation has entered into non-cancellable operating lease commitment contracts of ship 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 rental in Vung Tau City was signed with the term of 50 years since 2002;
- Land rental contract at Son Tra Port was signed with the term of 50 years since 2008; and
- Hotel rental contract was signed with the term of 10 years since 2012.

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

The future minimum lease receipts under non-cancellable operating leases are as follows:

	2021 VND	2020 VND
Under 1 year	1,397,095,325,019	1,393,863,652,729
From 1 to 5 years	3,102,233,789,161	4,496,376,141,636
More than 5 years	2,311,701,399,429	2,131,608,969,864
	<hr/>	<hr/>
Total minimum receipts	<u>6,811,030,513,609</u>	<u>8,021,848,764,229</u>

As at 31 December 2021 and 31 December 2020, the Corporation has entered into non-cancellable operating lease commitment contracts of leasing service vessels with the term of 15 years and FSO/FPSO with the term of from 1 to 5 years.