

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**



# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

## **INTERIM SEPARATE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

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# PETROVIETNAM TECHNICAL SERVICES CORPORATION

## CORPORATE INFORMATION

### Enterprise registration certificate

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

### Board of Directors

Mr. Phan Thanh Tung	Chairman
Mr. Le Manh Cuong	Member
Mr. Do Quoc Hoan	Member
Mr. Nguyen Xuan Ngoc	Member
Mr. Tran Ngoc Chuong	Member
Mr. Hoang Xuan Quoc	Independent Member
Mr. Doan Minh Man	Independent Member (from 29 May 2023)

### Board of Supervisors

Ms. Bui Thu Ha	Chief of the Board
Mr. Bui Huu Viet Cuong	Member
Mr. Pham Van Tien	Member

### Board of Management

Mr. Le Manh Cuong	Chief Executive Officer
Mr. Nguyen Tran Toan	Vice President
Mr. Ta Duc Tien	Vice President
Mr. Nguyen Xuan Cuong	Vice President
Mr. Tran Ho Bac	Vice President
Mr. Tran Hoai Nam	Vice President
Mr. Pham Van Hung	Vice President

### Legal representative

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

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

### Auditor

PwC (Vietnam) Limited

# PETROVIETNAM TECHNICAL SERVICES CORPORATION

## STATEMENT OF THE BOARD OF MANAGEMENT

### Statement of the responsibility of the Board of Management of the Corporation in respect of the interim separate financial statements

The Board of Management of PetroVietnam Technical Services Corporation ("the Corporation") is responsible for preparing the interim separate financial statements of the Corporation which give a true and fair view of the interim separate financial position of the Corporation as at 30 June 2023, of the interim separate results of its operations, and its interim separate cash flows for the six-month period then ended. In preparing these interim separate financial statements, the Board of Management is required to:

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

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

### Approval of the interim separate financial statements

We hereby approve the accompanying interim separate financial statements as set out on pages 5 to 68 which give a true and fair view of the interim separate financial position of the Corporation as at 30 June 2023, of the interim separate results of its operations and its interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of interim separate financial statements.

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2023 in order to obtain full information of the interim consolidated financial position, interim consolidated results of operations, and interim consolidated cash flows of the Corporation and its subsidiaries.

On behalf of the Board of Management



Le Manh Cuong  
Chief Executive Officer ("CEO")

Ho Chi Minh City, SR Vietnam  
4 August 2023





## **REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PETROVIETNAM TECHNICAL SERVICES CORPORATION**

We have reviewed the accompanying interim separate financial statements of PetroVietnam Technical Services Corporation ("the Corporation") which were prepared on 30 June 2023 and approved by the Board of Management on 4 August 2023. These interim separate financial statements comprise the interim separate balance sheet as at 30 June 2023, the interim separate income statement and the interim separate cash flow statement for the six-month period then ended, and explanatory notes to the interim separate financial statements, as set out on pages 5 to 68.

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

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

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on this interim separate financial information based on our review. We conducted our review in accordance with Vietnamese Standard on Review Engagements 2410 - *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

A review of interim separate financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Vietnamese Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements does not present fairly, in all material respects, the interim separate financial position as at 30 June 2023, its interim separate financial performance and interim separate cash flows for the six-month period then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of interim separate financial statements.

## **Other Matter**

The report on the review of interim separate financial information 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**



Luong Thi Anh Tuyet  
Audit Practising Licence  
No.3048-2019-006-1  
Authorised signatory

Report reference number: HCM14145  
Ho Chi Minh City, 4 August 2023

INTERIM SEPARATE BALANCE SHEET

Code	ASSETS	Note	As at	
			30.6.2023 VND	31.12.2022 VND
<b>100</b>	<b>CURRENT ASSETS</b>		<b>10,199,954,922,308</b>	<b>9,074,159,335,186</b>
<b>110</b>	<b>Cash and cash equivalents</b>	<b>3</b>	<b>2,542,218,208,065</b>	<b>1,673,524,999,243</b>
111	Cash		2,371,218,208,065	1,300,524,999,243
112	Cash equivalents		171,000,000,000	373,000,000,000
<b>120</b>	<b>Short-term investments</b>		<b>3,633,000,000,000</b>	<b>3,692,000,000,000</b>
123	Investments held-to-maturity	4(a)	3,633,000,000,000	3,692,000,000,000
<b>130</b>	<b>Short-term receivables</b>		<b>3,877,351,807,525</b>	<b>3,643,293,264,892</b>
131	Short-term trade accounts receivable	5	3,017,590,881,925	3,143,799,437,764
132	Short-term prepayments to suppliers	6(a)	551,473,305,681	296,511,826,687
134	Construction contracts-in-progress receivables	7	75,637,743,910	69,968,946,447
136	Other short-term receivables	8(a)	363,604,938,390	297,182,134,481
137	Provision for doubtful debts – short-term	9	(130,955,062,381)	(164,169,080,487)
<b>140</b>	<b>Inventories</b>	<b>10(a)</b>	<b>102,667,435,776</b>	<b>33,966,134,519</b>
141	Inventories		102,743,799,412	34,042,498,155
149	Provision for decline in value of inventories		(76,363,636)	(76,363,636)
<b>150</b>	<b>Other current assets</b>		<b>44,717,470,942</b>	<b>31,374,936,532</b>
151	Short-term prepaid expenses	11(a)	18,113,088,626	11,151,927,364
152	Value Added Tax ("VAT") to be reclaimed		26,604,382,316	20,223,009,168
<b>200</b>	<b>LONG-TERM ASSETS</b>		<b>5,971,047,859,432</b>	<b>6,028,523,076,613</b>
<b>210</b>	<b>Long-term receivables</b>		<b>431,007,268,010</b>	<b>431,491,685,723</b>
212	Long-term prepayments to suppliers	6(b)	-	485,669,637
216	Other long-term receivables	8(b)	431,007,268,010	431,006,016,086
<b>220</b>	<b>Fixed assets</b>		<b>1,195,306,080,443</b>	<b>1,254,987,410,485</b>
221	Tangible fixed assets	12(a)	1,141,337,320,925	1,200,138,604,643
222	Historical cost		5,262,421,084,328	5,036,968,159,126
223	Accumulated depreciation		(4,121,083,763,403)	(3,836,829,554,483)
227	Intangible fixed assets	12(b)	53,968,759,518	54,848,805,842
228	Historical cost		93,268,577,210	93,268,577,210
229	Accumulated amortisation		(39,299,817,692)	(38,419,771,368)
<b>230</b>	<b>Investment properties</b>	<b>13</b>	<b>29,876,041,556</b>	<b>31,120,876,628</b>
231	Historical cost		49,793,402,682	49,793,402,682
232	Accumulated depreciation		(19,917,361,126)	(18,672,526,054)
<b>240</b>	<b>Long-term assets in progress</b>		<b>28,747,846,958</b>	<b>8,623,966,700</b>
242	Construction in progress	14(b)	28,747,846,958	8,623,966,700
<b>250</b>	<b>Long-term investments</b>		<b>3,832,679,821,368</b>	<b>3,836,172,551,316</b>
251	Investments in subsidiaries	4(b)	3,186,935,509,600	3,186,935,509,600
252	Investments in associates and joint ventures	4(b)	1,603,077,039,235	1,603,077,039,235
253	Investments in other entities	4(b)	3,000,000,000	3,000,000,000
254	Provision for long-term investments	4(b)	(960,332,727,467)	(956,839,997,519)
<b>260</b>	<b>Other long-term assets</b>		<b>453,430,801,097</b>	<b>466,126,585,761</b>
261	Long-term prepaid expenses	11(b)	418,210,274,586	424,102,195,836
262	Deferred income tax assets	15	16,884,378,196	23,864,702,443
263	Long-term substituted equipment, supplies and spare parts	10(b)	18,336,148,315	18,159,687,482
<b>270</b>	<b>TOTAL ASSETS</b>		<b>16,171,002,781,740</b>	<b>15,102,682,411,799</b>

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



**INTERIM SEPARATE BALANCE SHEET  
(continued)**

Code	RESOURCES	Note	As at	
			30.6.2023 VND	31.12.2022 VND
<b>300</b>	<b>LIABILITIES</b>		<b>7,574,620,531,022</b>	<b>6,665,857,956,477</b>
<b>310</b>	<b>Short-term liabilities</b>		<b>5,971,106,803,156</b>	<b>5,155,700,618,636</b>
311	Short-term trade accounts payable	16	2,709,769,569,222	2,550,522,932,328
312	Short-term advances from customers	17(a)	100,434,043,119	129,170,583,085
313	Tax and other payables to the State	18	62,932,017,932	44,435,605,889
314	Payables to employees		313,557,824,935	357,855,209,167
315	Short-term accrued expenses	19	623,046,449,291	633,580,619,588
317	Construction contracts-in-progress payables	7	616,798,885,574	17,741,336,460
319	Other short-term payables	20(a)	502,517,310,583	497,094,232,221
320	Short-term borrowings	21(a)	95,628,769,357	93,369,322,284
321	Provision for short-term liabilities	22(a)	389,606,959,872	391,116,809,093
322	Bonus and welfare fund	23	556,814,973,271	440,813,968,521
<b>330</b>	<b>Long-term liabilities</b>		<b>1,603,513,727,866</b>	<b>1,510,157,337,841</b>
332	Long-term advances from customers	17(b)	919,187,827,662	781,044,054,435
337	Other long-term payables	20(b)	69,473,052,000	69,473,052,000
338	Long-term borrowings	21(b)	492,158,366,330	536,945,749,532
342	Provision for long-term liabilities	22(b)	117,983,350,510	117,983,350,510
343	Fund for science and technology development		4,711,131,364	4,711,131,364
<b>400</b>	<b>OWNERS' EQUITY</b>		<b>8,596,382,250,718</b>	<b>8,436,824,455,322</b>
<b>410</b>	<b>Capital and reserves</b>		<b>8,596,382,250,718</b>	<b>8,436,824,455,322</b>
411	Owners' capital	24, 25	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	25	39,617,060,000	39,617,060,000
418	Investment and development fund	25	3,069,995,009,213	2,837,437,009,213
421	Undistributed earnings	25	707,107,281,505	780,107,486,109
421a	- Undistributed post-tax profits of previous years		334,576,402,997	87,462,634,959
421b	- Post-tax profits of current period/year		372,530,878,508	692,644,851,150
<b>440</b>	<b>TOTAL RESOURCES</b>		<b>16,171,002,781,740</b>	<b>15,102,682,411,799</b>

Duong Thi Ngoc Quy  
Preparer

Nguyen Van Bao  
Chief Accountant

Le Manh Cuong  
Chief Executive Officer  
4 August 2023





INTERIM SEPARATE INCOME STATEMENT

Code		Note	For the six-month period ended	
			30.6.2023 VND	30.6.2022 VND
01	Revenue from sales of goods and rendering of services		2,431,164,223,629	2,338,259,488,867
02	Less deductions		-	-
10	Net revenue from sales of goods and rendering of services	27	2,431,164,223,629	2,338,259,488,867
11	Cost of goods sold and services rendered	28	(2,340,439,188,834)	(2,235,366,608,673)
20	Gross profit from sales of goods and rendering of services		90,725,034,795	102,892,880,194
21	Financial income	29	707,871,496,712	802,279,916,627
22	Financial expenses	30	(45,371,448,329)	(19,668,684,549)
23	- Including: Interest expense		(32,554,570,510)	(19,237,028,543)
25	Selling expenses	31	(19,874,152,114)	(15,217,745,573)
26	General and administration expenses	32	(258,832,066,101)	(377,241,032,822)
30	Net operating profit		474,518,864,963	493,045,333,877
31	Other income		2,047,575,528	13,132,948,227
32	Other expenses		(4,086,127,366)	(2,764,084,720)
40	Net other (expenses)/income	33	(2,038,551,838)	10,368,863,507
50	Accounting profit before tax		472,480,313,125	503,414,197,384
51	Corporate income tax ("CIT") - current	34	(92,969,110,370)	(126,128,740,708)
52	CIT - deferred	15	(6,980,324,247)	(25,520,213,270)
60	Profit after tax		372,530,878,508	351,765,243,406

  
Duong Thi Ngoc Quy  
Preparer

  
Nguyen Van Bao  
Chief Accountant

  
Le Manh Cuong  
Chief Executive Officer  
4 August 2023



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

		For the six-month period ended	
		30.6.2023	30.6.2022
Code	Note	VND	VND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
01	<b>Accounting profit before tax</b>	<b>472,480,313,125</b>	<b>503,414,197,384</b>
	Adjustments for:		
02	Depreciation and amortisation	75,518,937,786	82,245,317,663
03	(Reversal of provisions)/provisions	(31,231,137,379)	13,581,102,539
04	Unrealised foreign exchange losses/(gains)	687,539,788	(18,669,351,504)
05	Profits from investing activities	(695,098,370,298)	(777,453,647,697)
06	Interest expense	32,554,570,510	19,237,028,543
08	<b>Operating loss before changes in working capital</b>	<b>(145,088,146,468)</b>	<b>(177,645,353,072)</b>
09	(Increase)/decrease in receivables	(137,709,232,947)	203,423,238,407
10	(Increase)/decrease in inventories	(68,877,762,090)	6,191,255,330
11	Increase/(decrease) in payables	762,062,455,784	(214,937,840,418)
12	(Increase)/decrease in prepaid expenses	(1,069,240,012)	149,390,967
14	Interest paid	(33,340,072,302)	(19,343,709,636)
15	CIT paid	(50,451,195,067)	(19,151,816,410)
17	Other payments on operating activities	(95,884,148,418)	(50,013,238,474)
20	<b>Net cash inflows/(outflows) from operating activities</b>	<b>229,642,658,480</b>	<b>(271,328,073,306)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
21	Purchases of fixed assets and other long-term assets	(34,019,892,743)	(30,764,190,909)
22	Proceeds from disposals of fixed assets	1,900,725,456	12,636,561,480
23	Term deposits with maturity of more than 3 months placed at banks	(2,481,000,000,000)	(2,181,000,000,000)
24	Term deposits with maturity of more than 3 months collected	2,540,000,000,000	1,753,000,000,000
27	Interest income, dividends and profits received	655,421,537,762	763,118,489,887
30	<b>Net cash inflows from investing activities</b>	<b>682,302,370,475</b>	<b>316,990,860,458</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
33	Proceeds from borrowings	4,476,473,095	-
34	Repayments of borrowings	(47,004,409,224)	(51,207,755,586)
36	Dividends paid to shareholders	(12,527,200)	(159,263,100)
40	<b>Net cash outflows from financing activities</b>	<b>(42,540,463,329)</b>	<b>(51,367,018,686)</b>
50	<b>Net (decrease)/increase in cash</b>	<b>869,404,565,626</b>	<b>(5,704,231,534)</b>
60	<b>Cash and cash equivalents at beginning of period</b>	<b>1,673,524,999,243</b>	<b>3,535,159,305,173</b>
61	Effect of foreign exchange differences	(711,356,804)	7,788,758,444
70	<b>Cash and cash equivalents at end of period</b>	<b>2,542,218,208,065</b>	<b>3,537,243,832,083</b>

Duong Thi Ngoc Quy  
Preparer

Nguyen Van Bao  
Chief Accountant

Le Manh Cuong  
Chief Executive Officer  
4 August 2023



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

**NOTES TO THE INTERIM SEPARATE FINANCIAL STATEMENTS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023**

**1 GENERAL INFORMATION**

**Structure of ownership**

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

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

The main shareholder of the Corporation is Vietnam Oil and Gas Group ("PVN"). Details of capital contribution are presented in Note 24.

**Principal activities**

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

The principal activities of the Corporation are comprised of:

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

The Company's main activities are not affected by seasonality.

**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 30 June 2023, the Corporation has 6 branches, 1 representative office, 13 direct subsidiaries, 6 direct associates and joint ventures, 1 indirect associate. Details are presented as follows:

*Branches and representative office:*

<b>No.</b>	<b>Name</b>	<b>Address</b>
1	Branch of PetroVietnam Technical Services Corporation - PTSC Marine	No. 73, 30/4 Street, Thang Nhat Ward, Vung Tau City
2	Branch of PetroVietnam Technical Services Corporation - PTSC Supply Base	No. 65A, 30/4 Street, Thang 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	PTSC Abu Dhabi	Suite 1721, Level 17, The Offices World Trade Center, Central Market, Al Markaziya, Abu Dhabi, UAE
7	Representative office of PetroVietnam Technical Services Corporation in Ha Noi	No. 142, Nguyen Khuyen Street, Van Mieu Ward, Dong Da District, Ha Noi City



# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09a – DN**

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

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

No.	Name	Principal activities	Place of incorporation and operation	30.6.2023		31.12.2022	
				Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
Directly owned subsidiaries							
1	PTSC Mechanical and Construction Services Company Limited	Maintenance and construction for oil and gas field	Vung Tau City, Vietnam	100	100	100	100
2	PTSC Geos and Subsea Services Company Limited	Operation of 2D and 3D vessels, seismic survey services, geophysical and geological survey services, diving, and subsea services by using remote operated vehicle (ROV)	Vung Tau City, Vietnam	100	100	100	100
3	Petro Hotel Company Limited	Hotel services and related services to domestic and overseas companies in petroleum industry	Vung Tau City, Vietnam	100	100	100	100
4	PTSC Labuan Company Limited	Providing service vessels in petroleum and gas exploration	Vietnam Malaysia	100	100	100	100
5	PTSC Quang Ngai Joint Stock Company	Management, operation and supply technology service vessels; supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	Quang Ngai Province, Vietnam	95.19	95.19	95.19	95.19
6	PTSC Offshore Services Joint Stock Company	Offshore transportation, installation, hook up commissioning, modification, operation and maintenance, offshore facilities decommissioning services of oil and gas projects	Vung Tau City, Vietnam	84.95	84.95	84.95	84.95
7	PTSC Phu My Port Joint Stock Company	Supplying port-based services	Ba Ria – Vung Tau Province, Vietnam	59.61	59.61	59.61	59.61
8	PTSC Thanh Hoa Technical Services Company	Management, operation and supply technology service vessels; supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	Thanh Hoa Province, Vietnam	54.69	54.69	54.69	54.69
9	PTSC Production Services Joint Stock Company	Management, operation and maintenance of the floating storage and offloading (FSO), floating production storage and offloading (FPSO), supply of petroleum specialized labour	Vung Tau City, Vietnam	51	51	51	51
10	Dinh Vu Petroleum Services Port Joint Stock Company	Supplying port-based services and container services	Hai Phong City, Vietnam	51	51	51	51

# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09a – DN**

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

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

No.	Name	Principal activities	Place of incorporation and operation	30.6.2023		31.12.2022	
				Ownership interest %	Voting power held %	Ownership interest %	Voting power held %
Directly owned subsidiaries (continued)							
11	PetroVietnam Security Joint Stock Company	Security services	Ha Noi, Vietnam	51	51	51	51
12	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company	Supplying port-based services	Vung Tau City, Vietnam	51	51	51	51
13	PTSC CCGV Geophysical Survey Company Limited	2D and 3D seismic data acquisition service	Vung Tau City, Vietnam	51	51	51	51
Directly owned associates and joint ventures							
1	Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT")	Management, business and operation of the floating production storage and offloading ("FPSO")	Malaysia	60	50	60	50
2	PTSC South East Asia Private Limited ("PTSC SEA")	Management, business and operation of the floating storage and offloading ("FSO")	Singapore	51	50	51	50
3	PTSC Asia Pacific Private Limited ("PTSC AP")	Management, business and operation of the floating production storage and offloading ("FPSO")	Singapore	51	50	51	50
4	Malaysia Vietnam Offshore Terminal (Labuan) Limited ("MVOT")	Management, business and operation of the floating storage and offloading ("FSO")	Malaysia	49	50	49	50
5	Rong Doi MV12 Private Limited ("MV12")	Management, business and operation of the floating storage and offloading ("FSO")	Singapore	33	33	33	33
6	PetroVietnam Marine Shipyard Joint Stock Company ("PV Shipyard")	Building, repair and conversion of drilling rigs, marine vessels	Vung Tau City, Vietnam	28.75	28.75	28.75	28.75
Indirectly owned associate							
1	Thi Vai General Port Joint Stock Company	Supplying port-based services	Vung Tau City, Vietnam	21.46	36	21.46	36

As at 30 June 2023, the Corporation had 1,465 employees (as at 31 December 2022: 1,510 employees).

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

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

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

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

Users of these interim separate financial statements of the Corporation should read them together with the interim consolidated financial statements of the Corporation and its subsidiaries for the six-month period ended 30 June 2023 in order to obtain full information of the interim consolidated financial position and interim consolidated results of operations and interim consolidated cash flows of the Corporation and its subsidiaries.

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

**2.2 Fiscal year/period**

The Corporation's fiscal year is from 1 January to 31 December. The interim separate financial statements are prepared for the six-month period from 1 January to 30 June.

**2.3 Currency**

The interim separate financial statements are measured and presented in Vietnamese Dong ("VND" or "Dong").

## **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 interim separate income statement.

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

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

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

### **2.6 Receivables**

Receivables represent trade receivables from customers arising from sales of goods and rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties) or made for each outstanding amount not overdue but doubtful and so the Corporation may be unable to collect the debts. Receivables are written off in accordance with the current prevailing accounting regulations and the Corporation's finance management policies.

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



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

**2.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes direct materials, direct labour 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 accounting period and the provision of the previous fiscal year is recognised as an increase or decrease of cost of goods sold in the period.

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

**2.8 Investments**

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

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

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost. Post-acquisition interest income from investments held-to-maturity is recognised in the interim separate income statement on accrual basis.

Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the period/year end. Provision for diminution in value of investments held-to-maturity is made when there is evidence that the investment is uncollectible in whole or in part. Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

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

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

**2.8 Investments (continued)**

**(b) Investments in subsidiaries**

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

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

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

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

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

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

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

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

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

### **2.8 Investments (continued)**

#### **(d) Investments in other entities**

Investment in other entity is investment in equity instruments of other entity without controlling rights or co-controlling rights, or without significant influence over the investee. This investment is initially recorded at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the accounting period end (if any).

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

Provision for diminution in value of investments in subsidiaries, associates and joint ventures, and other entity is made in accordance with current accounting regulations and Corporation's accounting policies when there is a diminution in value of the investments at the accounting period end.

Provision for diminution in value of investments in subsidiaries, associates and joint ventures is made when the investees make losses.

Provision for diminution in value of investments in other entity is made when whose fair value can be determined reliably. Otherwise, provision for diminution in value of investments in other entity is made in the same method as provision for diminution in value of investments in subsidiaries, associates and joint ventures.

Changes in the provision balance during the accounting period are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

### **2.9 Construction contracts**

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

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised over the period 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 accounting period. 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 accounting period.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.9 Construction contracts (continued)

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 recognised by reference to the completed work volume certified by the customers in the accounting period 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 period end. Where costs incurred and profits recognised (less recognised losses) exceed progress billings, the balance is presented as construction contracts-in-progress receivables. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as construction contracts-in-progress payables.

### 2.10 Fixed assets

#### *Tangible and intangible fixed assets*

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

#### *Depreciation and amortisation*

Fixed assets are depreciated and amortised using the straight-line basis so as to write off the historical cost of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The principal annual useful lives of each asset class are as follows:

Buildings and structures	3 – 45 years
Machinery and equipment	3 – 7 years
Vehicles	6 – 12 years
Office equipment	3 – 5 years
Other tangible fixed assets	3 years
Software	3 years
Land use rights	50 years



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Fixed assets (continued)

#### *Tangible and intangible fixed assets (continued)*

Land use rights are comprised of land use rights granted by the State for which land use fees are collected. Definite land use rights are stated at costs less accumulated amortisation. Costs of land use rights consists of the purchased prices and any directly attributable costs in obtaining the land use rights. Land use rights are amortised using the straight-line basis over the terms of the land use right certificates.

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

#### *Disposals*

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

#### *Construction in progress*

Construction in progress represents the cost of assets in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of reparation, expansion or technology upgradation, construction costs, costs of tools and equipment, construction consulting expenditures, and capitalised borrowing costs for qualifying assets in accordance with the Corporation's accounting policies. In the event of the construction project has been completed and put into use, these expenses will be capitalized to the historical cost of fixed assets at the estimated cost based on the actual cost incurred (in case the settled costs have not been approved). According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

### 2.11 Operating leases

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

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.12 Investment properties

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

#### *Depreciation*

#### *Investment properties held for lease*

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

Plant and buildings	20 years
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#### *Disposals*

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

### 2.13 Prepaid expenses

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

Prepayments for land rental contracts which are effective after the effective date of the land law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Payables

Classifications of payables are based on their nature as follows:

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

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

### 2.15 Borrowings

Borrowings include borrowings from banks.

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

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

### 2.16 Accrued expenses

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

### 2.17 Provision for liabilities

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 estimated on the amount of money which may 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 accounting period are recorded as an increase or decrease in operating expenses.

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

### **2.18 Unearned revenue**

Unearned revenue mainly comprises the amounts that customers paid in advance for one or many accounting period for asset leases and rendering of relevant services to the asset leases. The Corporation records unearned revenue for the future obligations that the Corporation must fulfil. Once recognition criteria have been satisfied, unearned revenue will be recognised as revenue in the interim separate income statement to the extent that it has met the recognition criteria.

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

### **2.19 Capital and reserves**

#### **(a) Owners' capital**

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

#### **(b) Share premium**

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

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

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

### **2.20 Appropriation of profit after CIT**

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

The Corporation's dividends are recognised as a liability on the interim separate financial statements in the period in which the shareholder list for dividend payment is finalised according to Resolution of Board of Directors 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 CIT of the Corporation and subject to shareholders' approval at the Annual General Meeting of Shareholders. This fund is used for expanding and developing the business of the Corporation in the form of additional capital contribution.

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

**2.21 Revenue recognition (continued)**

**(c) Revenue from construction contracts**

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

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

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

**(e) Interest income**

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

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

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

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

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

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

**2.23 Financial expenses**

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

**2.24 Selling expenses**

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

**2.25 General and administration expenses**

General and administration expenses represent expenses for administrative purposes of the Corporation.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.26 Current and deferred income tax

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. 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 accounting period taxable profits at the current accounting period tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the accounting period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different accounting period, 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 interim separate financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the interim separate balance sheet date.

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

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

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

### 2.27 Related parties

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

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



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.28 Segment reporting

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

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

### 2.29 Critical accounting estimates

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

The areas involving significant estimates and assumptions are revenue, cost of sales, receivables and payables relating to construction contracts-in-progress (Note 2.9, Note 2.21, and Note 2.22);

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Corporation and that are believed to be reasonable under the circumstances by the Board of Management.

## 3 CASH AND CASH EQUIVALENTS

	30.6.2023 VND	31.12.2022 VND
Cash on hand	4,221,138,272	5,066,652,704
Cash at banks	2,366,997,069,793	1,295,458,346,539
Cash equivalents (*)	171,000,000,000	373,000,000,000
	<u>2,542,218,208,065</u>	<u>1,673,524,999,243</u>

(\*) Cash equivalents include term deposits in VND with the original maturity of three months or less at commercial banks and earn interest at the average rates from 0.5% to 5.5% per annum (as at 31 December 2022: 5.9% to 6% per annum).

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**4 INVESTMENTS (continued)**

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

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Cost VND</b>	<b>Book value VND</b>	<b>Cost VND</b>	<b>Book value VND</b>
Term deposits	3,633,000,000,000	3,633,000,000,000	3,692,000,000,000	3,692,000,000,000

Term deposits represent the value of term deposits in VND with the remaining maturity of not more than 12 months at commercial banks and earn interest at the rate ranging from 4.6% to 10.3% per annum (as at 31 December 2022: from 4.1% to 10.3% per annum).

As at 30 June 2023 and 31 December 2022, the held-to-maturity investments include term deposits of VND38 billion with a term of not more than 12 months at Ocean Commercial One Member Limited Liability Bank ("OceanBank"), which has been suspended for principal. The Board of Managements assessed that these deposits will be traded again in the future when there are specific regulations from the State Bank of Vietnam.

**(b) Long-term investments**

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Investments in subsidiaries (i)	3,186,935,509,600	(787,450,407,168)	3,186,935,509,600	(783,957,298,552)
Investments in associates and joint ventures (ii)	1,603,077,039,235	(172,063,452,400)	1,603,077,039,235	(172,063,452,400)
Investments in other entities (iii)	3,000,000,000	(818,867,899)	3,000,000,000	(819,246,567)
	4,793,012,548,835	(960,332,727,467)	4,793,012,548,835	(956,839,997,519)

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## **4 INVESTMENTS (continued)**

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

#### **(i) Investments in subsidiaries**

Details of investments in subsidiaries are as follows:

No	Company	30.6.2023					31.12.2022				
		Ownership %	Voting right %	Cost VND	Market value/ Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Market value/ Fair value VND	Provision VND
1	PTSC Geos and Subsea Services Company Limited	100	100	300,000,000,000	(*)	(11,080,379,823)	100	100	300,000,000,000	(*)	-
2	PTSC Mechanical and Construction Services Company Limited	100	100	628,160,788,070	(*)	-	100	100	628,160,788,070	(*)	-
3	Petro Hotel Company Limited	100	100	20,000,000,000	(*)	(20,000,000,000)	100	100	20,000,000,000	(*)	(20,000,000,000)
4	PTSC Labuan Company Limited	100	100	12,790,119,530	(*)	-	100	100	12,790,119,530	(*)	-
5	PTSC Quang Ngai Joint Stock Company	95.19	95.19	285,581,000,000	(*)	(158,552,923,345)	95.19	95.19	285,581,000,000	(*)	(166,140,194,552)
6	PTSC Offshore Services Joint Stock Company	84.95	84.95	339,807,000,000	(*)	-	84.95	84.95	339,807,000,000	(*)	-
7	PTSC Phu My Port Joint Stock Company	59.61	59.61	208,645,000,000	(*)	-	59.61	59.61	208,645,000,000	(*)	-
8	PTSC Thanh Hoa Technical Services Company	54.69	54.69	218,773,000,000	(*)	-	54.69	54.69	218,773,000,000	(*)	-
9	PTSC Production Services Joint Stock Company	51	51	102,000,000,000	(*)	-	51	51	102,000,000,000	(*)	-
10	PetroVietnam Securities Joint Stock Company	51	51	15,300,000,000	(*)	-	51	51	15,300,000,000	(*)	-
11	Dinh Vu Petroleum Services Port Joint Stock Company	51	51	204,000,000,000	(*)	-	51	51	204,000,000,000	(*)	-
12	PTSC CGGV Geophysical Survey Company Limited (**)	51	51	597,817,104,000	(*)	(597,817,104,000)	51	51	597,817,104,000	(*)	(597,817,104,000)
13	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company	51	51	254,061,498,000	(*)	-	51	51	254,061,498,000	(*)	-
				3,186,935,509,600		(787,450,407,168)			3,186,935,509,600		(783,957,298,552)

(\*) As at 30 June 2023 and 31 December 2022, the Corporation had not determined the fair value of these investments for disclosure in the interim separate financial statements because they do not have listed prices or listed on the market but the transaction is not significant. The fair value of such investments may be different from their book value.

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

# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09a – DN**

## **4 INVESTMENTS (continued)**

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

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

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

No	Company	30.6.2023					31.12.2022				
		Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost VND	Fair value VND	Provision VND
1	Vietnam Offshore Floating Terminal (Ruby) Limited (i)	60	50	156,473,118,448	(*)	-	60	50	156,473,118,448	(*)	-
2	PTSC South East Asia Private Limited (ii)	51	50	340,800,232,500	(*)	-	51	50	340,800,232,500	(*)	-
3	PTSC Asia Pacific Private Limited (iii)	51	50	641,415,780,000	(*)	-	51	50	641,415,780,000	(*)	-
4	Malaysia Vietnam Offshore Terminal (Labuan) Limited (iv)	49	50	292,324,455,887	(*)	-	49	50	292,324,455,887	(*)	-
5	Rong Doi MV12 Private Limited (v)	33	33	106,022,400	(*)	(106,022,400)	33	33	106,022,400	(*)	(106,022,400)
6	PetroVietnam Marine Shipyard Joint Stock Company (vi)	28.75	28.75	171,957,430,000	(*)	(171,957,430,000)	28.75	28.75	171,957,430,000	(*)	(171,957,430,000)
				1,603,077,039,235		(172,063,452,400)			1,603,077,039,235		(172,063,452,400)

(\*) As at 30 June 2023 and 31 December 2022, the Corporation had not determined the fair value of these investments for disclosure in the interim separate financial statements because they do not have listed prices or listed on the market but the transaction is not significant. The fair value of such investments may be different from their book value.

(i) Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT") is a jointly controlled venture company established by MISC, from 2009, in which, the Corporation owns 60% of the charter capital to own, manage and operate the FPSO "Ruby II" for oil processing and exportation. From June 2010, FPSO "Ruby II" was put into oil and gas exploration and production of Petronas Carigali Vietnam Limited at Blocks 01 & 02 offshore the continental shelf of Vietnam till 9 September 2017. Since 10 September 2017, Vietnam Oil and Gas Group replaced, received rights and obligations of Petronas Carigali Vietnam Limited for the contract with VOFI based on the agreement between Vietnam Oil and Gas Group and Petronas Carigali Vietnam Limited. As at 30 June 2023 and 31 December 2022, the Corporation's capital contribution in VOFI is USD8,784,000, equivalent to VND156,473,118,448.

## **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

### **4 INVESTMENTS (continued)**

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

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

- (ii) PTSC South East Asia Private Limited ("PTSC SEA") is a jointly controlled venture company established by the Corporation and Yinson Holdings Berhad from 2011 under Foreign Investment Certificate No. 474/BKHDT-DTRNN issued by the Ministry of Planning and Investment dated 31 October 2011 to invest and lease FSO to store and export crude oil (FSO "PTSC Bien Dong 01") for Bien Dong POC about crude oil exploitation at Blocks 05.2 & 05.3 offshore the continental shelf of Vietnam. 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. In 2022, following the internal reorganization within the Yinson Holdings Berhad group, Yinson Holdings Berhad already transferred all shares in PTSC SEA to Yinson Production Capital Private Limited (a sub-subsidiary company of Yinson Holdings Berhad), accordingly, Yinson Holdings Berhad already transferred all their rights and obligations in PTSC SEA to Yinson Production Capital Private Limited under the agreement among the Corporation, Yinson Holdings Berhad, Yinson Production Offshore Private Limited and Yinson Production Capital Private Limited. As at 30 June 2023 and 31 December 2022, the Corporation's capital contribution in PTSC SEA is USD16,320,000, equivalent to VND340,800,232,500.

- (iii) PTSC Asia Pacific Private Limited ("PTSC AP") is a jointly controlled venture company established by the Corporation and Yinson Holdings Berhad from 2012 under the Foreign Investment Certificate No. 561/BKHDT-DTRNN dated 19 October 2012 issued by the Ministry of Planning and Investment to contribute investment capital in floating storage, exportation and processing of oil (FPSO "PTSC Lam Son") for Lam Son Joint Operating Company (Lam Son JOC) rented for development services at Thang Long - Dong Do fields, Blocks 01/97 & 02/97, in the Cuu Long basin offshore Vietnam until 30 June 2017. From 1 July 2017, Petroleum Exploration and Production Corporation replaced, received rights and obligations of Lam Son JOC and continued to rent FPSO "PTSC Lam Son". 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. In 2018, the two joint venture parties reduced the capital contribution into PTSC AP from USD100,000,000 to USD60,000,000 at the same voting right and ownership. In 2022, following the internal reorganization within the Yinson Holdings Berhad group, Yinson Holdings Berhad already transferred all shares in PTSC AP to Yinson Production Capital Private Limited (a sub-subsidiary company of Yinson Holdings Berhad), accordingly, Yinson Holdings Berhad already transferred all their rights and obligations in PTSC AP to Yinson Production Capital Private Limited under the agreement among PTSC, Yinson Holdings Berhad, Yinson Production Offshore Private Limited and Yinson Production Capital Private Limited. As at 30 June 2023 and 31 December 2022, the Corporation's contributed capital in PTSC AP is USD30,600,000 equivalent to VND641,415,780,000.



## PETROVIETNAM TECHNICAL SERVICES CORPORATION

Form B 09a – DN

### 4 INVESTMENTS (continued)

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

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

- (iv) Malaysia Vietnam Offshore Terminal (Labuan) Limited ("MVOT") is a jointly controlled venture company established between the Corporation and its partner, Malaysia International Shipping Corporation Berhard ("MISC"), in 2009 to:
- invest in FSO to store and export oil (FSO "Orkid") with the capacity of 650,000 barrels of Repsol Oil & Gas Malaysia Limited renting for crude oil exploitation at PM-3 CAA field, offshore Malaysia in the commercial arrangement area between Malaysia and Vietnam from 2009 to 31 December 2027; and

- invest in FSO to store and export oil (FSO "Golden Star") with the capacity of 654,717 barrels of oil to Idemitsu Gas Production Vietnam Company Limited renting for crude oil exploitation at the Sao Vang Dai Nguyet field, Blocks 05-1b & 05-1c offshore Vietnam with the 7-year duration since November 2020 to November 2027 and can be extended for another 8 years.

As at 30 June 2023 and 31 December 2022, the Corporation's capital contribution in MVOT is USD17,258,911, equivalent to VND292,324,455,887.

- (v) Rong Doi MV12 Private Limited is a jointly controlled venture company established between the Corporation and its partner, Modec Inc., and Mitsui Company Limited (Both Modec, Inc. and Mitsui Company Limited are incorporated in Japan) in 2006 to invest in FSO "Rong Doi MV 12" with the capacity of 300,000 barrels of oil for Korea National Oil Corporation ("KNOC") to charter from 2007; to use for oil exploitation at Rong Doi field – Rong Doi Tay Blocks 11-2 offshore Vietnam. The lease term is 07 years fixed and is renewed each year until the expiry of the FSO's useful life. As at 30 June 2023 and 31 December 2022, the Corporation's capital contribution in Rong Doi MV12 Private Limited is USD6,600, equivalent to VND106,022,400.

- (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 30 June 2023 and 31 December 2022, the Corporation's contributed capital at PetroVietnam Marine Shipyard Joint Stock Company is VND171,957,430,000, accounting for 28.75% of charter capital.

# **PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09a – DN**

## **4 INVESTMENTS (continued)**

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

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

Details of investment in other entity are as follows:

Company	30.6.2023				31.12.2022					
	Ownership %	Voting right %	Cost value VND	Fair value VND	Provision VND	Ownership %	Voting right %	Cost value VND	Fair value VND	Provision VND
Nhon Trach Shipyard Joint Stock Company	1.49%	1.49%	3,000,000,000	(*)	(818,867,899)	1.49%	1.49%	3,000,000,000	(*)	(819,246,567)

(\*) As at 30 June 2023 and 31 December 2022, the Corporation had not determined the fair value of these investments for disclosure in the interim separate financial statements because they do not have listed prices. The fair value of such investments may be different from their book value.

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09a – DN**

**4 INVESTMENTS (continued)**

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

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

	<b>30.6.2023</b>		
	<b>Investments in subsidiaries VND</b>	<b>Investments in associates and joint ventures VND</b>	<b>Investments in other entity VND</b>
As at 1 January 2023	783,957,298,552	172,063,452,400	819,246,567
Additional provision (Note 30)	3,493,108,616	-	-
Reversal of provision (Note 30)	-	-	(378,668)
	<u>787,450,407,168</u>	<u>172,063,452,400</u>	<u>818,867,899</u>
As at 30 June 2023			<u>960,332,727,467</u>
			<u>956,839,997,519</u>
			<u>3,493,108,616</u>
			<u>(378,668)</u>
			<u>960,332,727,467</u>
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**5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE**

	<b>30.6.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties		
TPSK Consortium	81,737,038,681	254,999,413,327
Operating Office of Idemitsu Gas Production (Vietnam) Co., Ltd in Ho Chi Minh City	61,627,010,591	67,035,021,469
Allianz Marine Services LLC	45,538,870,895	23,228,572,500
Hibiscus Oil & Gas Malaysia Limited	41,816,161,661	11,216,690,810
Operating Office of Premier Oil Vietnam Offshore B.V. in Ho Chi Minh City	26,554,678,383	22,579,762,849
Icon Ship Management Sdn. Bhd.	20,657,194,690	-
Sea Energy Marine Services LLC	20,063,072,300	-
Lam Hong Diving Services Company Limited	18,610,204,982	12,953,532,326
Minh Anh Construction Joint Stock Company	16,669,265,711	16,669,265,711
Anh Phat Investment Construction - Trading Joint Stock Company	13,245,779,124	-
Others	104,290,276,887	142,989,090,298
	<u>450,809,553,905</u>	<u>551,671,349,290</u>
Related parties (Note 36(b))	2,566,781,328,020	2,592,128,088,474
	<u>3,017,590,881,925</u>	<u>3,143,799,437,764</u>

As at 30 June 2023 and 31 December 2022, the balances of short-term trade accounts receivable which were past due and were made provision of doubtful debts are presented in Note 9.

**6 PREPAYMENTS TO SUPPLIERS**

**(a) Short-term**

	<b>30.6.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Third parties		
Vietnam Machinery Installation Corporation	100,613,950,134	100,613,950,134
CN Company Limited	48,125,000,000	-
Black Cat Joint Stock Company	37,273,353,197	-
TH Vinasun Industrial Fans Manufacturing Company Limited	24,774,473,350	-
Shindong Brator Company Limited	23,945,630,038	-
My Dung Machine Company Limited	20,945,574,000	20,945,574,000
Compkorea Vina Co., Ltd	19,707,163,850	-
SCI E&C Joint Stock Company	13,588,401,409	13,588,401,409
Others	105,868,751,970	37,417,106,510
	<u>394,842,297,948</u>	<u>172,565,032,053</u>
Related parties (Note 36(b))	156,631,007,733	123,946,794,634
	<u>551,473,305,681</u>	<u>296,511,826,687</u>

As at 30 June 2023 and 31 December 2022, there was no balance short-term prepayments to suppliers that was past due or not past due but doubtful.

**6 PREPAYMENTS TO SUPPLIERS (continued)**

**(b) Long-term**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Third parties	-	485,669,637

As at 30 June 2023 and 31 December 2022, there was no balance long-term prepayments to suppliers that was past due or not past due but doubtful.

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

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Construction contracts-in-progress receivables	75,637,743,910	69,968,946,447
Construction contracts-in-progress payables	(616,798,885,574)	(17,741,336,460)
	<u>(541,161,141,664)</u>	<u>52,227,609,987</u>

In which:

Accumulated contract costs incurred plus recognized profits less recognized losses	8,093,828,040,610	8,090,392,632,584
Amount of progress billings	(8,634,989,182,274)	(8,038,165,022,597)
	<u>(541,161,141,664)</u>	<u>52,227,609,987</u>



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

The Corporation accounted for revenue, cost of sales following the accounting principles applied for construction contracts for the following projects:

	30.6.2023 VND	31.12.2022 VND
<b>Receivables</b>		
Sao Vang - Dai Nguyet pipeline project	72,326,230,914	66,657,433,451
NPK project	3,311,512,996	3,311,512,996
	<u>75,637,743,910</u>	<u>69,968,946,447</u>
<b>Payables</b>		
CHW2204 project	510,667,954,452	-
EPC Thi Vai LNG warehouse project	58,505,163,682	-
Thi Vai LPG tank project	47,625,767,440	-
Southern Petrochemical complex project	-	17,741,336,460
	<u>616,798,885,574</u>	<u>17,741,336,460</u>

**8 OTHER RECEIVABLES**

**(a) Short-term**

	30.6.2023		31.12.2022	
	Book value VND	Provision VND	Book value VND	Provision VND
Accrued revenue from rendering of services	147,315,059,570	-	96,629,950,266	-
Interest income	93,531,842,010	-	55,755,734,930	-
Receivables from subsidiaries	80,393,015,285	-	84,648,635,877	-
Receivables from contract penalties	-	-	30,702,486,737	-
Others	42,365,021,525	(15,118,850)	29,445,326,671	(8,017,050)
	<u>363,604,938,390</u>	<u>(15,118,850)</u>	<u>297,182,134,481</u>	<u>(8,017,050)</u>
In which:				
Third parties	245,072,594,093	(15,118,850)	176,390,722,155	(8,017,050)
Related parties (Note 36(b))	118,532,344,297	-	120,791,412,326	-
	<u>363,604,938,390</u>	<u>(15,118,850)</u>	<u>297,182,134,481</u>	<u>(8,017,050)</u>

As at 30 June 2023 and 31 December 2022, the balances of other short-term receivables which were past due and were made provision of doubtful debts are presented in Note 9.

**8 OTHER RECEIVABLES (continued)**

**(b) Long-term**

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Book value VND</b>	<b>Provision VND</b>	<b>Book value VND</b>	<b>Provision VND</b>
Deposits				
North East Sea Petroleum Transport Services Joint Stock Company	34,736,526,000	-	34,736,526,000	-
Long SBS Vietnam Joint Stock Company	30,573,790,000	-	30,573,790,000	-
Others	6,805,323,361	-	6,804,071,437	-
Related parties (Note 36(b)) (*)	358,891,628,649	-	358,891,628,649	-
	<u>431,007,268,010</u>	<u>-</u>	<u>431,006,016,086</u>	<u>-</u>

(\*) Other long-term receivables with a related party represent the value of internal receivables between the Corporation and PTSC Quang Ngai Joint Stock Company (Note 36(b)).

As at 30 June 2023 and 31 December 2022, there was no balances of other long-term receivables which were past due.

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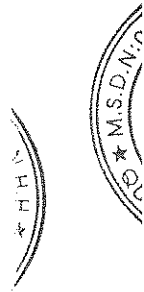
**9 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM**

**30.6.2023**

	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Overdue</b>
Third parties	6,706,798,772	2,373,628,788	4,333,169,984	Over 6 months - Over 3 years
Related parties				
PTSC CGGV Geophysical Survey Company Limited	75,067,614,298	-	75,067,614,298	Over 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	23,981,856,604	1,740,581,645	22,241,274,959	Over 6 months - Over 3 years
Management Board of Nghi Son Refinery and Petrochemical Complex Project	15,098,497,832	-	15,098,497,832	Over 3 years
Others	22,022,088,289	7,807,582,981	14,214,505,308	Over 6 months - Over 3 years
	<u>142,876,855,795</u>	<u>11,921,793,414</u>	<u>130,955,062,381</u>	

**31.12.2022**

	<b>Cost VND</b>	<b>Recoverable amount VND</b>	<b>Provision VND</b>	<b>Overdue</b>
Third parties	8,805,135,586	5,050,708,973	3,754,426,613	Over 6 months - Over 3 years
Related parties				
PTSC CGGV Geophysical Survey Company Limited	75,067,614,298	-	75,067,614,298	Over 3 years
PetroVietnam Fertilizer and Chemicals Corporation	52,754,137,292	21,424,354,454	31,329,782,838	Over 1 year - Over 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	22,948,318,009	431,474,670	22,516,843,339	Over 6 months - Over 3 years
Management Board of Nghi Son Refinery and Petrochemical Complex Project	15,098,497,832	-	15,098,497,832	Over 3 years
Others	77,410,857,300	61,008,941,733	16,401,915,567	Over 6 months - Over 3 years
	<u>252,084,560,317</u>	<u>87,915,479,830</u>	<u>164,169,080,487</u>	



**10 INVENTORIES**

**(a) Inventories**

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Cost VND</b>	<b>Provision VND</b>	<b>Cost VND</b>	<b>Provision VND</b>
Raw materials	10,799,456,023	(76,363,636)	15,477,483,995	(76,363,636)
Tools and supplies	1,721,716,790	-	1,858,260,472	-
Work in progress (*)	88,431,525,660	-	12,786,495,683	-
Merchandise	1,791,100,939	-	3,920,258,005	-
	<u>102,743,799,412</u>	<u>(76,363,636)</u>	<u>34,042,498,155</u>	<u>(76,363,636)</u>

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

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Supply of CHW2204 project	41,832,474,366	-
Supply of Thi Vai LPG Tank	39,413,012,244	-
Supply of technology service vessels	4,215,403,095	4,734,742,903
Supply of FPSO service	1,915,930,526	5,834,421,896
Others	1,054,705,429	2,217,330,884
	<u>88,431,525,660</u>	<u>12,786,495,683</u>

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

	<b>For the six-month period ended 30.6.2023 VND</b>	<b>For the year ended 31.12.2022 VND</b>
Beginning of period/year	76,363,636	76,363,636
Provisions	-	-
End of period/year	<u>76,363,636</u>	<u>76,363,636</u>

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

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

**11 PREPAID EXPENSES**

**(a) Short-term**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Tools and equipment	4,389,862,887	4,406,177,040
Insurance expense	5,075,650,781	1,773,791,463
Others	8,647,574,958	4,971,958,861
	<u>18,113,088,626</u>	<u>11,151,927,364</u>

**(b) Long-term**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Office rental expense at head office, No. 1-5 Le Duan street	259,699,901,964	263,185,980,666
Site clearance at Son Tra port	86,381,917,884	87,625,978,026
Repair and maintenance costs	34,637,639,836	36,688,662,260
Dredging cost at Vung Tau port	14,652,440,408	13,935,073,219
Software license	10,520,128,971	4,639,085,195
Tools and equipment	5,757,059,310	11,682,936,326
Prepayment for land rental at Son Tra port	2,942,076,805	2,984,373,691
Others	3,619,109,408	3,360,106,453
	<u>418,210,274,586</u>	<u>424,102,195,836</u>

Movement of long-term prepaid expenses during the accounting period/fiscal year is as follows:

	<b>For the six- month period ended 30.6.2023 VND</b>	<b>For the year ended 31.12.2022 VND</b>
Beginning of period/year	424,102,195,836	397,357,978,316
Increase	21,088,516,447	64,723,949,115
Allocation	(26,980,437,697)	(37,979,731,595)
End of period/year	<u>418,210,274,586</u>	<u>424,102,195,836</u>



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**12 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 2023	1,217,973,953,536	141,746,049,052	3,577,392,682,646	97,299,254,818	2,556,219,074	5,036,968,159,126
New purchases	-	402,961,263	2,342,544,326	5,822,279,091	145,000,000	8,712,784,680
Transfers from construction in progress (Note 14(b))	-	-	5,879,987,992	-	-	5,879,987,992
Other increase (*)	-	596,885,338	223,241,875,456	-	-	223,838,760,794
Disposals	(44,090,909)	(576,896,965)	(9,224,305,077)	(3,133,315,313)	-	(12,978,608,264)
As at 30 June 2023	1,217,929,862,627	142,168,998,688	3,799,632,785,343	99,988,218,596	2,701,219,074	5,262,421,084,328
<b>Accumulated depreciation</b>						
As at 1 January 2023	889,579,697,434	137,647,819,073	2,714,708,309,130	92,610,512,423	2,283,216,423	3,836,829,554,483
Charge for the period	9,599,462,122	682,020,189	61,147,346,090	1,837,909,385	127,318,604	73,394,056,390
Other increase (*)	-	596,885,338	223,241,875,456	-	-	223,838,760,794
Disposals	(44,090,909)	(576,896,965)	(9,224,305,077)	(3,133,315,313)	-	(12,978,608,264)
As at 30 June 2023	899,135,068,647	138,349,827,635	2,989,873,225,599	91,315,106,495	2,410,535,027	4,121,083,763,403
<b>Net book value</b>						
As at 1 January 2023	328,394,256,102	4,098,229,979	862,684,373,516	4,688,742,395	273,002,651	1,200,138,604,643
As at 30 June 2023	318,794,793,980	3,819,171,053	809,759,559,744	8,673,112,101	290,684,047	1,141,337,320,925

**12 FIXED ASSETS (continued)**

**(a) Tangible fixed assets (continued)**

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 30 June 2023 was VND3,538 billion (as at 31 December 2022: VND3,324 billion).

As at 30 June 2023, the Corporation has pledged its tangible fixed assets formed from borrowings as collateral assets for the borrowings of the Corporation (Note 22) whose historical cost is VND1,073 billion (as at 31 December 2022: VND1,092 billion).

(\*) According to Decision No. 200/QĐ-PTSC dated 31 March 2023, Labuan Petroleum Technical Services Company Limited (one subsidiary of the Corporation) transferred PTSC Hai Phong vessel (IMO number: 9541186) to the Corporate from 1<sup>st</sup> May 2023.

**(b) Intangible fixed assets**

	Land use rights VND	Software VND	Other VND	Total VND
<b>Historical cost</b>				
As at 1 January 2023				
and 30 June 2023	50,773,905,500	42,362,671,710	132,000,000	93,268,577,210
<b>Accumulated amortisation</b>				
As at 1 January 2023	432,008,650	37,855,762,718	132,000,000	38,419,771,368
Charge for the period	13,102,200	866,944,124	-	880,046,324
Disposals	-	-	-	-
As at 30 June 2023	445,110,850	38,722,706,842	132,000,000	39,299,817,692
<b>Net book value</b>				
As at 1 January 2023	50,341,896,850	4,506,908,992	-	54,848,805,842
As at 30 June 2023	50,328,794,650	3,639,964,868	-	53,968,759,518

The historical cost of intangible fixed assets that were fully amortised but still in use as at 30 June 2023 was VND35 billion (as at 31 December 2022: VND35 billion).

**13 INVESTMENT PROPERTIES**

**Buildings and  
structures  
VND**

**Historical cost**

As at 1 January 2023 and 30 June 2023

49,793,402,682

**Accumulated depreciation**

As at 1 January 2023

18,672,526,054

Charge for the period

1,244,835,072

As at 30 June 2023

19,917,361,126

**Net book value**

As at 1 January 2023

31,120,876,628

As at 30 June 2023

29,876,041,556

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

In the six-month period ended 30 June 2023, revenue from investment properties is VND2,892,000,000 (in the six-month period ended 30 June 2022: VND2,628,000,000). Direct expenses incurred from investment properties relating to revenue from leasing in period are VND1,244,835,072 (in the six-month period ended 30 June 2022: VND1,244,835,070).

The Corporation has not been able to collect sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 30 June 2023 has not been disclosed in the interim separate financial statements.

**14 LONG-TERM ASSETS IN PROGRESS**

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

	As at 30.6.2023		As at 31.12.2022	
	Cost VND	Recoverable amount VND	Cost VND	Recoverable amount VND
Long Phu 1 Thermal Power Plant Project	301,308,440,489	-	301,308,440,489	-

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

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

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

**(b) Construction in progress**

Details of construction in progress are as below:

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Expansion project in Vung Tau port	13,081,813,382	869,298,935
Warehouse construction at Hon La Port, Quang Binh province	8,712,487,050	287,935,740
Dung Quat Berth No.3 Project, Quang Ngai province	2,453,550,074	1,247,446,189
Services vessels 5000 - 6000 BHP	-	5,921,600,651
Others	4,499,996,452	297,685,185
	<u>28,747,846,958</u>	<u>8,623,966,700</u>

Movements of construction in progress during the accounting period/fiscal year are as follows:

	<b>For the six-month period ended 30.6.2023 VND</b>	<b>For the year ended 31.12.2022 VND</b>
Beginning of period/year	8,623,966,700	49,961,395,703
Increase	26,003,868,250	8,617,197,697
Transferred to tangible fixed assets (Note 12(a))	(5,879,987,992)	(490,941,200)
Transferred to intangible fixed assets	-	(49,463,685,500)
End of period/year	<u>28,747,846,958</u>	<u>8,623,966,700</u>

**15 DEFERRED INCOME TAX ASSETS**

The details of deferred income tax assets were as follows:

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Deferred income tax assets:		
Deferred income tax assets to be recovered after more than 12 months	<u>16,884,378,196</u>	<u>23,864,702,443</u>

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

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Accrued expenses and provisions for liabilities	17,937,562,094	33,675,124,188
Gain from foreign currency translation at period/year end	<u>(1,053,183,898)</u>	<u>(9,810,421,745)</u>
	<u>16,884,378,196</u>	<u>23,864,702,443</u>

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

	<b>For the six-month period ended 30.6.2023 VND</b>	<b>For the year ended 31.12.2022 VND</b>
Beginning of period/year	23,864,702,443	83,565,571,486
Separate income statement charged	<u>(6,980,324,247)</u>	<u>(59,700,869,043)</u>
End of period/year	<u>16,884,378,196</u>	<u>23,864,702,443</u>

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

**15 DEFERRED INCOME TAX ASSETS (continued)**

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

<b>Year of tax loss</b>	<b>Losses incurred VND</b>	<b>Losses utilised VND</b>	<b>Losses carried forward VND</b>
Year 2019	292,090,335,343	-	292,090,335,343
Year 2020	149,826,716,178	-	149,826,716,178
Year 2022	286,231,175,562	-	286,231,175,562
Six-month period ended 30.6.2023	67,797,338,963	-	67,797,338,963

The Corporation did not recognise deferred income tax assets relating to the above tax losses carried forward due to the Board of Management assessed that the realisation of the sufficient related tax benefit through future taxable income from the main operating activities currently cannot be assessed as probable.

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## **16 SHORT-TERM TRADE ACCOUNTS PAYABLE**

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Value VND</b>	<b>Able-to-pay amount VND</b>	<b>Value VND</b>	<b>Able-to-pay amount VND</b>
<b>Third parties</b>				
Technip Energies (M) Sdn Bhd	105,044,463,050	105,044,463,050	-	18,153,966,725
Black Cat Insulation Technical Joint Stock Company	60,655,405,387	60,655,405,387	18,153,966,725	59,992,827,687
Vietnam Machinery Installation Corporation - Joint Stock Company	59,836,450,988	59,836,450,988	59,992,827,687	82,840,477,412
Hai Duong Petroleum and Marine Corporation	48,728,068,620	48,728,068,620	82,840,477,412	45,772,580,686
SCI E&C Joint Stock Company	45,772,580,686	45,772,580,686	45,772,580,686	49,357,246,410
Asia Investment and Asset Management Joint Stock Company	34,603,857,299	34,603,857,299	49,357,246,410	41,563,025,000
North East Sea Petroleum Transport Services Joint Stock Company	29,482,062,500	29,482,062,500	41,563,025,000	-
Company	27,671,393,375	27,671,393,375	-	23,028,036,135
Asia Pacific Marine Contractor Company Limited	23,028,036,135	23,028,036,135	23,028,036,135	15,595,152,897
Fecon Corporation	20,039,885,548	20,039,885,548	15,595,152,897	-
Lam Hong Diving Service Company Limited	18,197,293,225	18,197,293,225	-	14,888,082,164
Tumpuan Megah Development Sdn Bhd	14,900,630,063	14,900,630,063	14,888,082,164	14,340,535,272
Black & Veatch International Company	14,620,181,974	14,620,181,974	14,340,535,272	12,412,981,569
Hoang Lien Son Construction Company Limited	12,412,981,569	12,412,981,569	12,412,981,569	10,017,567,878
Minh Anh Construction Joint Stock Company	-	-	-	11,993,079,353
Truong Sa Marine Products One Member Limited Liability Company	12,250,299,174	12,250,299,174	10,017,567,878	42,062,400,000
Company	12,003,187,300	12,003,187,300	11,993,079,353	4,761,720,000
Toisa Limited	11,359,913,266	11,359,913,266	42,062,400,000	10,139,686,237
Saigon Shipyard Company Limited	11,280,922,210	11,280,922,210	4,761,720,000	16,019,674,857
Vina Logistics Joint Stock Company	10,139,686,237	10,139,686,237	10,139,686,237	18,762,236,392
Bach Dang Construction Corporation Joint Stock Company	9,163,658,248	9,163,658,248	16,019,674,857	298,189,973,386
Long SBS Vietnam Joint Stock Company	-	-	18,762,236,392	789,891,250,060
Technip Vietnam Company Limited	248,977,511,515	248,977,511,515	298,189,973,386	1,760,631,682,268
Others	-	-	-	2,550,522,932,328
	830,168,468,369	830,168,468,369	789,891,250,060	
	1,879,601,100,853	1,879,601,100,853	1,760,631,682,268	
<b>Related parties (Note 36(b))</b>				
	2,709,769,569,222	2,709,769,569,222	2,550,522,932,328	

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**17 ADVANCES FROM CUSTOMERS**

**(a) Short-term**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Third parties		
Yunnan (HongKong) Logistics Development Limited	16,117,443,493	16,117,443,493
Phu Bia Mining Limited	12,218,739,743	13,819,167,108
Sea Energy Marine Services LLC	7,857,000,000	-
Vientiane Hongshi Saythirath Cement Company Limited	6,107,570,056	6,107,570,056
Anh Phat Investment Construction - Trading Joint Stock Company	4,491,624,701	20,878,500,000
Others	8,220,893,015	9,832,877,819
	<u>55,013,271,008</u>	<u>66,755,558,476</u>
Related parties (Note 36(b))	<u>45,420,772,111</u>	<u>62,415,024,609</u>
	<u><u>100,434,043,119</u></u>	<u><u>129,170,583,085</u></u>

**(b) Long-term**

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

- The advances from Long Phu 1 Power Plant Project Management Board for the Long Phu 1 Thermal Plant project with the balance as at 30 June 2023 and 31 December 2022 of VND781,044,054,435 (Note 36(b)); and
- The advances from PetroVietnam Gas Joint Stock Corporation for the Thi Vai LPG Tank project with the balance as at 30 June 2023 of VND138,143,773,227 (Note 36(b)).



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## **18 TAX AND OTHER PAYABLES TO THE STATE**

	<b>30.6.2023</b>	<b>31.12.2022</b>
	<b>VND</b>	<b>VND</b>
CIT	55,839,007,024	13,321,091,721
Value added tax ("VAT")	2,480,146,183	20,977,842,437
Personal income tax ("PIT")	2,487,418,466	3,032,551,965
Others	2,125,446,259	7,104,119,766
	<u>62,932,017,932</u>	<u>44,435,605,889</u>

Movements of taxes and other payables to the State are as follows:

	<b>As at</b>	<b>As at</b>
	<b>1.1.2023</b>	<b>30.6.2023</b>
	<b>VND</b>	<b>VND</b>
CIT	13,321,091,721	55,839,007,024
VAT	20,977,842,437	2,480,146,183
PIT	3,032,551,965	2,487,418,466
Others	7,104,119,766	2,125,446,259
	<u>44,435,605,889</u>	<u>62,932,017,932</u>
	<u>220,913,516,614</u>	<u>(202,417,104,571)</u>
		<u>(50,451,195,067)</u>
		<u>(66,154,372,278)</u>
		<u>(60,495,849,081)</u>
		<u>(25,315,688,145)</u>

19 SHORT-TERM ACCRUED EXPENSES

	30.6.2023 VND	31.12.2022 VND
Cost of Southern Petrochemical Complex project	239,203,952,383	352,855,685,517
Cost of Sao Vang - Dai Nguyet pipeline project	88,322,620,545	81,238,827,456
Cost of LNG Thi Vai warehouse EPC project	69,674,173,165	59,091,658,260
Cost of PVN 15 project	42,235,003,605	42,235,003,605
Cost of fuel supply for Repsol	37,365,821,803	-
Cost of supply technology service vessels	28,476,047,567	20,955,153,093
Cost of vessels for Nghi Son Refinery and Petrochemical LLC project	15,609,570,782	12,575,757,105
Cost of project CHW2204	14,230,952,108	-
Cost of petroleum pipeline from Nghi Son Refinery and Petrochemical LLC to Anh Phat Petroleum Depot project	14,125,230,274	5,265,673,175
Cost of Long Phu 1 Thermal Power Plant project	1,675,927,248	10,332,910,546
Cost of land rental	31,283,996,965	-
Cost of Petro Hotel Vung Tau rental	15,073,500,000	10,049,000,000
Others	25,769,652,846	38,980,950,831
	<u>623,046,449,291</u>	<u>633,580,619,588</u>

**20 OTHER SHORT-TERM PAYABLES**

**(a) Short-term**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Vietnam Shipbuilding Industry Corporation (i)	430,536,920,176	430,146,510,262
Dividend payables to non-custodial shareholders (ii)	8,626,337,174	8,638,864,374
Payable to employees	7,399,309,413	3,946,999,180
Others	21,407,822,952	16,631,264,976
Related parties (Note 36(b))	34,546,920,868	37,730,593,429
	<u>502,517,310,583</u>	<u>497,094,232,221</u>

(i) Payable to Vietnam Shipbuilding Industry Corporation is 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. Currently, both parties are carrying out the procedures to finalize the contract for payment of this amount.

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

**(b) Long-term**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Related parties (Note 36(b)) (*)	<u>69,473,052,000</u>	<u>69,473,052,000</u>

(\*) Long-term other payables to related party represent the deposit of the Branch of PetroVietnam Gas Corporation – Gas Trading Company for the supply of vessels and operation services of LPG storage vessels in the Northern region in 3 years in accordance with the Contract No. 36/HDKN/2021/KDK-PTSC/04 dated 31 March 2021.

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## **21 BORROWINGS**

### **(a) Short-term**

	As at 1.1.2023 VND	New drawdowns during the year VND	Repaid during the year VND	Current portion of long-term borrowings VND	As at 30.6.2023 VND
Bank borrowings	93,369,322,284		(47,004,409,224)	49,263,856,297	95,628,769,357

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

	As at 1.1.2023 VND	New drawdowns during the year VND	Repaid during the year VND	Current portion of long-term borrowings VND	As at 30.6.2023 VND
Bank borrowings	536,945,749,532	4,476,473,095	-	(49,263,856,297)	492,158,366,330

Long-term borrowings represent 3 credit facilities from commercial banks in Vietnam, in which:

- Credit facility 1 is in VND with the credit limit of more than VND675 billion and will be matured in 120 months since 2018;
- Credit facility 2 is in VND with the credit limit of more than VND692 billion and will be matured in 96 months since 2021; and
- Credit facility 3 is in VND with the credit limit of more than VND19 billion and will be matured in 84 months since 2022.

**21 BORROWINGS (continued)**

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

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

The interest of long-term borrowings in VND ranged from 7% per annum to 12.17% per annum in the six-month period ended 30 June 2023 (in the year ended 31 December 2022: from 7% per annum to 12.17% per annum).

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

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

	30.6.2023 VND	31.12.2022 VND
Within one year	95,628,769,357	93,369,322,284
In the second year	97,248,720,266	96,146,380,985
In the third to fifth year	291,746,160,798	288,439,142,956
After five years	103,163,485,266	152,360,225,591
	<hr/>	<hr/>
Payment within 12 months	95,628,769,357	93,369,322,284
	<hr/>	<hr/>
	587,787,135,687	630,315,071,816
	<hr/>	<hr/>

**22 PROVISIONS FOR OTHER LIABILITIES**

**(a) Short-term**

	30.6.2023 VND	31.12.2022 VND
Provision for:		
Guarantee obligation (i)	326,149,301,398	325,874,649,355
Operation and maintenance of FPSO Lam Son (ii)	41,579,866,001	41,579,866,001
Provision for construction warranty of (iii):		
NH3 project	8,968,271,611	9,817,750,067
NPK project	1,909,520,862	2,844,543,670
Provision for periodic overhaul of service vessels (iv)	11,000,000,000	11,000,000,000
	<hr/>	<hr/>
	389,606,959,872	391,116,809,093
	<hr/>	<hr/>

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

**(b) Long-term**

	<b>30.6.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
Provision for construction warranty (iii) of:		
Sao Vang - Dai Nguyet pipeline project	66,621,273,873	66,621,273,873
LNG Thi Vai warehouse EPC project	51,362,076,637	51,362,076,637
	<u>117,983,350,510</u>	<u>117,983,350,510</u>

- (i) Provisions for guarantee obligations are made against the Corporation's guarantee obligations for PTSC CGGV's borrowing balance with CGG Holding BV, a foreign company that contributes capital to the establishment of PTSC CGGV. As at 30 June 2023, the borrowing balance of PTSC CGGV is USD 26,926,670.91. As described in Note 4(b), PTSC CGGV has ceased its operations and is implementing the necessary procedures for dissolution. The Corporation assesses the possibility that this subsidiary can repay the above borrowing is uncertain.
- (ii) Provision for operation and maintenance costs of FPSO Lam Son is the value that the Corporation is payable to PetroVietnam Exploration and Development Corporation ("PVEP") in relation to the Settlement Agreement for the contract signed between the Corporation and Lam Son Joint Operating Company ("Lam Son JOC"), a joint venture between PVEP and Petronas.
- (iii) Provision for construction warranty is made for warranty obligations according to the terms and conditions of EPC contracts with customers, from 1% to 3% of the contract value.
- (iv) Provisions for periodic overhaul of service vessels represents the provision made annually based on the approved budget cost until the year when the overhaul is expected to occur. In the year when the overhaul occurs, if the actual overhaul cost is greater than the approved budget cost or vice versa, the difference is recorded in the income statement of respective accounting period.

**23 BONUS AND WELFARE FUND**

	<b>For the six- month period ended 30.6.2023</b> <b>VND</b>	<b>For the year ended 31.12.2022</b> <b>VND</b>
Beginning of period/year	440,813,968,521	341,612,635,109
Appropriation from undistributed earnings (Note 25)	212,973,083,112	187,400,000,003
Utilisation	(96,972,078,362)	(88,198,666,591)
End of period/year	<u>556,814,973,271</u>	<u>440,813,968,521</u>

**24 OWNERS' CAPITAL**

**(a) Number of shares**

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Ordinary shares</b>	<b>Preference shares</b>	<b>Ordinary shares</b>	<b>Preference shares</b>
Number of shares registered	477,966,290	-	477,966,290	-
Number of shares issued	477,966,290	-	477,966,290	-
Number of existing shares in circulation	477,966,290	-	477,966,290	-

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

	<b>30.6.2023</b>		<b>31.12.2022</b>	
	<b>Ordinary shares</b>	<b>%</b>	<b>Ordinary shares</b>	<b>%</b>
Vietnam Oil and Gas Group	245,565,000	51.38	245,565,000	51.38
Others	232,401,290	48.62	232,401,290	48.62
Number of shares	477,966,290	100	477,966,290	100

**(c) Movement of share capital**

	<b>Number of shares</b>	<b>Ordinary shares VND</b>	<b>Total VND</b>
As at 1 January 2022	477,966,290	4,779,662,900,000	4,779,662,900,000
As at 31 December 2022	477,966,290	4,779,662,900,000	4,779,662,900,000
As at 30 June 2023	477,966,290	4,779,662,900,000	4,779,662,900,000

The par value of each share is VND10,000.

The Corporation does not have any preference shares.

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## **25 MOVEMENTS IN OWNERS' EQUITY**

	Owners' capital VND	Share premium VND	Investment and development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2022	4,779,662,900,000	39,617,060,000	2,712,437,009,213	782,235,666,962	8,313,952,636,175
Net profit for the year	-	-	-	692,644,851,150	692,644,851,150
Appropriation to investment and development fund	-	-	125,000,000,000	(125,000,000,000)	-
Appropriation to bonus and welfare fund (Note 24)	-	-	-	(187,400,000,003)	(187,400,000,003)
Dividends paid	-	-	-	(382,373,032,000)	(382,373,032,000)
As at 31 December 2022	4,779,662,900,000	39,617,060,000	2,837,437,009,213	780,107,486,109	8,436,824,455,322
Net profit for the period	-	-	-	372,530,878,508	372,530,878,508
Appropriation to investment and development fund (*)	-	-	232,558,000,000	(232,558,000,000)	-
Appropriation to bonus and welfare fund (Note 24) (*)	-	-	-	(212,973,083,112)	(212,973,083,112)
As at 30 June 2023	4,779,662,900,000	39,617,060,000	3,069,995,009,213	707,107,281,505	8,596,382,250,718

(\*) According to the Resolution 308/NQ-PTSC-ĐHĐCĐ dated 29 May 2023 of the Corporation's Shareholders Annual General Meeting, the shareholders approved the dividend of 2022 with the rate of 7% in cash equivalent to VND334,576,403,000; and appropriation to bonus and welfare fund; appropriation to reward fund for Board of Management with the amount of VND212,973,083,112 and investment and development fund of VND232,558,000,000, respectively. As at 30 June 2023, the Corporation has not completed the procedures to pay dividends to shareholders, therefore, the amount of dividends payables according to the Resolution 308/NQ-PTSC-ĐHĐCĐ have been recorded based on the accounting policy presented in note 2.20.



**26 OFF INTERIM SEPARATE BALANCE SHEET ITEMS**

**(a) Foreign currencies**

As at 30 June 2023 and 31 December 2022, included in cash and cash equivalents are balances held in following foreign currencies:

	30.6.2023	31.12.2022
US Dollar (USD)	90,475,599	38,777,585
British Pound (GBP)	244,698	244,701
Russian Rubble (RUB)	1,531,157	1,531,537

**(b) Commitments under operating leases**

The future minimum lease receipts under non-cancellable operating leases were presented in Note 37(a).

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

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 VND
<b>Revenue</b>		
Revenue from rendering of services	1,846,163,738,583	1,738,988,407,356
Revenue from construction contracts	585,000,485,046	599,271,081,511
	<u>2,431,164,223,629</u>	<u>2,338,259,488,867</u>
<b>Sales deductions</b>	-	-
<b>Net revenue from sales of goods and rendering of services</b>		
Net revenue from rendering of services	1,846,163,738,583	1,738,988,407,356
Net revenue from sales of construction contracts (*)	585,000,485,046	599,271,081,511
	<u>2,431,164,223,629</u>	<u>2,338,259,488,867</u>

(\*) In which:

	30.6.2023 VND	30.6.2022 VND
Accumulated revenue from completed construction contracts during the period	-	-
Accumulated revenue from in progress construction contracts during the period	<u>7,958,917,281,326</u>	<u>6,550,261,969,685</u>

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

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
Cost of services rendered	1,752,804,113,609	1,648,938,741,786
Cost of construction contracts	587,635,075,225	586,427,866,887
	<u>2,340,439,188,834</u>	<u>2,235,366,608,673</u>

**29 FINANCIAL INCOME**

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
Dividend and profit distributed (Note 36(a))	540,236,400,000	702,412,500,000
Interest income	152,961,244,842	62,404,586,217
Foreign exchange gains	14,673,637,670	37,462,074,560
Other	214,200	755,850
	<u>707,871,496,712</u>	<u>802,279,916,627</u>

**30 FINANCIAL EXPENSES**

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
Interest expense	32,554,570,510	19,237,028,543
Foreign exchange losses	9,324,147,871	4,114,383,387
Provision/(reversal of provision) for diminution value of investments (Note 4(b))	3,492,729,948	(4,146,727,381)
Other	-	464,000,000
	<u>45,371,448,329</u>	<u>19,668,684,549</u>

**31 SELLING EXPENSES**

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
Marketing expenses	8,854,649,142	5,410,439,273
Others	11,019,502,972	9,807,306,300
	<u>19,874,152,114</u>	<u>15,217,745,573</u>

**32 GENERAL AND ADMINISTRATION EXPENSES**

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
Staff costs	173,312,657,383	252,089,278,240
Outside services	88,531,389,271	61,436,635,214
Provision for guarantee obligation and doubtful debts	(32,939,366,063)	15,225,042,338
Depreciation and amortisation	5,790,619,454	3,862,383,124
Others	24,136,766,056	44,627,693,906
	<u>258,832,066,101</u>	<u>377,241,032,822</u>

**33 NET (OTHER EXPENSES) AND OTHER INCOME**

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
<b>Other income</b>		
Gain on disposal of fixed assets	1,900,725,456	12,636,561,480
Fines, compensation and bonus income	56,734,924	272,000,000
Others	90,115,148	224,386,747
	<u>2,047,575,528</u>	<u>13,132,948,227</u>
<b>Other expenses</b>		
Other penalties	(1,149,812,797)	(607,850,926)
Others	(2,936,314,569)	(2,156,233,794)
	<u>(4,086,127,366)</u>	<u>(2,764,084,720)</u>
	<u>(2,038,551,838)</u>	<u>10,368,863,507</u>

### 34 CORPORATE INCOME TAX ("CIT")

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

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 VND
Accounting profit before tax	472,480,313,125	503,414,197,384
Adjustment decreases	(545,502,319,628)	(799,847,950,373)
Adjustment increases	5,224,667,540	10,202,577,427
Loss from domestic business activities	(67,797,338,963)	(286,231,175,562)
Tax rate	20%	20%
CIT from domestic business activities	-	-
Taxable income from profit sharing from overseas investments	517,082,400,000	682,012,500,000
Tax rate	20%	20%
Adjustment for tax paid overseas	103,416,480,000 (10,447,369,630)	136,402,500,000 (10,273,759,292)
CIT from profit sharing from overseas investments	92,969,110,370	126,128,740,708
CIT current(*)	92,969,110,370	126,128,740,708

(\*) The CIT charge is temporarily calculated on the taxable income for the first six-month period in 2023 of the Corporation and may be adjusted when Corporation make CIT finalization at the end of year 2023.

### 35 COSTS OF OPERATION BY FACTOR

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

	For the six-month period ended	
	30.6.2023 VND	30.6.2022 VND
Raw materials	135,428,418,491	149,178,095,488
Staff costs	441,391,055,317	457,587,189,305
Depreciation and amortisation expenses	75,518,937,786	82,245,317,663
Cost of construction contracts	645,387,351,996	1,273,911,728,840
Outside services	1,271,128,348,948	586,427,866,887
Others	54,377,421,877	81,239,273,575
	2,623,231,534,415	2,630,589,471,758

**36 RELATED PARTY DISCLOSURES**

The largest shareholder of the Corporation is PVN which owns 51.38% of the Corporation's share capital (Note 24).

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 period, the Corporation also has balances and transactions with below parties:

<b>Name</b>	<b>Relationship</b>
Vietnam Oil and Gas Group	Parent company
PTSC Ca Rong Do Limited	Company in PVN Group
PetroVietnam Exploration Production Corporation	Company in PVN Group
PetroVietnam Domestic Exploration Production Operating Company Limited	Company in PVN Group
Foreign Petroleum Exploration and Exploitation Operations One Member LLC	Company in PVN Group
PetroVietnam Drilling and Well Services Corporation	Company in PVN Group
PetroVietnam Transportation Corporation	Company in PVN Group
PetroVietnam Construction Joint Stock Company	Company in PVN Group
PetroVietnam Fertilizer and Chemicals Corporation	Company in PVN Group
Vietnam - Russia Joint Venture Vietsovpetro	Company in PVN Group
PetroVietnam Oil Corporation	Company in PVN Group
PetroVietnam Power Corporation	Company in PVN Group
Binh Son Oil Refinery Company Limited	Company in PVN Group
PVI Insurance Corporation	Company in PVN Group
Petroleum Design Consulting Corporation	Company in PVN Group
PetroVietnam Maintenance - Repair Corporation	Company in PVN Group
Nghi Son Refining and Petrochemical Company Limited	Company in PVN Group
Nghi Son Refinery and Petrochemical Complex Project Management Board	Company in PVN Group
Bien Dong Petroleum Operating Company	Company in PVN Group
Long Phu 1 Power Plant Project Management Board	Company in PVN Group
PetroVietnam Gas Corporation	Company in PVN Group

**36 RELATED PARTY DISCLOSURES (continued)**

**(a) Related party transactions**

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

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b>	<b>30.6.2022</b>
	<b>VND</b>	<b>VND</b>
<b>i) Revenue from sale of goods and rendering of services</b>		
PetroVietnam Gas Joint Stock Corporation	429,015,403,315	383,278,752,446
PetroVietnam Exploration Production Corporation	407,314,830,512	369,390,743,263
Bien Dong Petroleum Operating Company	235,212,271,333	211,958,323,586
Nghi Son Refinery and Petrochemical Limited Liability Company	187,475,014,237	195,929,600,037
Malaysia Vietnam Offshore Terminal (Labuan) Limited	44,734,526,033	44,265,596,006
PetroVietNam Drilling and Well Services Joint Stock Company	30,362,102,246	10,780,828,575
Russia-Vietnam Joint Venture - Vietsovpetro	13,764,822,156	15,339,536,680
PTSC Ca Rong Do Limited	-	12,495,909,132
Other PVN Group companies	24,688,954,942	54,645,607,884
Subsidiaries:		
PTSC Mechanical & Construction Company Limited	78,199,227,506	30,305,687,080
PTSC Offshore Services Joint Stock Company	5,790,800,018	23,552,462,512
PTSC Thanh Hoa Technical Services Company	2,143,360,871	7,954,301,022
PTSC Geos & Subsea Services Company Limited	7,192,244,816	955,610,923
Other subsidiaries	12,183,871,945	10,765,726,809
	<b>1,478,077,429,930</b>	<b>1,371,618,685,955</b>
<b>ii) Income from dividends and profit distribution (Note 29)</b>		
Vietnam Offshore Floating Terminal (Ruby) Limited	422.100.000.000	414.900.000.000
PTSC Asia Pacific Private Limited	94.982.400.000	174.496.500.000
PTSC South East Asia Private Limited	-	92.616.000.000
Subsidiaries:		
PTSC Production Services Joint Stock Company	20.400.000.000	20.400.000.000
Petro Vietnam Security Joint Stock Company	2.754.000.000	-
	<b>540.236.400.000</b>	<b>702.412.500.000</b>

**36 RELATED PARTY DISCLOSURES (continued)**

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

	<b>For the six-month period ended</b>	
	<b>30.6.2023</b> <b>VND</b>	<b>30.6.2022</b> <b>VND</b>
<b>iii) Purchase of goods and services</b>		
PTSC Asia Pacific Private Limited	212,838,808,000	207,343,376,000
PTSC South East Asia Private Limited	99,533,045,975	84,032,667,450
Other PVN Group companies	76,558,108,835	72,178,695,078
Subsidiaries:	-	-
PTSC Production Services Joint Stock Company	199,394,524,255	188,050,685,650
PTSC Thanh Hoa Technical Services Company	183,323,233,461	185,619,196,829
PTSC Offshore Services Joint Stock Company	78,646,513,376	127,189,864,679
PTSC Quang Ngai Joint Stock Company	36,163,749,355	143,395,657,665
Other subsidiaries	44,445,687,577	21,734,867,737
	<u>930,903,670,834</u>	<u>1,029,545,011,088</u>
<b>iv) Compensation of key management</b>		
Gross salaries and other benefits	<u>29,425,801,000</u>	<u>26,773,053,000</u>
In which:		
Mr. Phan Thanh Tung - Chairman of BOD	2,771,772,000	2,350,149,000
Mr. Le Manh Cuong - Chief Executive Officer	2,646,433,000	2,266,550,000
Mr. Do Quoc Hoan - Member of BOD	2,178,513,000	1,953,382,000
Mr. Nguyen Xuan Ngoc - Member of BOD	2,016,057,000	1,812,313,000
Mr. Tran Ngoc Chuong - Member of BOD	1,452,566,000	1,590,977,000
Others	<u>18,360,460,000</u>	<u>16,799,682,000</u>

**PETROVIETNAM TECHNICAL SERVICES CORPORATION**

**Form B 09a – DN**

**36 RELATED PARTY DISCLOSURES (continued)**

**(b) Period/year end balances with related parties**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
<b>i) Short-term trade accounts receivable (Note 5)</b>		
PetroVietnam Exploration Production Corporation	1,657,524,291,287	1,659,555,532,848
PetroVietnam Gas Joint Stock Corporation	334,242,389,957	282,200,432,347
PetroVietnam Long Phu 1 Power Project Management Board	160,999,734,380	157,176,228,387
Bien Dong Petroleum Operating Company	75,093,520,562	61,125,875,502
Nghi Son Refinery and Petrochemical Limited Liability Company	63,376,462,202	64,546,738,628
Nghi Son Refinery and Petrochemical Complex Project Management Board	37,203,110,659	37,203,110,659
PetroVietnam Domestic Exploration Production Operating Company Limited	31,703,511,473	32,786,473,484
PetroVietnam Drilling and Well Services Joint Stock Company	26,222,079,280	26,995,413,657
Malaysia Vietnam Offshore Terminal (Labuan) Limited	14,571,641,117	26,587,256,702
PetroVietnam Fertilizer and Chemicals Corporation	3,687,156,200	52,769,664,452
Other PVN Group companies	22,688,594,506	30,037,242,189
Subsidiaries:		
PTSC CGGV Geophysical Survey Company Limited	75,067,614,298	75,067,614,298
PTSC Mechanical & Construction Company Limited	29,114,959,743	24,581,025,494
PTSC Geos & Subsea Services Company Limited	13,508,481,651	8,737,210,174
PTSC Offshore Services Joint Stock Company	8,719,161,843	33,975,342,038
PTSC Quang Ngai Joint Stock Company	8,501,060,272	8,859,882,764
PTSC Thanh Hoa Technical Services Company	1,443,333,751	5,207,599,531
Other subsidiaries	3,114,224,839	4,715,445,320
	<u>2,566,781,328,020</u>	<u>2,592,128,088,474</u>
<b>ii) Short-term prepayments to suppliers (Note 6(a))</b>		
PetroVietnam Marine Shipyard Joint Stock Company	656,970,823	1,165,458,676
Subsidiaries:		
PTSC Offshore Services Joint Stock Company	69,885,651,056	72,826,191,875
PTSC Quang Ngai Joint Stock Company	50,878,617,311	22,471,006,775
PTSC Thanh Hoa Technical Services Company	35,209,768,543	27,484,137,308
	<u>156,631,007,733</u>	<u>123,946,794,634</u>



**36 RELATED PARTY DISCLOSURES (continued)**

**(b) Period/year end balances with related parties (continued)**

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
<b>iii) Other short-term receivables (Note 8(a))</b>		
Vietnam Oil and Gas Group	10,632,042,898	10,632,042,898
Nghi Son Refinery and Petrochemical Limited Liability Company	9,064,899,946	15,063,414,896
Malaysia Vietnam Offshore Terminal (Labuan) Limited	7,059,610,795	3,284,748,295
Other PVN Group companies	11,382,775,373	7,162,570,360
Subsidiaries:		
Petro Hotel Company Limited	30,932,711,595	28,756,343,577
PTSC Quang Ngai Joint Stock Company	30,315,308,221	30,347,798,221
PTSC Thanh Hoa Technical Services Company	18,507,484,206	18,689,555,874
Other subsidiaries	637,511,263	6,854,938,205
	<u>118,532,344,297</u>	<u>120,791,412,326</u>
<b>iv) Other long-term receivables (Note 8(b))</b>		
PTSC Quang Ngai Joint Stock Company	<u>358,891,628,649</u>	<u>358,891,628,649</u>
<b>v) Short-term trade accounts payable (Note 16)</b>		
PTSC Asia Pacific Private Limited	1,524,306,849,938	1,524,200,231,117
PTSC South East Asia Private Limited	56,738,631,250	14,789,841,150
Other PVN Group companies	21,397,371,128	18,959,802,127
Subsidiaries:		
PTSC Production Services Joint Stock Company	110,412,596,479	87,304,130,843
PTSC Thanh Hoa Technical Services Company	89,332,274,425	57,584,800,458
PTSC Quang Ngai Joint Stock Company	32,437,097,320	23,797,092,934
PTSC Offshore Services Joint Stock Company	32,246,586,764	19,656,613,741
Other subsidiaries	12,729,693,549	14,339,169,898
	<u>1,879,601,100,853</u>	<u>1,760,631,682,268</u>
<b>vi) Short-term advances from customers (Note 17(a))</b>		
PetroVietnam Gas Joint Stock Corporation	32,751,503,323	51,514,955,821
PetroVietnam Oil Joint Stock Corporation	10,900,068,788	10,900,068,788
Other PVN Group companies	1,769,200,000	-
	<u>45,420,772,111</u>	<u>62,415,024,609</u>

**36 RELATED PARTY DISCLOSURES (continued)**

**(b) Period/year end balances with related parties (continued)**

	<b>30.6.2023</b> <b>VND</b>	<b>31.12.2022</b> <b>VND</b>
<b>vii) Long-term advances from customers (Note 17(b))</b>		
PetroVietnam Long Phu 1 Power Project		
Management Board	781,044,054,435	781,044,054,435
PetroVietnam Gas Joint Stock Corporation	138,143,773,227	-
	<u>919,187,827,662</u>	<u>781,044,054,435</u>
<b>viii) Other short-term payables (Note 20(a))</b>		
Nghi Son Refinery and Petrochemical Limited		
Liability Company	22,443,048,139	24,483,325,243
Malaysia Vietnam Offshore Terminal (Labuan) Limited	3,284,928,591	3,284,928,591
Other PVN Group companies	2,998,241,898	2,108,414,332
Subsidiaries:		
PTSC Production Services Joint Stock Company	5,820,702,240	5,820,702,240
Other subsidiaries	-	2,033,223,023
	<u>34,546,920,868</u>	<u>37,730,593,429</u>
<b>ix) Other long-term payables (Note 20(b))</b>		
PetroVietnam Gas Joint Stock Corporation	69,473,052,000	69,473,052,000
<b>x) Short-term accrued expenses</b>		
Vietnam Oil and Gas Group	15,073,500,000	10,049,000,000
Other PVN Group companies	10,638,062,696	8,950,898,236
Subsidiaries:		
PTSC Offshore Services Joint Stock Company	95,804,753,826	101,651,813,199
PTSC CGGV Geophysical Survey Company Limited	42,235,003,605	42,235,003,605
PTSC Quang Ngai Joint Stock Company	35,486,824,332	69,988,024,060
PTSC Thanh Hoa Technical Services Company	30,702,806,838	76,497,697,631
Other subsidiaries	24,656,456,069	7,432,429,801
	<u>254,597,407,366</u>	<u>316,804,866,532</u>

**37 COMMITMENTS**

**(a) Commitments under operating leases**

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

The Corporation had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Within one year	113,777,347,864	417,251,569,281
Between one and five years	200,226,519,774	143,405,038,655
Over five years	1,053,950,165,122	946,980,658,882
<b>Total minimum payments (*)</b>	<b>1,367,954,032,760</b>	<b>1,507,637,266,818</b>

(\*) As at 30 June 2023 and 31 December 2022, the Corporation has entered into a non-cancellable operating lease commitment contract of vessels rental, FSO/FPSO rental, office 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 of 5 years;
- Land lease in Vung Tau City was signed with the term of 50 years since year 2002;
- Land rental contract at Son Tra Port was signed with the term of 50 years since 2008; and
- Land rental contract at Hon La Port was signed with the term of 50 years since 2014.

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

The future minimum lease receivables under operating leases were as follows:

	<b>30.6.2023 VND</b>	<b>31.12.2022 VND</b>
Within one year	1,427,504,258,731	1,328,915,639,940
Between one and five years	3,102,522,400,691	2,718,335,965,015
Over five years	903,703,802,040	1,037,914,619,590
<b>Total minimum receipts</b>	<b>5,433,730,461,462</b>	<b>5,085,166,224,545</b>

As at 30 June 2023 and 31 December 2022, the Corporation has entered into a non-cancellable operating lease commitment contract of leasing service vessels with the term of 15 years and FSO/FPSO with the term from 1 to 5 years.

**37 COMMITMENTS (continued)**

**(b) Capital commitments**

Capital expenditure contracted for at the interim balance sheet date but not recognised in the interim separate financial statements was as follows:


	30.6.2023 VND	31.12.2022 VND
Steel building at Vung Tau port	66,542,779,417	-
Expansion project in Vung Tau port	21,283,641,428	41,257,369,065
Warehouse construction at Hon La port, Quang Binh province	1,838,183,447	10,262,734,717
Dung Quat I Berth No.3 Project, Quang Ngai province	-	859,512,144
	<u>89,664,604,292</u>	<u>52,379,615,926</u>

**38 CONTINGENT LIABILITIES**

**Long Phu 1 Thermal Power Project**

On 23 August 2019, JSC Power Machines Company ("PM") - Leader of Contractor consortium 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 PM – the Corporation and Vietnam Oil and Gas Group. At the date of this report, the lawsuit is still being reviewed by the Singapore International Arbitration Center. As a result, the Corporation has not made any provision for this lawsuit in the interim separate financial statements for the six-month period ended 30 June 2023.

The interim separate financial statements were approved by the Board of Management on 4 August 2023.

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

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

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