



ANNUAL REPORT 2020





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01 *Overview*

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Vision

- ▶ Developing PTSC into an internationally-recognized trusted brand - a leading full-package solution provider in energy sector with focus on offshore oil and gas industry.

Mission

- ▶ Promoting benefits and trusts of investors, clients, partners, and employees, and contributing to socio-community development and environmental protection.

Core Values

P: Professional

Professionalism is the top criteria that decides the success of PTSC brand.

T: Trustworthy

The trust of investors, clients, partners, and employees creates the strength and competitive advantage for PTSC.

S: Sustainable

Over 45 years of building up and development, PTSC has made remarkable achievements and built strong facilities and resources with multi-service advantage, affirming stable and sustainable growth in the value chain of Vietnam Oil and Gas Group.

C: Creative

Being innovative and creative at all times is a typical feature of PTSC brand. With highly-qualified human resources of international standard, PTSC is always willing to actively engage, develop, and expand new services to conquer domestic and international markets.

SUCCESS

MESSAGE

FROM THE CHAIRMAN



“ On behalf of PTSC’s Board of Directors, I would like to convey my sincere thanks to the Board of Management, executives and all employees of PTSC for your contributions, efforts, and resilience in 2020. ”

Dear Fellow Shareholders,

The year 2020 has seen countless unprecedented and critical challenges to enterprises in the oil & gas industry. Many oil and gas companies in the world were frantically shaken by the “dual crisis” caused by COVID-19 pandemic and the oil price plunge - at some point, plummeting to the ground-breaking low (unprecedented, negative oil price at (-) USD37/barrel), forcing a wide range of oil and gas projects, drilling and exploration schemes, etc. to be rescheduled or suspended. Major difficulties and challenges include the ongoing handling of violations, changes in the mechanism and policies leading to even more obstacles for State-owned enterprises; COVID-19 pandemic; political and economic conflicts between major countries; trade wars; rising trend of protectionism; oil price slumping and stagnating for a long time, resulting in a serious decline in number of projects and works in the oil and gas industry; complex and tense developments in the East Sea - the key exploitation region of Vietnam’s oil & gas industry; strong market integration in the context of ongoing formulation, revision, and improvement of laws, mechanisms and policies, which intensified the competition among businesses and sectors; and the trend of transition to new energy sources, reducing demand and usage, and consequently shrinking, on a massive scale, investments in searching, exploring and exploiting fossil fuels including oil and gas.

Nevertheless, thanks to best efforts of all employees, PetroVietnam Technical Services Corporation (PTSC) has been united, resolved, initiative and creative in carrying out a series of concerted and effective solutions to promote business and service development, seeking potential opportunities in projects abroad and outside the industry, onshore industrial projects, constantly taking measures and solutions to overcome difficulties for subsidiaries,... and reduce cost, practice thrift and fight against wastefulness, including qualitative solutions to continuously improve capacity, competitiveness and business performance, ensure job security, and maintain stable growth of PTSC; As a result, PTSC has completed and exceeded the approved business plan for 2020, with consolidated revenues reaching 21,313 billion VND, consolidated profit before tax hitting 1,025 billion VND, accounting for 142% and 128% of the annual plan, respectively.

Entering 2021, we still deal with existing difficulties from 2020 and unpredictable fluctuations, the Board of Directors (BOD), Board of Management (BOM) and executives have thoroughly and properly identified existing situations, circumstances, fully understood internal and external conditions and trust that, with the PTSC brand over 28 years of experience and PTSC corporate culture, the employees of PTSC will confidently overcome obstacles to fulfill the plan, turn challenges into motivation, realize opportunities from risks, and transform advantages into strengths, competence, and competitiveness. Moreover, PTSC will apply the system of solutions such as making use of sector advantages, submit proposals for reforming policies, management mechanism for State-owned enterprises in a more favorable manner; develop tasks and solutions to grasp new opportunities in the global trend of energy transition and the value chain of subsidiaries of Vietnam Oil and Gas Group; set up the chain of service connection in PTSC; and inherit, promote, and develop PetroVietnam culture as well as PTSC culture, etc.; be resolved to successfully implement, optimally complete business plans and tasks in 2021 assigned by the General Meeting of Shareholders, State Administration Agencies and at the same time pay highest attention to the legitimate rights and interests of Shareholders and employees.

On behalf of the BOD of PTSC, I would like to express my deep gratitude to the Board of Management, executives, and employees for your efforts, hard work and resilience in 2020; I would like to convey my sincere thanks to our Shareholders, Investors, Clients, Partners, State Administration Agencies, central and local agencies who have always accompanied, trusted, cooperated, supported us and I wish you in the year 2021, the following years will always be healthy, happy and successful.

Sincerely,

Chairman of the BOD

Phan Thanh Tung

DEVELOPMENT

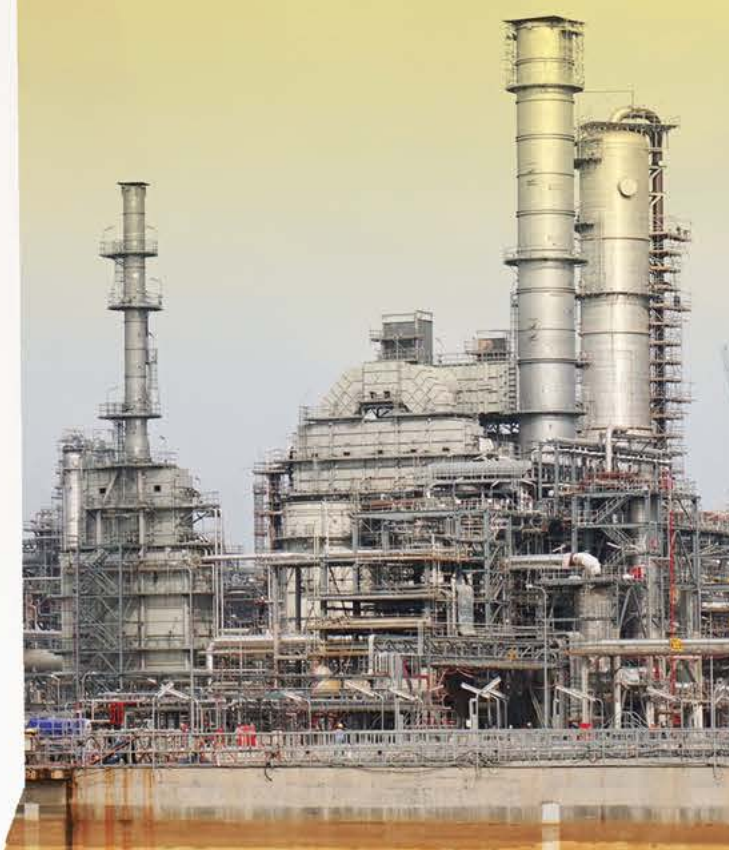
STRATEGY

Development View Point

- Developing stably, sustainably and confirming our position as leading, high quality provider of oil and gas technical services in Vietnam.
- Gradually increasing market share of services outside the oil & gas industry and oversea services basing on PTSC's unique competitive advantage while promoting the role as a member of Vietnam National Oil and Gas Group (PetroVietnam).
- Strengthening cooperation with potential partners at home and abroad to enhance the competitiveness, develop new services, and actively acquiring new technology to dominate the domestic market and expand to Southeast Asia and the Middle East market.

Objective

- **Long term:** Taking advantage of unique competitive advantage to grow PTSC into an internationally recognized trusted brand with focus on high-quality oil and gas services as its core and at the same time, extending business coverage to new industries and oversea markets.
- **Medium and short term:** Maintaining and stabilizing business activities while developing full services oil and gas technical solutions/service chain. Taking advantage of tough but recovering oil and gas industry along with utilizing PTSC's healthy financial capability to increase investment, fortify inner strength and be prepared for upcoming industry's tailwinds.



HISTORY OF ESTABLISHMENT & DEVELOPMENT

1993

- ▶ The Foundation of Petroleum Technical Services Company (PTSC) was a merger of 2 companies PSC & GPTS. It is the only government enterprise supplies oil and gas technical services with the initial core business are offshore support vessels; port and supply base and manpower for oil and gas contractors.

1994 - 2005

- ▶ Separate parts of PTSC's core business to form distinctive oil and gas service companies.
- ▶ Developed fleet of offshore support vessels and expanding PTSC Vung Tau Supply base to become modern, multipurpose base.
- ▶ Successfully performed accommodation block LQ-CPC 99 for Vietsovpetro, laying strong foundation for the development of oil and gas mechanical fabrication and construction service.
- ▶ Performed O&M contract for Dinh Co Gas Processing Plant, 370 km 2 phase gas pipeline and Lan Tay Technological Platform which set foundation of O&M services.
- ▶ Signed shareholding agreement of investment in FPSO Ruby Princess by and between PTSC, PVI and PVFC. Setting stepping stones for FSO/FPSO services

2006 - 2010

- ▶ 2006: Successfully privatized and performed IPO stock to public.
- ▶ 01/01/2007: Officially operated business as joint stock company, a historical turning point of PTSC's development.
- ▶ 09/2/2007: Changed organization structure in to Affiliated - Subsidiary company.
- ▶ 20/9/2017: Official notice of PTSC's stock in HNX with stock code PVS.
- ▶ Founded PTSC G&S; Investing in the first seismic survey vessel - 2D with ROV units, GEO vessel, improved competitive ability in marking high technology services - seismic survey, GEO Survey and Subsea Services
- ▶ Joined with MISC to invest in FSO Orkid and FPSO Ruby, affirming ability in FSO/FPSO field.
- ▶ 2010: Initial public offering to increase charter capital up to 2,978 billion VND via public offering;
- ▶ Successfully played the role of EPC general contractor to perform Bien Dong project with total volume of engineering and manufacturing up to 30.000 ton and worth 1 USD billion, the biggest EPC project in Vietnam that time.

2011 - 2015

- ▶ Performed 51% ownership investment in FSO PTSC Bien Dong 01 and FPSO Lam Son, acquire knowhow to engineer, construct and operate FSO/FPSO. Affirming position in FSO/FPSO regional market.
- ▶ Increased charter capital up to 4,467 billion VND.
- ▶ Winning International competitive bidding and successfully performed projects: HRD Platform for ONGC; Maharaja Lela South (MLS) in Brunei for Total E&P, continued affirmed EPCI capability and market position.
- ▶ Received profit from oversea joint ventures.

2016 - 2019

- ▶ Increased charter capital to 4,467 billion VND
- ▶ As of December 31st, 2018, the total value of PTSC earned from overseas JV is 105 million USD.
- ▶ Awarded EPC contract and successful implementing onshore oil and gas industry projects: NPK Fertilizer Factory; Ammonia NH3 Production Plant for PVFCCo; Ca Mau Gas Processing Plant for PV Gas; Thi Vai LNG terminal project and EPC project of pipeline collection and gas transportation of Sao Vang - Dai Nguyet field for Vietnam Gas Corporation (PV GAS); Southern Vietnam petrochemical complex project - Package A1 (LSP - A1) for TPSK - joint venture (Italy - Korea).
- ▶ Awarded and implementing projects for clients in other industries: Haiphong terminal project, Expanding Go Dau factory for Top Solvent (Thailand) and Vopak (Holland) Galaxy Expansion - Phase III; Nam Dinh Vu Aviation Fuel Warehouse for Nam Dinh Vu Aviation Fuel Port Joint Stock Company (DV Seaport); Fabrication, installation ISBL technology pipeline and installation equipment - Polypropylene plant for Hyosung Vietnam.
- ▶ Awarded and performed project Gallaf - Al Shaheen for North Oil Company (NOC) in Qatar with a total contract value of more than 300 million USD; Completed building, launching, handing over and operating successfully and safely a fleet of 8 new built vessels for Nghi Son Refinery Plant (NSRP).
- ▶ On October 4th, 2019, successfully installed and handed over IGP owner a Jacket of Sao Vang Central Processing Platform (CPP) weight 12,500 tons in respect to Sao Vang Dai Nguyet project, confirming PTSC's capacity as EPCIC's general contractor.
- ▶ PTSC reached the finish line ahead of the year plan objective, exceeded all targets and financial plans, stepped through the most challenging period.

2020

- ▶ Completed Sao Vang CPP Project and officially received the first gas on Nov 16th, 2020. This Project was honorably attached with "Party's 13th National Congress Celebration Works" signboard.
- ▶ On Nov 16th, 2020, Golden Star FSO officially received the first condensate, marking a milestone of great importance in Sao Vang - Dai Nguyet Project, together with Sao Vang CPP and intra-field pipeline system also implemented by PTSC as the general contractor.
- ▶ Gallaf Project (Al Shaheen) in Qatar - an EPCI international project awarded to PTSC with high volume and total value of 320 million US dollars - successfully implemented the Design, Procurement, and Manufacturing phase in Vietnam and Transportation, Installation, Commissioning 3 WHP Gallaf Project 1 with over 800 PTSC employees in Qatar during the Covid-19 pandemic outbreak.
- ▶ Despite of countless difficulties and challenges, thanks to considerable efforts and internal strength, PTSC implemented various coordinated solutions to overcome the "double crisis" triggered by oil price slump and Covid-19 pandemic to achieve impressive results and stable growth: consolidated revenues of over 21,313 billion VND, profit before tax of 1,025 billion VND, contribution to State Budget of 909 billion VND.

KEY EVENTS AND AWARDS IN 2020

01 Successfully organized the 7th Party Committee Congress of PTSC for 2020-2025 term.



02 Despite of countless difficulties and challenges, thanks to considerable efforts and internal strength, PTSC implemented various coordinated solutions to overcome the "double crisis" triggered by oil price slump and Covid-19 pandemic to achieve impressive results and stable growth: consolidated revenue of **21,313 billion VND**, profit before tax of **1,025 billion VND**, contribution to State Budget of **909 billion VND**.



03 Completed Sao Vang CPP Project and officially received the first gas on Nov 16th, 2020. This Project was honorably attached with "Party's 13th National Congress Celebration Works" signboard.



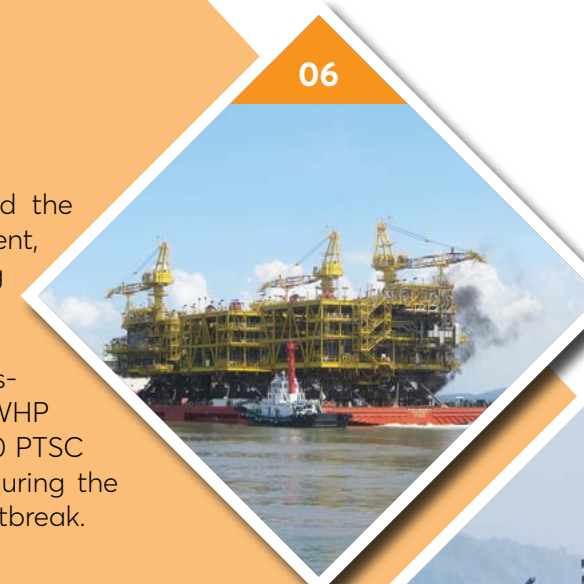
04 Received "National Brand" Award for 7th consecutive time.



05 FSO Golden Star officially received the first condensate on Nov 16th, 2020.



06 Successfully completed the Design, Procurement, and Manufacturing phases in Vietnam and Transportation, Installation, Commissioning of 3 Gallaf WHP Project 1 with over 800 PTSC employees in Qatar during the Covid-19 pandemic outbreak.



07 Completed new building and safely, effectively operated a fleet of coastal service vessels to serve Nghi Son Oil Refinery, reaching the milestone of 1 million hours of safe operation.



08 Successfully implemented the gas gathering and transporting pipeline project for Sao Vang - Dai Nguyet field.



09 Successfully implemented the FPSO Ruby II on-site overhaul Project to apply for extension of international registration (RLE).



10 Completed phase I of the Enterprise Risk Management (ERM) System development project of PTSC on basis of applying ISO 31000:2018.



OVERVIEW

PetroVietnam Technical Services Corporation (PTSC) is a member of Vietnam Oil and Gas Group. PTSC established on February 1993. After more than 28 years of development, so far, PTSC has made great progress and appreciated as the leading provider in oil & gas technical, industrial services in Vietnam and also to be considered as a major brand in the regional market.

Domestic trading name: **Tổng công ty Cổ phần Dịch vụ Kỹ thuật Dầu khí Việt Nam**

Foreign trading name: **Petrovietnam Technical Services Corporation**

Trading name abbreviations: **PTSC**

Stock Code: **PVS**

Tax code: **0100150577**

Charter Capital: **4.780 billion VND**

Consolidated equity: **12,884 billion VND (according to the 2020 audited financial statements)**

Address: **5th Floor, Petrovietnam Tower, 1-5 Le Duan Street, District 1, HCM City, Vietnam**

Tel: **(+84).028.39102828**

Fax: **(+84) 028.39102929**

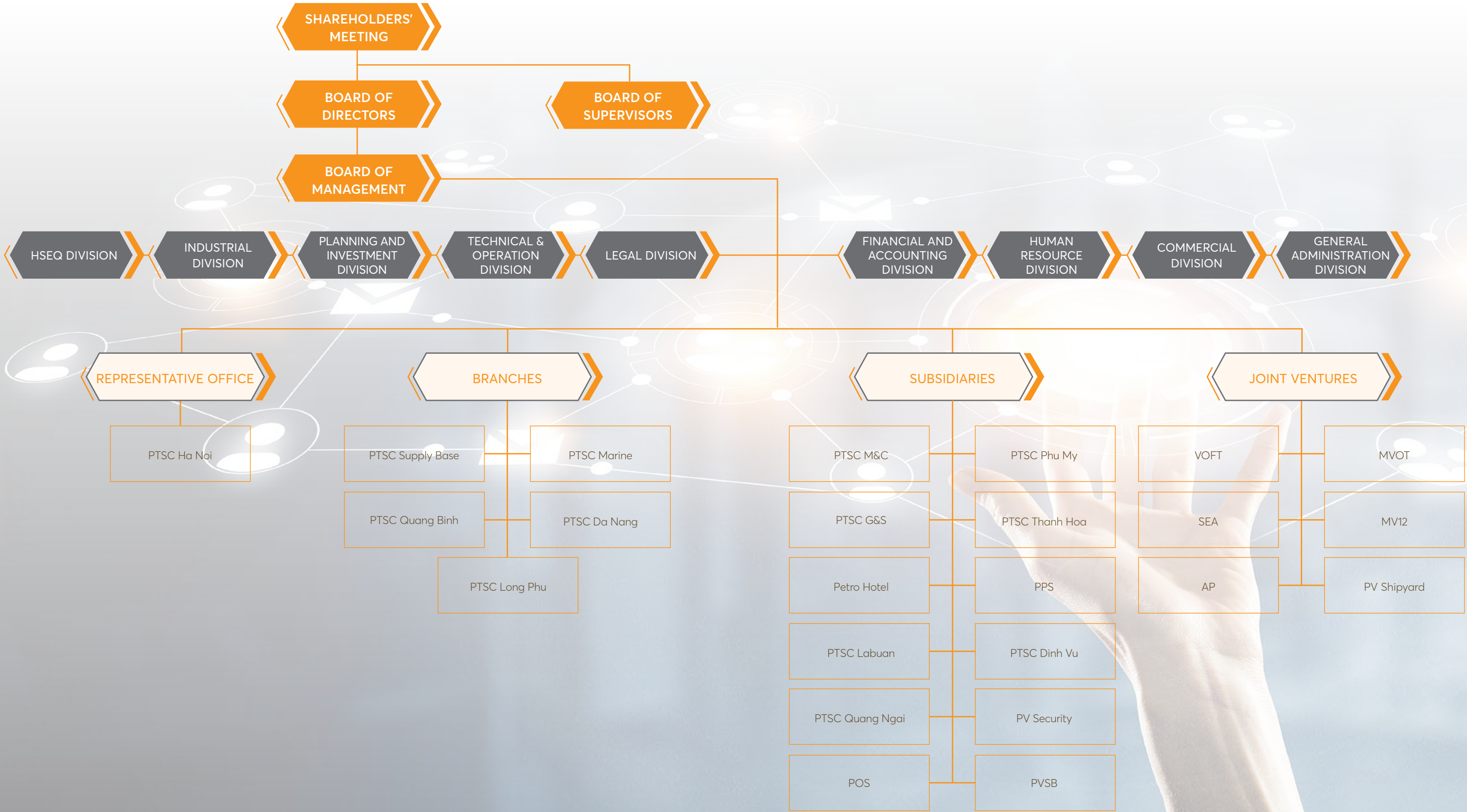
PTSC's business fields are providing oil & gas technical, industrial services which including the following core services:

- EPCI for offshore facilities
- FSO/FPSO
- Installation, Operation and Maintenance Offshore Facilities
- Port & Supply Base
- Offshore Support Vessels
- Seismic, GEO, Survey and ROV
- EPC for Industrial plants
- Other services



GOVERNANCE STRUCTURE

ORGANIZATIONAL STRUCTURE



BOARD OF DIRECTORS



Mr.

PHAN THANH TUNG

CHAIR MAN

- > DOB: 1970 in Hai Phong City, Vietnam
- > Qualification: Master of Engineering (Professional), Mechanical Engineer, Bachelor of Business Management, Bachelor of English language



Mr.

DO QUOC HOAN

MEMBER

- > DOB: 1969 in Hai Phong City, Vietnam
- > Qualification: Master of Economics, Engineer of Maritime Transportation, Engineer of Marine Controlling



Mr.

LUU DUC HOANG

INDEPENDENT MEMBER

- > DOB: 1979 in Quang Binh Province, Vietnam
- > Qualification: Master of corporate financial management, Bachelor of Financial and Accounting



Mr.

LE MANH CUONG

MEMBER, PRESIDENT & CEO

- > DOB: 1974 in Hai Duong City, Vietnam
- > Qualification: Navigation Engineer



Mr.

NGUYEN XUAN NGOC

MEMBER

- > DOB: 1976 in Nam Dinh City, Vietnam
- > Qualification: Mechanical Engineer

GOVERNANCE STRUCTURE *(continued)*

BOARD OF MANAGEMENT



Mr.



LE MANH CUONG

PRESIDENT & CEO

- > DOB: 1974 in Hai Duong City, Vietnam
- > Qualification: Navigation Engineer

Mr.



NGUYEN HUU HAI

VICE PRESIDENT

- > DOB: 1962 in Bac Ninh Province, Vietnam
- > Qualification: Engineer of Electronics and Telecommunications, Corporate Governance Engineer

Mr.



TA DUC TIEN

VICE PRESIDENT

- > DOB: 1968 in Thai Binh Province, Vietnam
- > Qualification: Marine Machinery Engineer, Bachelor of Business Administration

Mr.



NGUYEN TRAN TOAN

VICE PRESIDENT

- > DOB: 1964 in Hai Phong City, Vietnam
- > Qualification: Marine Machinery Engineer, Bachelor of Corporate Governance

Mr.



NGUYEN XUAN CUONG

VICE PRESIDENT

- > DOB: 1977 in Ha Noi Capital, Vietnam
- > Qualification: Bachelor of Corporate Finance

Mr.



TRAN HO BAC

VICE PRESIDENT

- > DOB: 1978 in Nam Dinh Province, Vietnam
- > Qualification: Master of Business Administration, Corporate Governance Engineer, Mechanical Engineer



GOVERNANCE STRUCTURE *(continued)*

CHIEF ACCOUNTANT



Mr.

NGUYEN VAN BAO

CHIEF ACCOUNTANT

- > DOB: 1977 in Hai Duong City, Vietnam
- > Qualification: Bachelor of credit financing

BOARD OF SUPERVISORS



Ms.

BUI THU HA

CHIEF OF BOARD OF SUPERVISORS *(from June 26th, 2020)*

- > DOB: 1980 in Thai Nguyen City, Vietnam
- > Qualification: Bachelor of Accounting, Bachelor of Business Administration



Ms.

HO THI OANH

CHIEF OF BOARD OF SUPERVISORS *(Dismissed on June 26th, 2020)*

- > DOB: 1972 in Thai Binh Province, Vietnam
- > Qualification: Bachelor of Accounting.



Mr.

BUI HUU VIET CUONG

MEMBER

- > DOB: 1981 in Hai Phong City, Vietnam
- > Qualification: Master of Operating International Business Administration, Shipping Engineer Bachelor of Accounting



BUSINESS NETWORK



01	02	03	04	05	06	07	08	09	10	11
Ho Chi Minh City	Soc Trang Province	Ba Ria – Vung Tau Province	Quang Ngai City	Da Nang City	Quang Binh Province	Thanh Hoa Province	Hai Phong City	Ha Noi	Malaysia	Singapore
Head Quarter	PTSC Long Phu	PTSC Marine PTSC Supply Base PTSC M&C PTSC G&S Petro Hotel PTSC Phu My PPS PVS POS PV Shipyard	PTSC Quang Ngai	PTSC Da Nang	PTSC Quang Binh	PTSC Thanh Hoa	PTSC Dinh Vu	PTSC Ha Noi PV Security	PTSC Labuan VOFT MVOT	SEA AP MV12

ORGANIZATION OF BUSINESS ACTIVITIES

BRANCHES / REPRESENTATIVE OFFICES

	COMPANY NAME	CHARTER CAPITAL/ INVESTMENT	HOLDING PERCENTAGE	CORE BUSINESS
01	Branch of PTSC – PTSC Marine No. 73, Street 30/4, Thang Nhat Ward, Vung Tau City	Directly under Parent Company	-	Management, operation and supply of service vessels
02	Branch of PTSC – PTSC Supply Base No. 65A, Street 30/4, Thang Nhat Ward, Vung Tau City	Directly under Parent Company	-	Management, operation, trading and exploitation of general port
03	Branch of PTSC – PTSC Da Nang No. 11, Street 3/2, Hai Chau District, Da Nang City	Directly under Parent Company	-	Management, operation, trading and exploitation of general port
04	Branch of PTSC - PTSC Quang Binh Hon La Port, Quang Dong Commune, Quang Trach District , Quang Binh Province	Directly under Parent Company	-	Management, operation, trading and exploitation of general port
05	Branch of PTSC - PTSC Long Phu Thanh Duc Hamlet, Long Duc Commune, Long Phu District, Soc Trang Province	Directly under Parent Company	-	Management and performance of engineering, procurement and construction, installation, hook-up and commissioning (EPCIC) of power plant projects and industrial facilities.
06	Representative Office of PTSC in Hanoi (PTSC Ha Noi) No. 142 Nguyen Khuyen, Van Mieu Ward, Dong Da District, Hanoi City	Directly under Parent Company	-	Performing business development, production projects and other tasks assigned by PTSC



ORGANIZATION OF BUSINESS ACTIVITIES *(continued)*



SUBSIDIARIES

	COMPANY NAME	CHARTER CAPITAL/ INVESTMENT	HOLDING PERCENTAGE	CORE BUSINESS
01	PTSC Mechanical & Construction Limited Company (PTSC M&C) No. 31, Street 30/4, Thang Nhat Ward, Vung Tau City (PTSC M&C)	628 billion VND	100%	Fabrication and assembly of oil, gas facilities
02	PTSC Geos and Subsea Services Company Ltd. (PTSC G&S) No. 9-11, Hoang Dieu Street, Ward 1, Vung Tau City	300 billion VND	100%	Operation seismic survey 2D, 3D; geophysical, seismic survey; ROV subsea survey and repair
03	Petro Hotel Company Limited (Petro Hotel) No. 9-11, Hoang Dieu Street, Ward 1, Vung Tau City	20 billion VND	100%	Provision of tourism and accommodation services for oil and gas companies in the country and abroad
04	PTSC Labuan Company Limited (PTSC Labuan) Unit 3A-25, UO350, 3rd Floor, Labuan Times Square, 87007 Labuan F.T Malaysia	572,565 USD	100%	Supply of service vessels for oil and gas exploitation activities
05	PTSC Quang Ngai Joint Stock Company (PTSC Quang Ngai) Lot 4H, Ton Duc Thang, Le Hong Phong Ward, Quang Ngai City	300 billion VND	95,19%	Management, operation and supply of service vessels Management, operation, trading and exploitation of general port Fabrication, assembly, repair and maintenance of oil & gas and industrial facilities
06	PTSC Offshore Services Joint Stock Company (POS) No. 65A, 30/4 Street, Thang Nhat Ward, Vung Tau City	400 billion VND	84,95%	Transportation, installation, hook-up, commissioning repair and maintenance, relocating and cleaning-up of oil & gas and industrial facilities

ORGANIZATION OF BUSINESS ACTIVITIES *(continued)*



	COMPANY NAME	CHARTER CAPITAL/ INVESTMENT	HOLDING PERCENTAGE	CORE BUSINESS
07	PTSC Phu My Port Joint Stock Company (PTSC Phu My) Phu My I Industrial Zone, Tan Thanh District, Ba Ria -Vung Tau Province	350 billion VND	59,61%	Management, operation, trading and exploitation of general port
08	PTSC Thanh Hoa Port Joint Stock Company (PTSC Thanh Hoa) Nghi Son Commune, Tinh Gia District, Thanh Hoa Province	400 billion VND	54,69%	Management, operation, trading and exploitation of general port Fabrication, assembly, repair and maintenance of oil & gas and industrial facilities
09	PTSC Production Services Joint Stock Company (PPS) 6th floor, PetroVietnam Building, No. 8 Hoang Dieu, Ward 1, Vung Tau City	200 billion VND	51%	Management, exploitation, operation and maintenance of FPSO/FSO; Provision of manpower supply services for oil and gas industry
10	Dinh Vu Petroleum Services Port Joint Stock Company (PTSC Dinh Vu) Dinh Vu Industrial Zone, Dong Hai II Ward, Hai An District, Hai Phong City	400 billion VND	51%	Management, operation, trading and exploitation of general & container port
11	PetroVietnam Security Service Corporation (PV Security) G3 Floor, B4 Kim Lien Building, Pham Ngoc Thach Street, Dong Da District, Hanoi	30 billion VND	51%	Provision of security services
12	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company (PVSBI) No. 65A, Street 30/4, Thang Nhat Ward, Vung Tau City	500 billion VND	51%	Management, operation, trading and exploitation of general port

ORGANIZATION OF BUSINESS ACTIVITIES *(continued)*

JOINT VENTURES

	COMPANY NAME	CHARTER CAPITAL/ INVESTMENT	HOLDING PERCENTAGE	CORE BUSINESS
01	Vietnam Offshore Floating Terminal (VOFT) BO1-D-10-1 Level 10, Menara 2, Boutique Office 1 (Pillar 11), KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur, Malaysia	14,640,000 USD	60%	Investment and provision of Floating Production Storage Offloading vessels (FPSO)
02	PTSC South East Asia Joint - Venture Company (SEA) 600 North Bridge Road, #23-01 Parkview Square, Singapore	32,000,000 USD	51%	Investment and provision of Floating Storage Offloading vessels (FSO)
03	PTSC Asia Pacific Joint - Venture Company (AP) 600 North Bridge Road, #23-01 Parkview Square, Singapore	60,000,000 USD	51%	Investment and provision of Floating Production Storage Offloading vessels (FPSO)
04	Malaysia Vietnam Offshore Terminal (MVOT) BO1-D-10-1 Level 10, Menara 2, Boutique Office 1 (Pillar 11), KL Eco City, No. 3 Jalan Bangsar, 59200 Kuala Lumpur, Malaysia	35,222,268 USD	49%	Investment and provision of Floating Storage Offloading vessels (FSO)
05	RongDoi Joint Venture Company (MV12) No.12, International Business Park, Unit 2-06/7 The Strategy Tower, Singapore	20,000 USD	33%	Investment and provision of Floating Storage Offloading vessels (FSO)
06	Petrovietnam Marine Shipyard Joint Stock Company (PV Shipyard) 65A2, 30/4 Road, Thang Nhat Ward, Vung Tau City	595 billion VND	28,75%	Fabrication, repairing, conversion oil and gas exploration, vessels, floating unit



RESOURCES

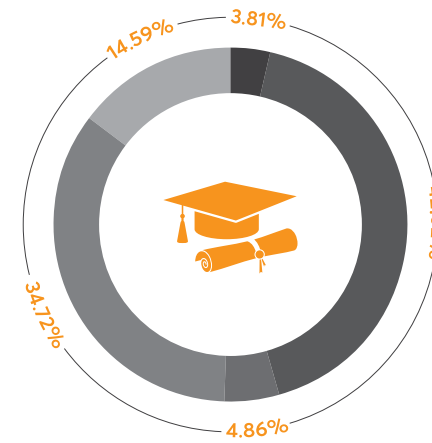
HUMAN RESOURCES

As of December 31, 2020 the total number of PTSC's employees is 7,514. As PTSC specializes in providing oil and gas technical services for upstream to downstream segments characterized by stressful working conditions, most of its workforce is male, with female employees only accounting for a small percentage and mostly responsible for indirect tasks. PTSC workforce is highly qualified, active, and has vast experience in international working environments; Accordingly, a high percentage of PTSC employees is of Postgraduate, University, College, and Technical education level.

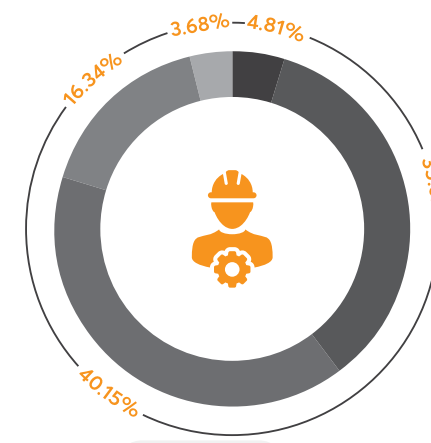


Human resources demographics

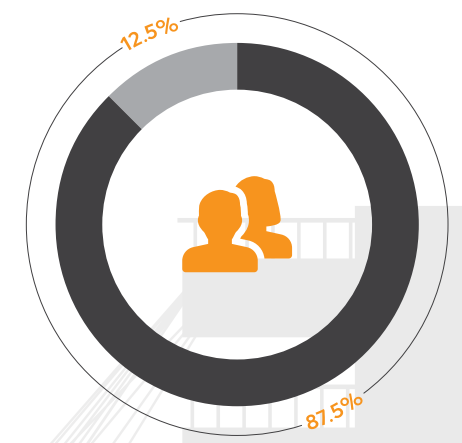
By education level



By age



By gender



- Postgraduate
- University
- College
- Technical workers and intermediate
- Blue collar workers

- Under 25
- 25-35
- 35-45
- 45-55
- Over 55

- Male
- Female

Average income of PTSC employees in 2020

During the challenging period of COVID-19 pandemic and deep slump in oil price, PTSC still maintained strong confidence and solidarity, promoted internal strength, mobilized all resources, successfully completed and outstandingly exceeded targets of the

business plan 2020. PTSC's employees also earned adequate income for their efforts and contributions. In 2020, average income of PTSC employees was 26,526,000 VND/person/month, an increase of 12% over 2019.

Human resource training and development policy in the difficult period of 2020

In 2020, PTSC spent about 27,5 billion VND on human resource training and development with highly practical and effective training programs. In addition to focusing on training courses for key managers, direct sales, commerce, and project personnel, PTSC also organized experience exchange workshops during preparation and implementation of onshore/offshore projects and share practical lessons, as well as provide regular intensive training on professional knowledge, working skills, and foreign languages for its employees.

In 2020, PTSC assessed, reviewed, arranged and re-trained FSO/FPSO, service vessel crew members on professional expertise and working skills; evaluated and rearranged jobs for employees in construction and investment management in an effort to improve personnel quality to satisfy requirements of organizations, partners and clients.

KEY ASSETS



Our Service Vessel Fleet

PTSC currently owns and manages a oil and gas service fleet of 21 vessels of varied in capacities and types such as tug boats, anchors and transporters, dynamic positioning vessels (DP), survey diving support vessels, fire-fighting vessels, standby rescue/field support vessels,... The fleet is fully operated by Vietnamese qualified and experienced crew members.

No.	NAME OF VESSEL	CAPACITY
1	An Bang (AHTS)	7,040 BHP
2	Phong Lan (AHTS)	5,300 BHP
3	Phong Nha (AHTS DP1)	5,300 BHP
4	Binh Minh (AHTS DP2)	5,506 BHP
5	Binh An (AHTS)	8,900 BHP
6	PTSC Vung Tau (AHTS DP1)	7,080 BHP
7	PTSC Hai Phong (AHTS DP1)	5,220 BHP
8	PTSC Thai Binh (AHTS DP2)	8,080 BHP
9	PTSC Thang Long (AHTS DP2)	7,200 BHP
10	PTSC Tien Phong (AHTS)	7,080 BHP
11	PTSC Ngan nam TLHN - 02 (Utility towing)	3,500 BHP
12	PTSC Ngan nam TLHN - 03 (Utility towing)	4,750 BHP
13	PTSC 04 (Utility towing)	2,140 BHP
14	PTSC 05 (Tug)	3,200 BHP
15	PTSC 06 (Tug)	3,200 BHP
16	PTSC 07 (Tug)	1,600 BHP
17	PTSC 08 (Tug)	800 BHP
18	PTSC 09 (Tug)	5,000 BHP
19	PTSC 10 (Tug)	2,700 BHP
20	PTSC 11 (Tug)	1,600 BHP
21	PTSC 12 (Service boat)	1,430 BHP

• AHTS: Versatile service vessels

• DP1: With dynamic positioning system DP1

• Utility towing, Tug: Towing vessels

• DP2: With dynamic positioning system DP2

Floating Storage and Offloading (FSO) & Floating Production Storage and Offloading (FPSO)



FSO/FPSO supplying is one of the strategic services that are stable and long-term due to its attachment to oil field operating activities. Currently, PTSC owns/co-owns 06 FSOs/FPSOs supplied for clients operating in domestic and international fields, as followings:

No.	NAME OF FSO/FPSO	CAPACITY (Unit: Barrel)	OPERATING FIELD
1	FSO Orkid	745,000	PM3 CAA
2	FPSO Ruby II	645,000	Hong Ngoc
3	FSO Bien Dong 01	350,000	Hai Thach - Moc Tinh
4	FPSO Lam Son	350,000	Thang Long – Dong Do
5	FSO Golden Star	777,695	Sao Vang Dai Nguyet
6	FSO MV12	300,000	Rong Doi

KEY ASSETS (continued)



PTSC Ports and Supply Bases

Currently, PTSC is managing, operating and continuing to invest in expanding the system of 08 ports and supply bases in the North - Central - South of Vietnam with a total area of 360ha and over 2,700m of wharf, serving clients operating in oil and gas exploration in Vietnam as well as other economic sectors in the locality.

No.	SUPPLY BASES / PORTS	ADDRESS	SCALE
1	Vung Tau Downstream Port/ PTSC Supply Base	No. 65A, Street 30/4, Thang Nhat Ward, Vung Tau City Vung Tau, Ba Ria - Vung Tau Province	Area: 82.2 ha Number of wharf: 09 Total length of wharf: 750m Capacity: + Vessel: 10,000 DWT + Barge: 10,000 DWT Hydroelectric depth: -6.5m to -9m
2	Hon La Port	Quang Dong Ward, Quang Trach District, Quang Binh Province	Area: 11.02 ha Number of wharf: 01 Length of wharf: 215m Capacity: 10,000 DWT Hydroelectric depth: -9.2m

No.	SUPPLY BASES / PORTS	ADDRESS	SCALE
3	Son Tra Port	Yet Kieu Street, Tho Quang Ward, Son Tra District, Da Nang City	Area: 10 ha Number of wharf: 01 Length of wharf: 200m Capacity: 10,000 DWT Hydroelectric depth: -7.5m
4	Dung Quat Port	Binh Son District Quang Ngai Province	Area: 13.7 ha Number of wharf: 02 + Wharf number 1: length 210m, capacity 70,000 DWT, Hydroelectric depth -11m. + Wharf number 2: length 90m, capacity 3,000 DWT, Hydroelectric depth -4.2m. + Wharf for towing and oil and gas vessels: length 70m, capacity 3,000 DWT, Hydroelectric depth -7.0m
5	Phu My service Port	No. 3 Road, Phu My Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province	Area: 26.5 ha Number of wharf: 04 + Wharf number 1: length 384.3m, capacity 80,000 DWT, Hydroelectric depth -14.5m. + Wharf number 2: length 130m, capacity 1,500 DWT, Hydroelectric depth -2.7m + Wharf number 3: length 130m, capacity 2,500 DWT, Hydroelectric depth -4.8m. + Wharf number 4: length 60m, capacity 2,500 DWT, Hydroelectric depth -4.8m.
6	Nghi Son Port	Nghi Son Ward, Tinh Gia District, Thanh Hoa Province	Area: 43.9ha Number of wharf: 02 + Wharf number 1: length 165m, (reduced) capacity 30,000 DWT, Hydroelectric depth -9.5m. + Wharf number 2: length 225m, (reduced) capacity 70,000 DWT, Hydroelectric depth -12m.
7	PTSC Dinh Vu Port	Dinh Vu Industrial Zone Dong Hai II Ward, Hai An District, Hai Phong City	Area: 15.28 ha Number of wharf: 01 Length of wharf: 330m Capacity: 20,000 DWT Hydroelectric depth: -7.5m
8	Sao Mai Ben Dinh Port	No. 65A3, 30/4 Road, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province	Area: 162 ha

KEY ASSETS (continued)



Facilities for fabrication and construction of oil and gas projects

Mechanical engineering, construction and installation of offshore projects is one of the important services that makes a major contribution to the revenue and profit of PTSC. In order to implement the projects, PTSC owns oil and gas projects construction site in Vung Tau, Quang Ngai and Thanh Hoa with facilities, ports, warehouses and crane equipment, towing/lifting equipment and other equipment and facilities ... always meet the client's requirements, such as:

Major construction site in Vung Tau covers nearly 160 hectares. In addition, PTSC also has fabrication yards in Quang Ngai and Thanh Hoa with area of over 40 hectares.

The wharf system in Vung Tau, Quang Ngai and Thanh Hoa is capable of meeting the demands for manufacturing and launching oil and gas components. Particularly in Vung Tau, a wharf system is nearly 1,000 meters long with 03 dedicated skid for construction and launching high end oil and gas components (6,000 tons; 15,000 tons and 25,000 tons) with distribution load on open areas over 50 tons/m².

The system of factories, warehouses and construction sites is invested synchronously and modernly: fitting workshop (150,000m²), covered workshop (19,000m²), cleaning/spraying workshop (8,000m²), paint workshop (3,500m²) ...

Series of vehicles, machinery and equipment are used for oil and gas project fabrication such as: cranes of 50 tons to 550 tons, forklifts, welding machines, generators, air compressors and other specialized equipment.

Facilities for transportation, hook up, installation, maintenance and repair of offshore projects



The investment in facilities for transportation, hook up, installation, maintenance and repair of offshore project can meet basic demand of clients with PTSC services, the major facilities are listed as follows:

No.	FACILITIES/ EQUIPMENT	SPECIFICATION
1	Accommodation Barge with 300 occupants PTSC Offshore 01	Non-self propelled barge; length 111.6 m, width 31.7m, depth 7.3m, draught 4.5m, weight of 9,582 tons, and equipped a huge crane with the lifting capacity of 300 tons
2	5000 tons barge PTSC 01	Barge with capacity of 5,000 tons uses for transportation of WHP platforms, jackets, and other components for offshore constructing, repairing, maintaining and renovation
3	Mechanical and maintenance workshop	11,462m ² in area with modern equipment, machines capable of providing services of repair, maintenance, conversion, upgrade, hook up, re-commissioning...

KEY ASSETS (continued)



Facilities for seismic survey service

Seismic survey service, geological and geophysical survey service, and subsea services using ROV (Remote Operated Vehicle) are high and complex technology services with supply, management and operation of seismic vessels, 2D, 3D, geological survey: supplying and operating of ROV and other specialized survey vehicles:

No.	FACILITIES/ EQUIPMENT	SPECIFICATION
1	Geophysical survey vessel PTSC Surveyor	Capable of drilling for geological surveys at the water levels from 7m to 300m and performing geological surveys at the water levels from 7m to 500m
2	Survey Vessel - PTSC Researcher	Capable of performing geological surveys at the water level up to 1,000m and oceanographic surveys in different sea areas on Vietnamese and regional continental shelf
3	Oil & Gas 105 vessel	1,600 HP vessel assists survey diving work
4	Survey Vehicles ROV Observation (02 equipment)	ROV Panther Plus 911 and ROV Panther Plus 954 are used for taking surveys and repairing subsea works. The vehicles can go as deep as 2,000m underwater.
5	Survey Vehicle ROV Work Class	ROV Quasar Compact 007 is used for taking surveys and repairing subsea works. The vehicle can go as deep as 2,000m underwater



02

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MESSAGE

FROM THE PRESIDENT & CEO



To PTSC shareholders,

The world looks back 2020 as a year of rampant challenges and difficulties, with wave after wave of unexpected and unpredictable developments. COVID-19 pandemic has lasted far too long, plunging the global economy into recession, causing adverse impacts upon business environment and triggering a severe crisis to millions of enterprises around the world.

In the oil and gas industry, with the oil price slump, investors, oil & gas exploration, production and processing companies kept struggling with difficulties. Drilling, exploration, and exploitation projects were still suspended or rescheduled... Workload diminished, service prices remained plummeting. While the market was gloomy, competition became more and more intense as many oil and gas service companies struggled for work.

With operations spanning from North to South, across the Southeast Asia, and as far as the Middle East, PTSC bore the full "waves" of impact ranging from the pandemic to the historic collapse of oil price - when at some point, crude oil sellers must pay buyers to take oil off their hands; from natural disasters and storms in the Central region to the hardships of hundreds and thousands of employees working far from home, from our country. In the middle of ongoing progress of a series of key projects, this crisis remarkably affected all aspects of business activities of PTSC. Challenge after challenge kept coming, one had not passed, another already arrived. Oil price plunge, isolation, quarantine, embargo, Force Majeure, conflicts; disruption of supply chains of goods, services, raw materials and personnel; delayed and suspended projects; price reduction, cost cutting pressure... and unprecedented, never-heard problems previously too far-fetched now became normal, requiring to be addressed and handled on a daily basis. The pressure grew intense, urging PTSC apparatus to move faster and take more drastic actions.

By maximizing internal resources, PTSC implemented various coordinated solutions, taking advantage of multi-service scale and combining resources to create the service chain with new competitive advantages. PTSC also quickly focused on streamlining its organizational structure and management apparatus, improving

efficiency, maintaining a transparent environment, directly attaching remuneration to actual performance of employees, reviewing to optimize production and business costs in the entire system, and suspending/reducing any work items not immediately necessary. For contracts whose scope of work might be affected or adjusted by oil price, PTSC was willing to re-negotiate with clients, partners, and contractors in the spirit of difficulty sharing and mutual benefits.

Steering in the double crisis with enthusiasm, solidarity and outstanding efforts, PTSC achieved impressive results in 2020 with consolidated revenue of 21,313 billion VND, reached 142 % of the 2020 plan, up by 21.6% year-on-year (YoY). Consolidated profit before tax in 2020 reached 1,025 billion VND, and contribution to the State budget was worth 909 billion VND. PTSC has excellently completed and exceeded the 2020 business plan, maintaining and stabilizing its growth rate according to the master strategy.

In such difficult circumstance, while many businesses in and off the industry were struggling in vain, PTSC still managed to unite, mobilize, and connect all of its resources to create chain and package solution and make achievements together. In particular, the FSO/FPSO supply, management, and operation services generated the revenue of 3,300 billion VND, up by 10% YoY; oil and gas services reached 10,423 billion VND, 130% of the 2020 plan, up by 17% YoY; and specialized vessel supply service recorded the revenue of 2,057 billion VND, 121% of the 2020 plan. A number of projects directly carried out by the Parent Company also yielded positive results such as the Sao Vang - Dai Nguyet gas gathering and transporting pipeline project, Southern petrochemical complex project - Package A1, LNG Thi Vai project... with revenues of thousands of billion VND in 2020. Besides, some major mechanical projects of PTSC also marked important milestones in 2020, such as Sao Vang CPP, which completed the manufacture, transportation, installation and commissioning phases and started delivering gas to shore on Nov 16th, 2020. Dai Nguyet WHP is also urgently completed. In addition, Gallaf Project (Al Shaheen) in Qatar - an international EPCI project won through bidding by PTSC with large work volume and total value of over 320 million USD, also completed the manufacture, transportation, and offshore installation, including 3 WHPs and 3 linked bridges with total weight of nearly 10,000 MT.

PTSC still receives increasingly solid trust and confidence from PetroVietnam and its shareholders, investors, clients, and partners. PTSC affirms its leading position in providing high quality oil and gas engineering services in Vietnam, and is a trusted brand to oil and gas clients in the region and the world. Besides, PVS remains a security code with high liquidity and attracts much interest in the stock market.

Ladies and Gentlemen,

From the perspectives of corporate executives, in addition to obstacles and challenges, the year 2020 also brought new experiences about vision, governance, and ability to take opportunities. And in 2021, while the

world is still plagued with the crisis and the pandemic keeps going on with complicated developments, more difficulties will come, for certain. With the current tough "problems" of fulfilling the production and business targets, creating jobs, maintaining the market share, stabilizing and developing sustainably, PTSC Board of Directors (BOM) well understands that new challenges and opportunities are awaiting ahead and we are ready to deal with challenges and take proper actions to transform opportunities into positive outcomes. Apart from continuing to affirm our position in the value chain of PetroVietnam as well as with domestic oil and gas partners, PTSC will continue promoting our existing advantages and speed up our business development and expansion to foreign markets. On the other hand, PTSC will keep proceeding with the overall restructure to adapt to actual situations and ensure sustainable development; boosting investments to optimize resources and increase our own strength with medium- and long-term visions; developing the human resource, reducing operating and service costs, building a risk management system, strengthening cooperation, researching and launching new services.

We believe that difficulties and challenges always come together with opportunities. PTSC will always be active, ready to participate in large oil & gas projects and be open to exploring new business opportunities in the near future, tapping into new services when the global crisis is over. With consistent policies and professional, creative and experienced workforces, PTSC will continue effectively making use of resources, affirming and strengthening our position as a reliable contractor, trusted partner, reputable business to investors and shareholders.

The companionship, attention, support and full confidence of PetroVietnam and Valued Shareholders; the faith and cooperation of our clients and partners are always the greatest and most important motivation to us in our business, keeping PTSC on track for sustainable growth. PTSC would like to express our sincere thanks and regards to all of you!

Finally, on behalf of the BOM I would like to convey our sincere thanks to PTSC BOD, executives of functional departments, subsidiaries, affiliates, and all managers and employees for always maintaining the working fire and spirit, and for every effort you have devoted to our motto, "Comprehensive solutions, driven by trust".

Sincerely,

President & CEO

LE MANH CUONG

KEY FINANCIAL RATIOS

Consolidated financial statement

(Unit: billion VND)

Description	2019	2020	% Differences
Total assets	26,287	26,279	99.97%
Net revenue	16,789	20,180	120.20%
Profit before tax	1,336	1,025	76.71%
Profit after tax	996	710	71.30%

Key financial ratios

Item	Unit	2019	2020
Liquidity Ratios			
• Current ratio	Times	1.79	1.69
Current assets/Current liabilities			
• Quick ratio	Times	1.62	1.48
Current asset - Inventory			
Current liabilities			
Financial leverage			
• Debt-to-asset ratio	Times	0.51	0.51
• Debt-to-equity ratio	Times	1.03	1.04
Efficiency ratios			
• Inventory Turnover ratio	Ngày	15.55	10.72
Cost of goods sold			
Average inventory			
• Revenue/Assets	Times	0.82	0.64
Profitability ratios			
• Net profit after tax/Revenue	%	4.93	4.23
• Net profit after tax/Equity	%	7.68	5.51
• Net profit after tax/Assets	%	3.79	2.70
• Profit margin from operating/Revenue	%	5.98	1.84

BOARD OF MANAGEMENT'S REPORT



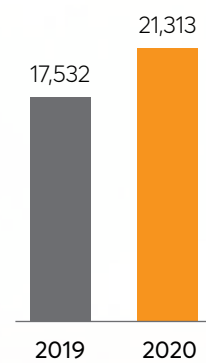
Business performance result in 2020

Consolidated results

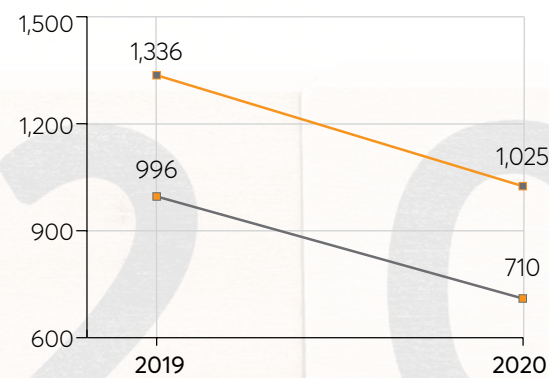
Unit: Billion VND

No.	TARGETS	Actual 2019	Planned 2020	Actual 2020	% (vs. ANNUAL PLAN)
1	Consolidated Revenue	17,532	15,000	21,313	142.1%
2	Profit before tax	1,336	800	1,025	128.1%
3	Profit after tax	996	640	710	110.9%
4	Taxes and payables to State Budget	1,305	750	909	121.2%

Consolidated Revenue



Profit before tax
Profit after tax

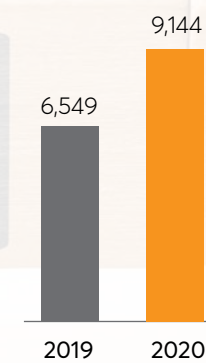


Business performance result of Parent Company

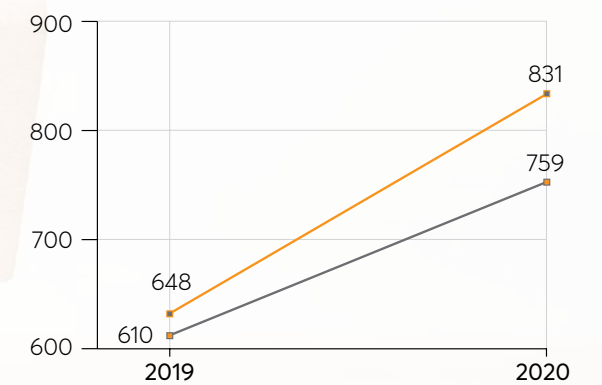
Unit: Billion VND

No.	INDICATORS	Actual 2019	Planned 2020	Actual 2020	% (vs. ANNUAL PLAN)
1	Charter capital	4,780	4,780	4,780	100.0%
2	Revenue	6,549	4,200	9,144	217.7%
3	Profit before tax	648	500	831	166.2%
4	Profit after tax	610	470	759	161.6%
5	Ratio of Net profit/Charter capital	12.8%	9.8%	15.9%	161.6%
6	Taxes and payables to State Budget	225	200	401	200.6%
7	Investment	770	1,778	271	15.2%

Revenue of Parent Company



Profit before tax
Profit after tax



ASSESSMENT OF BUSINESS PERFORMANCE IN 2020

Consolidated revenue in 2020 increased 21.6% as compared to 2019. Overall, all PTSC's technical services have completed 2020 plan and some core services have started to grow on year-on-year basis, especially in EPCI for offshore facilities and Installation, Operation and Maintenance Offshore Facilities has recorded a decent growth due to Sao Vang - Dai Nguyet Project entered its busy period for construction and installation in 2020.

PTSC's consolidated profit before tax increased 23.3% compared to 2019. Despite of revenue rise, consolidated profit of most of service areas decline significantly due to fierce competition in service areas in 2020 as well as cost cutting policy of oil and gas contractors in the period of oil price slump. Moreover, the impact of Covid-19 pandemic also caused many difficulties to business activities, increasing costs, especially for foreign projects and work, or when requiring imported materials and facilities from Covid-infected areas.

ASSESSMENT OF GENERAL ACTIVITIES IN 2020

Background

Advantages:

As a member of Petrovietnam, PTSC continues receiving great support from PetroVietnam in many business activities.

PTSC has established various long-term and reliable cooperation relationships with foreign partners to jointly push business forward, train, transfer technology and gradually join, provide domestic and offshore services.

PTSC's leaders have in-depth professional qualification, dedication and wholeheartedness for the development of PTSC. Employees and staff are qualified, dynamic and experienced in the international working environment.

Disadvantages:

In 2020, the COVID-19 pandemic caused extensive and intensive impact to all countries in the world, sending the global economy into recession, seriously affecting all of socio-economic aspects, disrupting the supply chains and trade flows, and stalling production, business and service activities in Vietnam.

The dual impact of COVID-19 epidemic coupled with oil price slump caused PTSC's service activities to be stagnant, service demand to decline, and projects to be delayed upon clients' requests. Project progress and costs have been significantly affected due to travel and contact restrictions, thereby hampering the organization, management,

and operation of PTSC's projects, especially those related to Investors and Contractors involving foreign elements.

Workload in domestic projects continues to be scarce, service prices remain low and competitions are extremely fierce. In addition, the absence of specific solutions for legal corridor and technical barriers to limit the participation of international contractors in projects in Vietnam also poses the risk of losing work opportunities of Vietnamese businesses on their home turf.

Offshore service development is difficult, due to low volume of work and stricter protection of domestic businesses by host countries.

Domestic clients facing complicated procedures leading to delayed signing of official contracts or delayed approval/confirmation of settlement resulting in large overdue debts, causing disruption in operation, arising legal issues, lawsuits, provisions,...

PTSC's equipment and facilities have not been adequately invested in for a long time, resulting in a shortage of resources in some areas, gradually failing to meet customer requirements.

Results

Total consolidated revenue for the whole year of 2020 reached 21,313 billion VND, representing 142.1% of the 2020 Plan, up by 21.6% YoY. The consolidated profit before tax for the whole year of 2020 achieved 1,025 billion VND, representing 128.1% of the 2020 Plan, down by 23.3% YoY.

PERFORMANCE OF CORE SERVICES



OFFSHORE SUPPORT VESSELS

The result of 2020 revenue is **2,128 billion VND**, reaching 125.2% of the 2020 Plan, down by 5.4% YoY. Gross profit reached 120 billion VND, up by 0.6% YoY.

In 2020, support vessel services continued facing many difficulties, the demand and workload of vessels still remain low due to the impact of Covid-19 pandemic and oil price slump, resulting in decrease in service price, fierce competition among vessel providers, and narrowed market share. The total number of days of operation of PTSC's service vessels (including bareboat charter ships) reached 2,239 days, down by 12.8% YoY.

The supply of towage and support vessels near the shore serving Dung Quat Refinery Plant and Nghi Son Refinery and Petrochemical Plants continued to maintain stably, ensure safety, meet all demands of clients, specifically:

- ▶ Providing security service, fire protection, safety, towage for Dung Quat Refinery Plant with a total of over 5,200 tugboat trips to and from the Port and over 44,000 safe duty hours.
- ▶ Providing successfully support vessels with 1,050 consignments and receiving safely and effectively 34 VLCC Vessels docked (Very Large Crude Carriers) for Nghi Son LHD Factory.



FSO/FPSO

The result of 2020 revenue is **3,397 billion VND**, reaching 199.9% of the 2020 Plan, up by 12.8% YoY. Gross profit reached 89 billion VND, down by 41.9% YoY. The YoY rise in revenue is mainly thanks to the recognition of significant revenue from FSO Ca Rong Do Project that was completed previously and the commercial launch of FSO Golden Star. The remarkable decrease in gross profit in this field compared to previous years is due to potential risks of FSO/FPSO aged in operation, increased maintenance and repair costs, and equipment and facilities due for major overhaul/repair.

In 2020, FSO/FPSO lease service provided by PTSC and co-owners met the clients'

requirements (FPSO PTSC Lam Son for Lot 01/97 & 02/97, FPSO Ruby II Lot 01/17 & 02/17, FSO PTSC SCS 1 for Moc Tinh Hai Thach Field, FSO Orkid for PM3-CAA Malaysia, FSO Rong Doi MV12 for Rong Doi - Rong Doi Tay Field, etc.). In particular, PTSC was in charge of all O&M works for some projects. Vessel's uptime rate reached nearly 100%, higher than contracts' requirement. FSO Golden Star completed offshore installation and commissioning phases and the first condensate was welcomed on Nov 16th, 2020.

Crews service were properly provided to MODEC (FSO MV12), MVOT (FSO Orkid), Cuu Long JOC (FPSO Thai Binh - VN).

PERFORMANCE OF CORE SERVICES

(continued)



EPCI FOR OFFSHORE FACILITIES AND EPC FOR INDUSTRIAL PLANTS

The result of whole-year revenue is **11,084 billion VND**, reaching 138.6% of the 2020 Plan, up by 27.0% YoY. The YoY rise in revenue was largely driven by PTSC Parent Company's implementation of many more projects, such as: Sao Vang - Dai Nguyet gas gathering and transporting pipeline project for PV GAS, Southern petrochemical complex project - Package A1, LNG Thi Vai... and the operation of major projects (Sao Vang Dai Nguyet, Gallaf) at peak season. Gross profit reached 196 billion VND, down by 62.0% YoY. This was mainly due to the construction of Gallaf Project (accounting for a large proportion in 2020 revenue) facing many difficulties caused by Covid-19 pandemic, leading to the project result failing to meet expectation.

EPCI for offshore facilities: The organization, production, and construction of projects were deeply affected by the Covid-19 pandemic; nevertheless, PTSC made great efforts to mobilize resources, apply coordinated solutions, and ensure safe and effective implementation of projects, specifically:

- ▶ Completed the manufacture, transportation,

installation, and commissioning of Sao Vang CPP on Jul 28th, 2020 and started transporting gas to shore on Nov 16th, 2020. Currently, PTSC is focusing on the construction and manufacture of Dai Nguyet WHP, ensuring quality and progress.

- ▶ Completed the manufacture, transportation and offshore installation of 3 platforms and 3 linked bridges of Gallaf Project (Al Shaheen) for North Oil Company with total weight of nearly 10,000 MT. This project is currently under the hook-up and commissioning phase.
- ▶ Completed the gas gathering and transporting pipeline project for Sao Vang - Dai Nguyet field for PV GAS.
- ▶ Completed some other small projects, such as: LQUP Jacket Manufacturing and Installation Project for ONGC, Linde Pre-Dressing of Columns Project for Linde Gas Singapore...

EPC for industrial plants: Completed Vopak - Galaxy Expansion Project - Phase III; continued safe and effective implementation and ensured the quality and progress of LNG Thi Vai Project, Southern Petrochemical Complex Project - Package A1.



PORT & SUPPLY BASE

The result of the whole year revenue is **1,808 billion VND**, reaching 120.5% of the 2020 Plan, up by 3.7% YoY. Gross profit is 215 billion VND, down by 16.5% YoY.

Business activities at Ha Luu Vung Tau Port were basically maintained stable, the average number of contractors implementing drilling plans was 2-3 contractors/month, the same as in the previous year; also, the implementation of Sao Vang Dai Nguyet, Gallaf, Linde... also helped increase the revenue and profit for auxiliary services at the Port. In addition, PTSC also continued promoting the expansion and development of logistics services, providing facilities, equipment, human resources, ancillary services for projects and clients both inside and outside the oil and gas industry.

Import/export activities at PTSC ports, including Phu My General Oil and Gas Service Port, Hon La Port, Son Tra Port, Wharf 1 of Dung Quat Port, Nghi Son Port, Dinh Vu Port... underwent the period of extreme difficulties and impacts

caused by Covid-19 pandemic upon the global transportation market. Countless production and import/export businesses at home and abroad were in difficult circumstances, including recession, losses, cutting down operations, reducing human resources, or even bankruptcy, resulting in serious decline in commodity flow through ports and intensifying the competition pressure already at very high level in recent years. After the global commerce showed signs of recovery from the end of Q3-2020 and the commodity flow through ports gradually increased, the Central Vietnam region was constantly hit by storms and floods, resulting in severe consequences, vessels had to take shelter from storms and cargo handling operations encountered extreme difficulties and limitations. However, PTSC tried to implement many solutions to respond and improve business performance, such as: managing fluctuations, optimizing resources, implementing thrift practice, taking opportunities, boosting marketing activities... in an effort to help its subsidiaries overcome difficulties and maintain stable business activities.

PERFORMANCE OF CORE SERVICES

(continued)



INSTALLATION, OPERATION, AND MAINTENANCE OFFSHORE FACILITIES

The result of whole year revenue is **3,402 billion VND**, reaching 113.4% of the 2020 Plan, up by 123.7% YoY. Gross profit is 93 billion VND, down by 7.4% YoY. The strong rise of revenue and profit on year on year basis in this service field was largely driven by transportation, installation, connection, and dismantle projects mostly implemented in the peak season of 2020. Nevertheless, profit in this field declined because of difficulties and increased costs of offshore construction and installation works due to COVID-19.

Well implementing and completing the transportation, hook-up and commission projects for Sao Vang CPP, Dai Nguyet

Wellhead Platform; DH01 DISCONNECT Project: dismantling, towing, reconnecting FPU DH01 Dai Hung rig, Block 05-1A offshore Vietnam for PVEP; FSO Golden Star Installation Project. In addition, PTSC also focused its resources to provide offshore hook-up, commission and conversion services for Gallaf Project (Al Shaheen) - Phase 2; NCS2 undersea pipeline construction project - Phase 2. The performance of PTSC-01 and POS 1 was greatly improved as compared with previous year.

Continuing to provide safe and effective maintenance contracts, supply long-term/short-term human resources for oil and gas projects for clients.



SEISMIC, SURVEY, AND ROV

Due to double impact of COVID-19 pandemic and sharp oil price slump from the beginning of the year, many clients delayed or suspended the implementation of survey projects, resulting in a serious decline in PTSC's workload in this service sector. The efficiency of PTSC's geological survey vessels also decreased significantly compared to previous year. In addition, abnormal climate changes in Q3 and Q4 led to many difficulties in the organization and implementation of PTSC's

production activities at sea, causing many difficulties, delayed progress, and incurred costs. The result of whole year revenue is **449 billion VND**, reaching 106.8% of the 2020 Plan, down by 43.9% YoY. Gross profit is 15 billion VND, down by 76.5% YoY.

PTSC is continuing to carry out the necessary procedures to dissolve PTSC CGGV Joint Venture.



Investment activities of subsidiaries - PTSC

PTSC subsidiaries have well implemented infrastructure, equipment and facilities investment to serve the production and business activities as planned, such as: 300-ton crawler crane; 135-150 ton crawler crane; ROV survey equipment; 50-ton crane; 25-ton crane; 20-ton forklift; 7-ton forklift; CNC steel sheet cutter; conversion and replacement for PTSC Surveyor;

investment in automatic paint spraying line; bucket loader with capacity of 3.5-4.5 m³; 12-bar oil-powered air compressor; project for expansion and extension of Sector 15 of 1,500-2,500 DWT barge wharf; phase-1 installation of independent firefighting system, etc. Total disbursement value in PTSC subsidiaries in 2020 reached nearly 300 billion VND.

Investment activities of Parent Company - PTSC

The disbursement result in 2020 of the Parent Company - PTSC is 271 billion VND, reaching 15.2% of the 2020 Investment Plan. The low result of PTSC as compared to the annual plan was due to the impacts of Covid-19 pandemic; vessel bidding and inspection activities faced many difficulties, leading to the failure to meet the expected plan for service vessels (accounting for a large proportion in total investment value of PTSC in 2020). In addition, due to the impact of oil price slump, PTSC reviewed and re-evaluated all projects in the annual plan, extended and suspended many non-urgent projects to ensure efficiency and reduce costs in difficult circumstances. Some of key investment activities of the Parent Company in 2020 are as follows:

- ▶ Completing the investment in and commercial operation of FSO Golden Star and welcoming the first condensate on Nov 16, 2020.
- ▶ Completing the investment in 1 multi-purpose service vessel of 6,000 -7,000 BHP, DP2 type and continue fulfilling investment procedures for other vessels as planned.
- ▶ Investing in procurement of other equipment to serve the production and business activities as planned.



Improvements in structure, policies and management in 2020

Standardizing, strengthening internal control, and risk management. Reviewing and reorganizing the organizational structure, streamlined management and administration apparatus, having definitive solutions to deal with difficult and inefficient business units. Completing the dissolution of PTSC Branch - PTSC Engineering and Construction Division, and continuing the procedures on dissolution of PTSC CGGV Joint Venture.

Strengthening transparent, fair corporate culture and civilized working environment. Completing mechanisms and policies to attract high-quality human resources who are Vietnamese, taking labor productivity, production and business -

efficiency, management results as a basis for wage increase and preferential treatment, and transparency towards accepting the differences compared to the wage level in the labor market.

Standardizing the management and development of human resources up to international standards. Developing appropriate training, retraining and internal training policies throughout the employment process, increasing intensive training courses (design, engineering, financial management, scientific management technology, risk management ...) good support for work, work and project implementation.

Continuing the revision and improvement of Internal Governance Regulation system to strengthen and clearly assign duties and responsibilities of management levels; developing and adopting the technical rating system throughout PTSC.

Continuing investing in technology infrastructure, applying IT to the management and governance practices to improve the performance of PTSC, such as introducing applications to respond to each of operational fields, getting ready for expansion/upgrade to meet development requirements:

e.g. upgrading financial accounting software; HRM software; job information management software; Customer Relationship Management (CRM); Supply Chain Management (SCM) software;

Applying Science and Technology Regulations, initiatives, innovations and innovations throughout PTSC to create mechanisms and corridors to encourage relevant work and commend and reward employees appropriately.

Safety - Health - Environment

Well maintaining the application of health, safety, environment and quality management systems in accordance with ISO 9001, ISO 14001 and ISO 45001 throughout the Corporation. PTSC is developing an enterprise risk management (ERM) system according to ISO 31000: 2018.

Labor safety, environmental protection, fire and explosion prevention are regularly and strictly inspected, ensuring absolute safety in service

business. Industrial and hazardous wastes and waste are managed and treated in accordance with regulations. Especially, strict measures have been effectively taken to protect from complicated and long lasting developments of Covid-19 pandemic with no employee infected with Covid-19 and no shutdown or suspension of any vessel or facility due to isolation and quarantine measures.

BUSINESS ACTION PLAN

Consolidated business targets

Unit: billion VND

No.	TARGETS	PLANNED FOR 2021
1	Consolidated revenue	10,000
2	Profit before tax	700
3	Profit after tax	560
4	Taxes and payables to State Budget	570

Parent company targets

Unit: billion VND

No.	TARGETS	PLANNED FOR 2021
1	Charter capital	4,780
2	Revenue	4,200
3	Profit before tax	500
4	Profit after tax	470
5	Taxes and payables to State Budget	180
6	Investment	288

Specific targets and tasks of 2021

1. Maximizing resources to promote and grow business activities, ensure the provision of high quality and reputable specialized oil and gas engineering services that meet the requirements of domestic oil and gas contractors. Actively promoting marketing work for expansion to foreign markets and seeking bidding projects to ensure jobs for employees. Building a professional connection system solution, promoting trade activities, establishing appropriate partnerships in line with PTSC's advantages.

2. Strictly managing investments according to the approved plan, focusing on investment in core activities. Thoroughly reviewing and evaluating market and customer needs, closely following actual situations to ensure efficiency and performance for improvement of competitiveness. Continuing research and survey on investment in the oil and gas service terminal for Block B Project to ensure progress and efficiency. Focusing on final settlement of projects on schedule.

3. Optimizing resources, building service solutions in value chains basing on PTSC's scale and multi-service advantages. Promoting core services with PTSC's unique competitive advantages to clients outside the industry and abroad.

4. Formulating PTSC's overall restructuring plan in accordance with actual conditions and ensure PTSC's sustainable development. Completing procedures on dissolution of CGGV and handling all related financial matters.

5. Maintaining training activities to improve human resource quality to timely meet the requirements for high-level development of oil and gas engineering services according to the development strategy and orientations of PTSC.

6. Strengthening the inspection and supervision to enhance the responsibility of the Representatives of PTSC's capital in the subsidiaries, ensuring the effectiveness, sustainability, and growth of PTSC's capital. Speeding up internal control to promote thrift practices, reduce service costs, and enhance competitiveness. Conducting financial supervision over subsidiaries with losses and taking measures to help them overcome their difficulties and resume stable financial standing.

7. Continuing building up a risk management system, maintaining and developing the application of quality, health safety and environment management systems throughout PTSC. Promoting scientific research, innovation, and application of initiatives in business. Upgrading and effectively using modern IT applications in the business management and governance.

8. Frequently organizing the provision of safety work practices, fire and explosion prevention, personal protective equipment, and assurance of working environment; training and raising the awareness of occupational safety and health in accordance with laws and requirements for business activities.

9. Continuing the implementation of social security plan and reducing annual expenses. Maintaining and ensuring sustainable development of PTSC and associating business activities with national security, sovereignty and environmental protection.

10. Handling outstanding and overdue debts; balancing the cash flow; ensuring the solvency in business activities.

11. Preparing measures to ensure cyberspace confidentiality and security; deploying the digitization of corporate governance; cooperating with relevant authorities to develop a safety plan to protect PTSC's facilities and assets against risks of terrorist attacks.

12. Performing other tasks assigned by PetroVietnam.



BOARD OF DIRECTORS' REPORT



REMARKS ON THE BOARD OF DIRECTORS' ACTIVITIES

While the year 2020 was full of complicated events and unfavorable conditions, the BOD tried to work with the BOM to organize and carry out business activities, tasks, solutions, and groups of solutions in response to constant changes under "new normal" situation, complying with applicable laws and regulations, the Charter, Internal Governance Regulations in the most appropriate manner, overcoming challenges and difficulties, and contributing to the fulfillment of the Plan set by the General Meeting of Shareholders.

Basing on the 2020 Working Plan, assignments by the General Meeting of Shareholders and actual implementation results, the BOD assessed its activities in 2020 to be in the right jurisdiction, ensuring timely handling of issues

under its jurisdiction, for business management and operation of PTSC.

The BOD held regular, extraordinary meetings, discussions, collecting voting opinions of BOD members in writing, through resolutions, and strictly complying with the regulations. The BOD has properly performed its role; accordingly, the roles of independent and non-executive members have been clearly specified to ensure the maximum benefits of Shareholders.

The Board's decisions were made in compliance with actual business conditions, providing important directions that helped the BOM in the governance, coordination and facilitation of activities of organization and associations.

ACTIVITIES OF THE BOARD OF DIRECTORS

Operating principles of the BOD

The BOD works on the principle of collective leadership through the Resolutions of the BOD. The BOD members are personally responsible for their work and are jointly responsible to the General Meeting of Shareholders and the law for their resolutions and decisions relating to the development of PTSC. The BOD assigned responsibilities to the President to organize and execute the Resolutions and Decisions of the BOD.

Meetings of the BOD, the content and results of the meetings

The BOD held 04 regular meetings on first months of the quarters and 60 meeting sessions for discussion and taking written vote opinions of Board members to make resolutions and decisions on matters under its authority, specifically:

No.	Member of BOD	Meeting/opinion taking	Tỷ lệ tham dự	Lý do
1	Mr. Phan Thanh Tung	64/64	100%	
2	Mr. Le Manh Cuong	61/64	95%	On business trip
3	Mr. Do Quoc Hoan	64/64	100%	
4	Mr. Nguyen Xuan Ngoc	64/64	100%	
5	Mr. Luu Duc Hoang	64/64	100%	

The BOD's decisions were made in compliance with regulations and actual business conditions, providing important instructions to assist the Board of Management in the governance, coordination and facilitation of activities of organization and associations.

The BOD issued a total of 236 documents, including 83 Resolutions, Decisions and 153 others to manage the activities of PTSC.

Training in governance

Members of the BOD participated in training programs organized by the State Securities Commission and other relevant agencies.



REMARKS ON THE ACTIVITIES OF MEMBERS OF THE BOD

In 2020, the BOD maintained its regular operations as prescribed by the Charter and Internal Governance Regulations of PTSC, complying with requirements on number of meetings and quorum for validity and efficiency purpose on issues under their authority and assignment of the BOD with high responsibility, on the principle of independence and prudence for benefits of Shareholders and the development of PTSC.

In addition to performing and fulfilling general responsibilities in the activities of the BOD, the

members have well performed their tasks with the following concrete results:

- ▶ The Chairman of the BOD has fulfilled the tasks in accordance with applicable regulations in directing the implementation of annual work plan; directing the organizing and chaired meetings, discussions, collecting written opinions and issuing the Resolutions, Decisions, and other documents of the BOD; directing and supervising the BOD on implementing the Resolutions and Decisions of the General Meeting

of Shareholders (GMS) and the BOD; directing, supporting and promoting the performance of assigned tasks of the Board members.

- ▶ Member of the BOD has well-performed the responsibilities related to the management and administration of PTSC; deploying business plans, market development solutions, marketing and technology, making an important contribution to exceeding the overall business plan in 2020 of PTSC.
- ▶ Full-time members of the BOD have made positive contributions to the process of developing and completing the general internal rules and regulations; monitoring and supervising the implementation and compliance with corporate governance standards; supervising

and evaluating the improvement of management systems, transactions and relationships with shareholders, investors and stakeholders; approving and supervising the contracts and transactions with related parties as prescribed.

- ▶ Independent members and other members of the BOD have actively discussed, raised their opinions for reviewing and deciding on matters under the BOD's competence, ensure the compliance with applicable regulations; monitoring and supervising the performance of and compliance with corporate governance standards; supervising and evaluating risk management practices; approving and supervising the contracts and transactions with related parties as prescribed.

EVALUATION OF OPERATIONS OF THE BOARD OF MANAGEMENT

The BOD highly appreciates and praises the solidarity, determination, flexibility, creativity, competence and responsibility of the CEO, BOM and executives in identifying, preventing and handling well the difficulties and fluctuations of the oil and gas industry and impacts of Covid-19 pandemic in order to govern PTSC in compliance with the BOD's directions and to achieve positive results, as follows:

- ▶ Completed and exceeded the key targets in the 2020 business plan approved by the GMS and BOD.
- ▶ Completed the development of the 5-Year Action Plan for 2021-2025 period and the Development Strategy up to 2035 with vision to 2045 of PTSC.
- ▶ Directed the proper implementation of decisions of the GMS and BOD in accordance with the actual situation to help improve business efficiency; proactively formulated and proposed solutions to deal with difficult and existing problems under the BOD's authority in projects and subsidiaries, contributed to the minimization of risks, ensured the rights and interests of PTSC.
- ▶ Conducted effective and rational use of avail-

able resources; drastically cut down costs but still maintaining stable product and service quality; improved the competitiveness, maintained the market share as well as ensured long-term benefits of PTSC.

- ▶ Accounting and financial management were conformable with standards and transparency as prescribed by law; ensure principles of capital preservation and development; drastically handled bad debts and doubtful debts.
- ▶ Well maintained the movement of innovations, updates, improvements, upgraded the management system to improve the capacity and competitiveness, and effectively applied information technology and science into management and business; implemented the proposed restructuring plan, which confirms the leading and direct role of the Parent Company in business activities of the whole Corporation.
- ▶ Proactively implemented market expansion, developed new products and services, expanded and implemented many EPC projects, industrial and outside the industry, broadened participation in operation, exploitation and maintenance, repairing FSO, FPSO, factories, linking service ports, etc. Enhanced the risk management in work, projects and businesses.

WORKING PLAN OF THE BOARD OF DIRECTORS IN 2021



In 2021, the world is facing significant and unpredictable changes with mixed opportunities and challenges, especially in association with trade conflicts among major economies and ongoing impacts of Covid-19 pandemic, which may have negative and long lasting impacts on the global economy until the following years, particularly for global economic growth, investment, and trade. The oil and gas industry is even suffering more difficulty from the "dual" impact on problems arising from the pandemic and plunging oil prices which reached a record low level in recent years. In addition, the industry will have to deal with uncontrollable risks and relatively gloomy prospect of oil price in the medium and long term. Expectation of the global oil and gas demand, which has been negative before the pandemic outbreak, becomes even more negative due to the impact of Covid-19.

The BOD determines that PTSC will have to confront and solve the fierce competition issues for oil & gas services, projects, domestic and foreign jobs, service market risks, and unemployment due to the impact of Covid-19 pandemic, oil price fluctuations, related regulations which has not favorably changed for the smooth operation of State-owned enterprises, shifting trend of investment and commerce, digital transformation, development of new business models, change in global production and consumption methods, etc. Therefore, to ensure the fulfillment of the 2021 business plan, the BOD has defined key tasks and solutions, as follows:

- 1 Strictly and effectively take measures to prevent and minimize impacts of Covid-19 pandemic; continue focusing on implementing the "dual goal" of effectively preventing the pandemic and protecting PTSC employees' health while tapping on opportunities and trying to recover and develop business activities under the new normal situation; maintain (occupational) health and safety and environmental protection; deal with quality and internal issues; coordinate efforts in protecting national sovereignty, sea and island security, anti-terrorism, rescue and salvation in case of major incidents.
- 2 Duly ensure legal/legislative compliance, including but not limited to updating, archival, communication, usage, training and application. On this basis, make sure that all tasks and activities of PTSC properly comply with applicable regulations; coordinate, handle, and properly carry out inspections and investigations (if any), audit, supervision, and control; properly maintain and resolve economic and civil disputes, complaints, claims, and conflicts (if any).

- 3 Properly carry out financial, accounting, payment, and debt collection activities to ensure a sound, stable and healthy financial situation and capital and cash flow; effectively use capital resources and preserve and grow the capital base of PTSC.
- 4 Promote business development, expansion of domestic and foreign markets, non-oil and gas markets, new product development, revenue growth; properly implement the cooperation and development of prestige and brand.
- 5 Carry out projects, works and activities that have been and will be implemented to ensure absolute safety, environmental protection, occupational health and quality, progress, and efficiency of the projects and work at the highest level; on that basis, successfully and optimally complete targets, tasks, programs, plans and activities as set out and approved in the 2021 Business Plan.
- 6 Promote the implementation and application of the systems, prepare coordinated solutions, and continuously improve, upgrade and enhance the competence and competitiveness. Develop and improve, upgrade, and complete the risk management system for business activities and corporate risk management.
- 7 Duly comply with applicable regulations on benefits, policies, care, remuneration, reward, and discipline for employees, rights and interests of Shareholders and Owners of PTSC. Simultaneously, coordinate in carrying out activities of associations, socio-political organizations, Trade Union, Youth Union, Veteran Association, emulation, and promotion of organization performance.
- 8 Apply advanced progresses in information technology, science, engineering, technology and management practice to operations, continuously improve and promote initiatives and inventions.
- 9 Drastically carry out the ongoing, medium- and long-term restructure; review, evaluate, adjust, and allocate resources, facilities, and personnel appropriately and effectively; apply various types of training to continuously improve the quality of human resources;
- 10 Effectively manage, coordinate, exploit, and use all resources; strengthen the implementation of thrift practice, reduce costs and lower product prices.
- 11 Strengthen and properly manage investments, proceed with investment only when its efficiency is demonstrated and guaranteed, implement investment-related tasks to ensure compliance with applicable regulations.



BOARD OF SUPERVISORS' REPORT



With the crucial role of the Board of Supervisors (BOS) which is to protect the rights and interests of shareholders and investors, the BOS has closely followed and implemented the

inspection and supervision plan that approved by the General Meeting of Shareholders in 2020, to meet the expectations and requirements of shareholders and investors.

REMARKS ON THE BOARD OF SUPERVISORS' ACTIVITIES

According to the Law on Enterprises, PTSC's Charter and relevant laws, in 2020, the BOS had the following supervisory activities:

- Monitored the compliance with provisions of the Law, Corporate Charter, the implementation of Resolutions of the GMS and the BOD of PTSC;
- Inspected and supervised PTSC's implementation of business activities and effective per-

formance and progress of investment and procurement projects of PTSC;

- Inspected and supervised the preservation of capital, cash flow management and business operating efficiency of PTSC;
- Inspected and supervised the implementation of the restructuring plan of PTSC;
- Inspected and supervised the implementa-

tion of cost-cutting measures;

- Monitored the implementation of recommendations in the Minutes of inspection issued by auditing teams for PTSC and its subsidiaries; reviewed internal inspection report of PTSC and feedback from the Board of Management;
- Coordinated with the BOD and the BOM in managing equity and the capital of PTSC which was invested in other businesses, to preserve and developing capital;
- Coordinated with functional agencies of the State, inspection teams, internal auditors of Major Shareholders and PTSC in inspecting and supervising management and business

activities at the subsidiaries, supervised the implementation of recommendations in the Minutes of inspection and audit delegations;

- Performed other tasks of the BOS as stated in the 2020 work plan. On quarterly basis, reviewed and reported on the assessment of the compliance with PTSC's Charter, Resolutions of the GMS, and Regulations of the State.
- Inspection and supervision tasks of the BOS are continuously and systematically performed in order to promptly understand current situation and performance of PTSC, its subsidiaries/directly-controlled units, to help PTSC detect and resolve shortcomings in the management system and internal control system.

RESULTS OF THE BOARD OF SUPERVISORS' ACTIVITIES

Based on the authority, tasks and work plan in 2020, the BOS has achieved the following results:

Management, investment in fixed assets and capital construction

The investment of PTSC has been implemented in accordance with current regulations of the State and internal regulations of PTSC: complying with regulations on bidding, investment capital use, disbursement, and payment. All problems and difficulties have been promptly resolved. The investment projects on capital construction and procurement of fixed assets after being handed over have been put into use, management, classification and depreciation of fixed assets in accordance with the regulations of the Ministry of Finance, the exploitation has brought practical economic efficiency through annual business results of PTSC.

Restructuring, financial management and capital investment in other businesses

The restructuring and financial investment of

PTSC have been strictly carried out, focused on the main business lines and activities, with no dispersed investment. PTSC has reviewed and adjusted the restructuring plan, which focuses on the areas, fields, and subsidiaries with loss in business results and facing difficulties, non-core businesses. At the same time, PTSC has also evaluated results, current implementation of PTSC's Strategy in order to make update and adjustment to 2025 with vision to 2035, ensuring the feasibility and effectiveness, in accordance with the practical business activities.

Implementing the dividend payment plan in 2019

Implementing the Resolution of the Annual General Meeting in 2020, on November 09th, 2020, the BOD issued Resolution No. 405/NQ-DVKT-HDQT on payment of 2019 dividend in cash. PTSC completed paying the dividends of 2019 with payout ratio of 10% of Charter Capital, in cash, according to the Resolution of the Annual General Meeting in 2020.

BOARD OF SUPERVISORS' REPORT (continued)



Results of monitoring the governance of the BOD

In 2020, the governance of PTSC BOD complied with the Law on Enterprises, PTSC's Charter, the Resolutions of the GMS, and relevant laws and regulations.

The BOD held 64 meeting sessions, discussed and collected written votes; issued a total of 236 documents, including 83 Resolutions/Decisions and 153 others to manage activities of PTSC. The BOD regularly monitored the implementation of issued resolutions and decisions, supervised operations of the subsidiaries through periodic reports of the Representatives and direct meetings with the subsidiaries.

The BOD has fully exercised its rights, obligations and responsibilities in PTSC management actively directed, supported and created favorable conditions for the BOM, the BOS and the socio-political organizations of PTSC to perform their functions and duties as prescribed.

Results of monitoring the governance of the President & CEO and other executives of PTSC

In 2020, the President & CEO and other executives of PTSC have complied with the Charter and Internal Governance Regulations of PTSC and implemented the resolutions, decisions, and

instructions of the Board of Directors and relevant laws and regulations.

The President & CEO and other executives of PTSC always worked actively with a high sense of responsibility: analyzed, promptly and fully evaluated the advantages and disadvantages; managed acutely, flexibly and closely on all activities of PTSC; proactively researched, implemented solutions and promptly deployed decisions to solve difficulties; organized many action programs, launched emulation movements, mobilized and improved the efficiency of using all resources, optimized the business and production process; promoted the application of modern technology in management and administration in order to improve the effectiveness and efficiency of the management organization, contributed to cost reduction and saving; PTSC leaders maintained and completed business results in 2020 and exceeded the annual plan.

Results of evaluating financial statements, business performance reports

In 2020, the BOS has cooperated closely with the relevant departments to appraise the financial statements for the fiscal year ended on December 31, 2020. Through the evaluation of the financial statements audited by PwC (Vietnam) Co., Ltd, the BOS found that:

- The 2020 financial statements were audited in accordance with the Corporation Charter and the Resolution of GMS in 2020.
- The 2020 financial statements have presented a true and fair view, in all material aspects, of financial position of the Parent Company and consolidated financial position of PTSC as at December 31st, 2020, as well as results of operations and cash flows for the financial year ended the same date in accordance with Vietnamese Enterprise Accounting Standards and System and regulations related to the presentation of financial statements.
- The BOS agreed on the audited consolidated financial statements and the audited separate financial statements for the fiscal year ended on December 31st, 2020.

Evaluation of the coordination between the BOS with the BOD, BOM, and Shareholders

The BOS has cooperated with the BOD and the President & CEO on the principle of ensuring maximum legitimate interests for PTSC and its Shareholders in accordance with PTSC's Regulations and the law.

The BOS has closely cooperated with the BOD and President & CEO in performing its assigned functions and duties. The BOD and the President & CEO have created favorable conditions for the BOS to perform its duties; fully provided the BOS with information and materials related to activities of PTSC; invited the BOS to fully participate in meetings of the BOD, regular meetings of PTSC, and other meetings.

In 2020, the BOS has received no request, complaint, or claim from any individual shareholder or group of shareholders holding 5% or higher of total ordinary shares of PTSC.

ACTION PLAN IN 2021

The action plan in 2021 of the BOS will focus on the following activities:

1. Continue to perform the task of inspecting and supervising business management according to the functions and tasks prescribed by the Law on Enterprises and the Charter of PTSC;
2. Monitor the compliance with the laws and PTSC's Charter, the implementation of regulations, resolutions and decisions of the General Meeting of Shareholders and the BOD of PTSC;
3. Inspect and supervise the implementation of business activities, performance progress and efficiency of investment projects, bidding, and procurement of PTSC;
4. Inspect and supervise the development of economic and technical norms and measures to reduce management costs and lower product costs;
5. Appraise annual and quarterly financial statements; evaluate operational performance and solvency of debts, the management, preservation and development of owners' equity;
6. Supervise the balance of funds and management of cash flows; supervise the mobilization and use of funds and evaluate capital usage

efficiency of PTSC;

7. Supervise the implementation of PTSC's restructuring plan;
8. Evaluate the performance of internal audit system and make proposals and recommendations (if any) to improve internal audit system performance;
9. Supervise and assess the transactions between PTSC, subsidiaries and companies having 50% or above of their charter capital owned by PTSC with members of the BOD, President & CEO, other executives of PTSC and their related persons; assess transactions between PTSC with companies whose founders or managers are BOD members, President & CEO or other executives of PTSC for the last 03 years as from the transaction date;
10. Coordinate with functional agencies of the State, inspection teams, internal auditors of Major Shareholders and PTSC in inspecting and supervising management and business activities at the subsidiaries, supervise the implementation of recommendations in the Minutes of inspection and audit delegations;
11. Perform other duties of the BOS as required the GMS and applicable regulations.

03

Corporate governance

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OVERVIEW OF PTSC'S CORPORATE GOVERNANCE

Throughout the course of operation and development, PTSC has always considered good corporate governance as one of the most critical factors that create trust and maximize benefits to shareholders and investors, thereby contributing to the overall development of the community and society. PTSC has continuously improved and gradually perfected the governance system

throughout the whole corporation basing on international governance practices, strictly complied with Vietnamese laws by specifically assigning the roles and responsibilities of BOD and BOM in its Charter, Internal Governance Regulations, Operating Regulations of the BOD, which contributes to promoting business performance and assuring the successive sustainability.

COORDINATION MECHANISM BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

With the goal of concentrating and promoting internal resources to optimize resources of the whole Corporation, each subsidiary undertakes a core service in the chain of services oriented by the coordination policy of the Corporation, es-

pecially the policy of prioritizing internal services but still ensuring the principle of equality, highest level of operational efficiency and competitive advantages.

PERFECTING CORPORATE GOVERNANCE SYSTEM

During the past years, in addition to complying with corporate governance regulations of PTSC that were established in accordance with Vietnamese law, PTSC has continuously built and applied many advanced international and regional management models. In 2020, PTSC has made an effort to invest, build and perfect the corporate management system to enhance the competitiveness in the technical service market and promote the application of information technology in building up the management system of PTSC that rivals the best regional standards, specifically:

1. Due to changes in applicable laws, specifically the Law on Enterprises, Law on Securities, and Degrees and Circulars published in 2020, the Corporation has been updating and revising its Charter, Internal Governance Regulations, Operating Rules of the BOD and the BOS in compliance with applicable regulations.
2. Upgraded and applied software systems for management: Human Resource Management System (HRM); Enterprise Risk Management (ERM), Financial Accounting Management; Work Information Management; Property Management.
3. Built, improved, and applied science and technology regulation system, inventions and inno-

ventions to maximize the creativity and intellect of employees in making and applying innovation initiatives into production and service.

4. Developed and published PTSC's Salary Regulations that ensure the competitiveness, and retain, attract, and help develop human resources of PTSC. Employees' salary and income are reflected by 03 factors: (i) position-based salary; (ii) competence-based salary; and (iii) performance-based salary.
5. Developed and improved the risk management system - Phase 1 and currently continue with Phase 2.
6. Upgraded and improved the internal management systems and regulations of PTSC in accordance with current business situation, the decentralization and authorization while ensuring the compliance with applicable regulations.
7. Deployed the integrated management system of HSEQ in PTSC in accordance with international standards: OHSAS 18001: 2007; ISO 14001: 2015 and ISO 9001: 2015. The integrated HSEQ management system is certified by an International Certification Organization - BSI (British Standards Institute).

BOARD OF DIRECTORS

The BOD of PTSC currently has five (05) members, specifically:

No.	Full name	Title	Number of members of BOD titles held by each member at other companies	Number of shares with voting rights and other securities issued by the Company	Ratio of shares represented for the Parent Company - PVN	Notes
1	Phan Thanh Tung	Chairman (from May 25th, 2018)	0	48,551 (0.0102%)	26.38 %	Full-time member
2	Le Manh Cuong	Member/President & CEO (from May 25th, 2018)	0	55,424 (0.0116%)	15.00%	Concurrent member
3	Do Quoc Hoan	Member (from November 08th, 2016)	0	11,427 (0.0024%)	0	Full-time member
4	Nguyen Xuan Ngoc	Member (from May 25th, 2018)	0	0	10.00%	Full-time member
5	Luu Duc Hoang	Independent member (from May 25th, 2018)	0	0	0	Independent member

REMUNERATION AND OTHER BENEFITS

► Salary and remuneration expenses paid by PTSC to the BOD and the BOS are appropriate and comply with Resolution No. 271/NQ-DVKT-DHDCCD dated June 24th, 2020, Circular No. 28/2016/TT-BLDTBXH prescribing and ratifying remuneration and operating expenses for members of the Board of Directors and Board of Supervisors of PTSC in 2020.

► Details of salaries, remuneration and other benefits of each member of the BOD, BOS, and BOM in 2020 are as follows:

Unit: billion VND

No.	Full name	Title	Salaries	Remuneration	Bonuses for BOM in 2019	Other benefits in cash	Total remuneration and other benefits (before tax)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)=(4+5+6+7)
1	Phan Thanh Tung	Chairman of the BOD	1,725,260,200	-	232,825,000	42,576,000	2,000,661,200
2	Le Manh Cuong	Member of the BOD/President & CEO	1,585,239,000	120,000,000	214,200,000	48,576,000	1,968,015,000
3	Do Quoc Hoan	Member of the BOD	1,435,416,000	-	161,426,000	39,576,000	1,636,418,000
4	Nguyen Xuan Ngoc	Member of the BOD	1,325,000,600	-	149,009,000	40,576,000	1,514,585,600
5	Luu Duc Hoang	Independent member	1,325,000,600	-	149,009,000	36,000,000	1,510,009,600
6	Bui Thu Ha	Head of the BOS/Supervisor	1,094,395,800	-	112,533,000	43,960,000	1,250,888,800
7	Ho Thi Oanh	Member of the BOS	354,324,000	-	135,039,000	39,536,000	528,899,000
8	Bui Huu Viet Cuong	Member of the BOS	945,442,600	-	106,324,000	43,960,000	1,095,726,600
9	Nguyen Huu Hai	Vice President	1,435,416,000	-	161,426,000	49,576,000	1,646,418,000
10	Nguyen Tran Toan	Vice President	1,435,416,000	-	193,711,000	41,576,000	1,670,703,000
11	Ta Duc Tien	Vice President	1,435,416,000	-	161,426,000	43,576,000	1,640,418,000
12	Nguyen Xuan Cuong	Vice President	1,325,000,600	-	149,009,000	36,576,000	1,510,585,600
13	Tran Ho Bac	Vice President	1,325,000,600	-	149,009,000	40,576,000	1,514,585,600
14	Nguyen Van Bao	Chief Accountant	1,138,672,000	-	128,054,000	36,596,000	1,303,322,000
Total			17,885,000,000	120,000,000	2,203,000,000	583,236,000	20,791,236,000

RISK MANAGEMENT



Risk management has been continuously implemented by PTSC throughout its history of foundation and development over many years, which is reflected in the short-term/long-term development strategies/plans, annual production plans, system of regulations and rules, corporate governance processes, and corporate governance inspection and supervision regimes, etc. With inherited experience and continuous innovation, currently, PTSC is step-by-step systematizing and developing its risk management system, focusing on managing strategic, financial, operating, and compliance risks based on ISO 31000:2018 standards and in compliance with corporate situation. Based on PTSC's operational characteristics, below are the risks identified for the year 2020:

- **Market risk**
- **Policy risk**
- **Pandemic, safety, quality, and environment risk**
- **Credit, interest and exchange rate risk**

RISK IDENTIFICATION AND GOVERNING MEASURES

Market risk

Identification of risks:

- **Oil price:** In 2020, the crude oil market experienced an unprecedented crisis. Due to the dual impact of Covid-19 pandemic and price war for market share among major oil producers - Saudi Arabia and Russia, Brent crude oil price plummeted from nearly 70 USD/barrel in early January 2020 to below 20 USD/barrel in April 2020. This was the historic lowest in over 18 years before the price rebounded to about 50 USD/barrel in December 2020. The constant fluctuation of oil prices heightens risks and directly affects domestic and foreign oil and gas businesses.
- **Demand:** In 2020, the oil demand dropped significantly as a result of Covid-19 pandemic. This

year also witnessed the "shocking" slump in oil demand. The Organization of the Petroleum Exporting Countries and Partners (OPEC+) had to cut down production by a record 9.7 million barrels/day, or nearly 10% of global supply, in order to balance the market in the medium term, indicating a significant decline in oil demand. According to the U.S. Energy Information Administration (EIA), global oil and liquid fuel production output fell from 100.61 million barrels in 2019 to 94.25 million barrels in 2020.

- **Market share:** Due to the impact of Covid-19 pandemic, the oil price experienced complicated and unpredictable fluctuations, causing difficulties to production and business activities of the investors and oil and gas exploration, exploitation and processing companies in carrying out drilling and investment activities, resulting in delayed or extended progress of oil and gas exploration and production projects. Consequently, oil and gas demand for engineering services declined while the competition among suppliers became increasingly fierce, directly affecting the production and business activities of PTSC.
- **Competition:** The lower the demand is, the fiercer the competition becomes. Competitors having unique advantages, especially flexibility in investment efforts, are emerging in the oil and gas services industry. This poses a challenge for PTSC when bidding for domestic and foreign projects.
- **Labor market:** In recent years the oil and gas industry has lost its appeal to skilled workers. In



addition, the loss of talented and experienced employees of PTSC to rival companies also becomes more and more common in a highly competitive industry. Besides, in 2020, Covid-19 barrier also significantly affected the mobilization of human resources to implement PTSC's domestic and foreign projects. PTSC's production and operation were therefore greatly affected.

Risk management measures

- Synchronously implementing formulated solutions, focusing on optimizing resources, promoting services along the value chain based on advantages of scale and multi-service business, and emphasizing on core services.
- Continuously innovating and improving to increase the capability and competitiveness as well as considering and developing new services and clients; conducting investment research and executing onshore projects to supplement ongoing offshore projects.
- Innovating recruitment, training, and employment processes and aligning employees' interest with PTSC's growth.



cover many areas, ranging from enterprises, public companies, investment to auditing, accounting, fees and charges, State budget... The legal framework continues to be improved to attract and create an open business investment environment and conditions for stable growth of the economy. Policy adjustments are also aimed at improving national competitiveness while creating a healthy competitive environment among domestic and foreign enterprises and among State-owned enterprises and non-State-owned ones, etc.

Policy risk

Identification of risk

- ▶ In 2020, the Law on Enterprises was passed by the National Assembly and took effect from January 1st, 2021 with many amendments and additions affecting and governing PTSC's operations.
- ▶ In addition, many legal documents started to take effect such as Law on Tax Administration 2019, Law on Securities 2019, revised Law on State Audit 2019, Law on Public Investment 2019, and Labor Code 2019. The National Assembly also approved a series of legal documents in 2020, such as Law on Investment, Law on Public-Private Partnership Investment, revised Law on Construction, etc. including many new regulations on investment and business activities and capital construction investment projects of PTSC and its subsidiaries, partners and clients for which PTSC and its subsidiaries act as the contractor.
- ▶ The Government, ministries, and governmental agencies also issued a series of decrees and sub-law guidance documents. New amended and supplemented policies and regulations
- ▶ Changes in legal policy are also greatly affected by international agreements to which Vietnam is a contracting member. Accordingly, transactions between Vietnamese enterprises and foreign partners are increasingly influenced by common international cooperation policies in compliance with the global trend. In the meantime, global pandemic, force majeure events, economic and political instability, embargo, sanction, quarantine and isolation, pandemic prevention and control policies, etc. in other countries also had effects and imposed direct risks to Vietnamese enterprises involved in the international market.
- ▶ As oil and gas industry plays a unique role in the economic structure and energy security, regional countries have issued regulations on protecting and prioritizing their domestic industry. In the meantime, Vietnam has no regulations that may help set up technical barriers to limit the participation of international contractors in oil and gas projects in Vietnam.
- ▶ State-owned enterprises continue having to compete fiercely not only with domestic companies

from other economic sectors, but also with foreign enterprises. The risk of job loss increases as more service providers outside the industry participate more deeply in the market. The criteria of legal and financial independence and anti-trust under the Law on Bidding are still inadequate for oil and gas sector in particular, thereby limiting the opportunities for service provision in the industry, indirectly expanding the opportunities for many foreign and out-of-industry contractors to participate in the traditional production - service processes and the full range of established value chain of PVN.

- ▶ In the domestic market, the prescribed procedures have caused blockage from the client's part in the conclusion of contracts or delay in approval and payment. Overdue debts have brought difficulties to operational planning as well as legal issues, lawsuits and accounting problems.
- ▶ Regarding overseas service development, together with a shrinking amount of work in the international market, the aggressive protection of local business in host countries remains a major obstacle. Furthermore, overseas service investment and development in full compliance with home country procedures sometimes causes businesses to fall behind schedule and fail to meet the project's requirements, miss opportunities.

Risk management measures

- ▶ As an enterprise in which controlling interest is held by PetroVietnam (a state-owned Group), on the one hand, PTSC must balance capability improvement for meeting international market demand with compliance regarding laws, and internal rules and regulations. On the other hand, PTSC's business activities are to be maintained with agility and flexibility to meet international requirements and step-by-step improve and affirm its competence, strength and brand name in the international market.
- ▶ With changes of legal policies, it is necessary to research, review, update, and provide internal training about new regulations to get better prepared for the implementation. This will help PTSC and its Subsidiaries promptly update, adapt to changes of laws, ensure compliance,

prevent legal risks, develop appropriate plans, save time and costs of management, become more actively, and improve efficiency of management, governance, and development of business and market shares.

- ▶ In 2020, PTSC has improved its systems of regulations, internal rules, and operating procedures, and updated contents to ensure compliance with law regulations, creating a solid legal basis for management and governance. Important documents such as PTSC's Charter, Internal Governance Regulations, Operating Rules of the BOD and BOS, Internal Governance Regulations and assurance of compliance, etc. as well as other internal rules, regulations, and procedures have been reviewed, updated, amended, and supplemented. In addition, PTSC has completed phase 1 of its Enterprise Risk Management (ERM) Development Program applying ISO 31000:2018 to aim at advanced corporate governance as the basis for sustainable development and value maximization.
- ▶ In 2021, PTSC will keep improving the system of internal regulations, updating legal contents to ensure compliance with applicable regulations, creating solid legal basis for management and administration (including completing and firmly establishing and consolidating the mechanisms for decentralization, authorization, and assignment of tasks); continue various formats of legal training; participate in law-making with regards to business activities by giving input and recommendation on relevant legislation, mechanisms and policies to facilitate PTSC's stronger growth at home, abroad and in other sectors.

- ▶ Currently, the draft Law on Petroleum - one of important laws directly governing the members of PVN - has also been reviewed, consulted, and included in the legislation plan for the near future. PTSC will continue submitting its proposals to competent authorities on the specific mechanism for oil and gas products and services in this Law. Accordingly, the development of both domestic and overseas services should be promoted, and legally valid criteria and barriers for protection that suit local business' capacity and development goals should be established and ensure compliance with legal regulations.



Pandemic, safety, quality, and environment risks

Identification of risks

As PTSC has a large number of employees and diversified production activities ranging from offshore to onshore, it is constantly facing high risks of occupational and maritime accidents, fire and explosion incidents, environmental incidents, force majeure events due to acts of god, etc. Especially in 2020, the Covid-19 pandemic outbreak has lasted and turned complicated, intensifying risks of damage to human life, health and environment, production interruption, property loss, and negative impacts on reputation and competitiveness of PTSC.

Risk management measures

Understanding the importance of risk management and safety assurance in production activities, PTSC has developed, maintained, applied, and continuously improved its Health, Safety, and Environmental Quality Management System for years in compliance with international standards (ISO 9001:2015 - Quality Management System; ISO 14001:2015 - Environmental

Management System; ISO 45001:2018 - Occupational Health and Safety Management System) as well as other safety and security management systems in accordance with international regulations such as International Safety Management Code (ISM Code), International Ship and Port Facility Security Code (ISPS Code).

The operation of these systems has helped PTSC comply with legal regulations and customer requirements and manage the production risks by many typical measures, such as: developing and applying a system of regulating documents, internal rules, processes and production instructions; training human resources to ensure competence for work requirements; investing in and applying technical solutions of accident prevention; implementing the systems of inspection and maintenance of vehicles, equipment and machinery; conducting regular and unscheduled inspections, supervisions and assessments; raising the awareness and encourage employees to promote safe work culture; issuing the policy to acquire insurance coverage for employees health care and accident, property, and production activities.

Credit risk

Identification of risk

- ▶ Credit risk occurs when a client or partner fail to perform their contractual obligations, leading to financial losses to PTSC. PTSC is carrying out adequate credit policies and regularly monitoring and evaluating for any major credit risk. PTSC is not currently exposed to any major credit risk with clients or partners since its receivables come from a large selection of clients in the industry with solid credit history, whose payment obligations are secured, and from clients in various geographical areas.
- ▶ PTSC has been managing interest rate risk by raising equity capital from both the domestic and international capital market to balance interest rate with exchange rate risks, performing derivative operations to stabilize interest rate, and maintaining a reasonable level of fixed-rate and floating-rate loans.

Risk management measures

Transactions based on foreign currency, which PTSC are undertaking, may cause risk due to the fluctuation of exchange rates. This is being managed by a policy to minimize exchange rate risks, whereby revenues and expenditures involving foreign currency are balanced by matching the contracts signed with clients to the amount payable to suppliers.

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Sustainable development

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in 2020



Throughout the course of establishment and development, PTSC has experienced countless ups and downs, however, we always affirm our position as a leading company in the field of providing high-quality oil & gas technical services in Vietnam, the trust in PTSC of shareholders, investors, clients and partners has been increasingly reinforced.

In 2020, a year of rampant challenges and fluctuations, including Covid-19 pandemic, oil price slump, unexpected and unpredictable events on the global scale, PTSC has successfully implemented its economic growth targets, created the solid foundation for sustainable development strategy, delivered long-term benefits to PTSC, successfully achieved social and environmental goals, and ensured the harmony of interests to all stakeholders.

OVERVIEW OF SUSTAINABLE DEVELOPMENT



SUSTAIN-ABLE DE-VELOPMENT STRATEGY

ECONOMY

- Maximizing economic efficiency

SOCIETY

- Salary, bonus, and benefit policy
- Human resource development
- Contributing to community development

ENVIRONMENT

- Safely operating and continuously improving the Safety, Health, and Environmental Quality Management System according to international standards
- Ensuring compliance with environmental protection standards, strictly controlling and managing waste and raw materials

RELATED STAKEHOLDERS

PTSC identifies its related stakeholders with long-term relationships basing on overall activities and relationships built on trust, coordination, transparency, corporate ethical and cultural standards in the spirit of offering benefits to all parties. Key related stakeholders of PTSC include:

Government and State management agencies

Employees

Shareholders and investors

Clients

Partners




Media and press

Community, local authorities

PTSC ➤





RELATED STAKEHOLDER'S PARTICIPATION IN PTSC'S ACTIVITIES



	EXPECTATIONS	SATISFYING EXPECTATIONS	PTSC'S ACTIVITIES IN 2020
 Government and State management agencies	<p>Complying with the law, applying and implementing guidelines, policies and regulations of the State.</p>	<ul style="list-style-type: none"> ➤ Fully fulfilling the obligations and implementing guidelines and policies of the State; complying with the law. ➤ Studying legal issues; observing and obtaining safety and environmental permits, ensuring safe and efficient business operations. 	<ul style="list-style-type: none"> ➤ Studying and disseminating new regulations in 2020, specifically: PTSC is updating and amending its Charter, Internal Governance Regulations of PTSC, Operating Rules of the Board of Directors and the Board of Supervisors in accordance with amendments of the Law on Enterprises, Law on securities, Decrees and guiding Circulars issued in 2020. ➤ Synchronously implementing the Health, Safety, and Environmental Quality Management System throughout PTSC in accordance with international standards and other safety and security management systems in compliance with international regulations such as International Safety Management Code (ISM Code).
 Employees	<ul style="list-style-type: none"> ➤ Ensuring jobs, growth in income, good remuneration and benefit policy. ➤ Recognizing, fairly evaluating employees' contributions and achievements. ➤ Professional training to improve competence. ➤ Working environment and conditions to comply with HSE regulations. 	<ul style="list-style-type: none"> ➤ Competitive salary policy based on competence and work performance; income, remuneration, and benefits commensurate with dedication and contributions. ➤ Regulations on work performance assessment to evaluate the employees. ➤ Training and developing human resources and successor workforce. ➤ Health and safety program for employees. 	<ul style="list-style-type: none"> ➤ In the circumstance of widespread difficulties with loads of domestic and foreign enterprises adversely affected by Covid-19 pandemic and oil price slump, PTSC has taken all solutions to ensure employment and income for its employees. ➤ Continuously improving and applying the Regulations on work performance assessment to pay salaries commensurate with competence, work performance, dedication and contribution. ➤ Carrying out practical and highly effective human resource development training programs. ➤ Launching pandemic prevention programs and actions while maintaining safe and effective production and business activities in the period of Covid-19 pandemic.
 Shareholders and investors	<ul style="list-style-type: none"> ➤ Ensuring business efficiency. ➤ Ensuring public, transparent and timely disclosure of information. ➤ Constantly improving corporate governance capacity. ➤ Providing equal treatment and guaranteeing shareholders' interests. 	<ul style="list-style-type: none"> ➤ Good business performance result ➤ Disclosure of information. ➤ Improvement of management capability and brand name value. ➤ Guaranteeing to pay dividends. 	<ul style="list-style-type: none"> ➤ Exceeding the targets and the business plan in 2020 approved by the General Meeting of Shareholders. ➤ Using the information disclosure system through IDS, CIMS, PTSC website, updating and providing most complete information on PTSC's activities. ➤ PTSC has invested in and applied information technology in accordance with the best regional standards to build up and complete the corporate governance system to improve its competitiveness, ➤ Fulfilling the commitment of dividend payment.

**RELATED STAKEHOLDER'S PARTICIPATION
IN PTSC'S ACTIVITIES** *(continued)*



	EXPECTATIONS	SATISFYING EXPECTATIONS	PTSC'S ACTIVITIES IN 2020
 Clients	<ul style="list-style-type: none"> Ensuring safe operations, service quality, reasonable prices. Reliability, advanced technology, operational capacity. Professional workforce. 	<ul style="list-style-type: none"> Investing in Health, Safety and Environmental Quality Management System of international standards. Quality service, competitive price. Implementing projects/services safely and on schedule. Maintaining and increasing clients' trust. Good customer service. 	<ul style="list-style-type: none"> Synchronously applying Health, Safety, and Environmental Quality Management System of PTSC certified in accordance with international standards by BSI. Promoting development of design and technical capacity to enhance the grey matter value, added value in products and services at competitive prices. Committing to carry out services, projects safely, qualitatively and on schedule. Developing true competence, taking advantage of PTSC's strengths of brand name, resources, management system, experience. Improving the capacity of marketing and customer care teams.
 Partners	<ul style="list-style-type: none"> Transparency of corporate governance system and enterprise financial management system. Operational performance and professionalism. Cooperation for development. 	<ul style="list-style-type: none"> Partner and supplier evaluation and selection process is strict, transparent, fair, and compliant with the law. Contract is fulfilled, checked, and controlled in accordance with law and regulations. Payment is guaranteed. 	<ul style="list-style-type: none"> Completing the corporate governance system, upgrading and applying Human Resource Management (HRM) System and Financial and Accounting Management. Continuously updating, improving, and implementing the process of purchasing goods, evaluating and selecting suppliers to ensure the compliance with the law. Updating, improving, and implementing partner evaluation process. Legal and commercial departments check signed contracts to ensure compliance with the law. Closely cooperating, saving input costs. Successful cooperation relationship for mutual benefits.
 Media and press	<ul style="list-style-type: none"> Ensuring accurate and timely disclosure of information. Cooperating in the development of communication and brand promotion. 	<ul style="list-style-type: none"> Approaching PTSC's information promptly and conveniently Collaborating with media agencies. 	<ul style="list-style-type: none"> Periodic information of business performance results of PTSC is always reviewed and posted publicly and transparently. Signing media cooperation with the mainstream media agencies. Cooperating with media agencies to support organizing charitable programs, social security, environmental protection.
 Community, local authorities	<p>Carrying out corporate responsibilities to the community and society.</p>	<p>Committed to supporting and contributing to local community.</p>	<p>Contributing to the development of education, health and training with total support worth 11 billion VND.</p>

SUSTAINABLE DEVELOPMENT GOALS PROGRESS REPORT IN 2020

ECONOMY

Facing extremely difficult circumstances from the dual impact of Covid-19 pandemic and the oil price decline, PTSC has maximized its economic efficiency by outstandingly completing and exceeding targets set out in the 2020 business plan:

PTSC achieved consolidated revenue of 21,313 billion VND, reaching 142.1% of the annual plan, consolidated pre-tax profit of 1,025 billion VND, hitting 128.1% of the annual plan. PTSC contributed to the National budget of 909 billion VND, representing 121.2% of the annual plan.

SOCIETY

Jobs

In 2020, with a total of 7,514 employees, apart from ensuring jobs and income growth for employees, PTSC also contributed to creating more jobs for local employees.

In 2020, average income of PTSC employees is 26,526,000 VND/person/month, up by 12% YoY.

Compensation policies

Salary policy: PTSC treats all employees equally, without discrimination of gender, ethnicity, marital status, or religion. PTSC ensures compliance with the principle of equality in recruitment, appointment and pay rise. PTSC has been constantly improving and applying the regulations on assessing the level of work completion as a basis to pay employees fairly, employees receive pay according to the capacity and quality of work. In addition, the results, work performance of employees considered as a basis for consideration of salary increases, bonuses, etc.

Insurance and healthcare policies: In addition to ensuring the rights and regimes, benefit policy under the Labor Code and the Labor Collective Agreement, PTSC has paid premiums of mandatory social insurance for employees on their monthly title-based salary in order to ensure better retirement, sick and severance benefits according to regulations; while purchasing high quality health insurance package for employees (PVI care) and supporting insurance package for their relatives.

Welfare policies

Employees are entitled to allowances on the anniversary of PTSC, Lunar New Year, public holidays, Woman's Day of March 8th, October 20th; events; uniforms; PTSC organized in-shift meals for employees, complying with regulations on food safety and hygiene to help employees work free of worry; besides, employees are entitled to vacation at least once a year depending on business results; Employees' children may join sport and cultural festivals on occasion of Lunar New Year, public holidays, etc.



Relationship between employees and employers

With a view of business development must go hand in hand with working condition improvement, life quality improvement, right and benefit assurance for employee are both a target and motivation of sustainable development. Besides offering multiple solutions to strengthen the management and enhance business efficiency, PTSC has built professional working environment and harmonious relations between employees and employer. In addition to signing of the Collective Labor Agreement, harmonious democratic regulations between the employee representatives and employer, PTSC has established the relationship between leaders and employees through the following activities:

- Employees may directly contribute to preparing Internal Labor Rules, Collective Labor Agreement, Democratic Regulation, Dialogue Regulation, Reward and Discipline Policy, Salary Regulation through giving their opinions to PTSC's Labor Union. Implementing democratic regulation at grassroots, improving negotiation quality and signing collective labor agreement have been coordinated and performed effectively by PTSC's Labor Union.
- Periodic dialogue at workplace are held on quarterly and annual basis during employee conference in order to promptly notify employees of difficult or favorable situation in all PTSC's activities as well as to directly answer employees' inquiries. Employees' questions, opinions have always been answered publicly, reasonably and implemented in a positive way. In 2020, PTSC had no dispute between employees and employers.

Contribution to community development

Overcoming all difficulties and challenges caused by the dual impact of Covid-19 pandemic and the oil price slump, besides effective implementation of economic development goals, in 2020, PTSC also carried out social security activities for the community, especially the underprivileged and poor localities across the country. In 2020, PTSC implemented some social security works such as: Funding the construction of Ly Tu Trong Primary School - Quang Tri Town; sponsoring Light Your Hope Scholarship Fund (offering scholarships to poor students to overcome difficulties); supporting charity activities of Ho Chi Minh City University Medical Center; supporting Covid-19 pandemic prevention and control measures and other activities with a total budget of 11 billion VND.

ENVIRONMENT

Energy, water, electricity, raw materials

PTSC's specific business field is to provide oil and gas technical services from upstream to downstream, so it mainly uses manpower and equipment to create products and services in the production process. The sources of raw materials used to produce the products and services are mainly semi-finished iron and steel, materials for mechanic operation, fuels (power, industrial gas, petrol and oil..).

Specific actions

Program to manage, save energy and materials:

The management, efficient and economical use of raw materials and energy is strictly controlled through:

- The quality management system aims at efficiently using the input materials and fuels as well as minimizing the emission of waste to the environment.
- Replacing the lighting system, energy-saving air-conditioning system; installing inverters for fan system, industrial pumps; installing solar energy system for domestic water system and using it as partial substitute for the national electricity grid.
- Due to the peculiarities of the service fleet of vessels using DO fuel, PTSC is currently applying

the energy efficiency management system in accordance with provisions of the World Maritime Organization (IMO) and periodically is checked by a third party to issue a Certificate of Energy Efficiency for each vessel.

- The system of technical norms and quality management system is strictly applied together with the implementation of modern energy-saving technical solutions, recycling of water sources and production materials.
- Installing and equipping efficient water use equipment such as installing hydrometers according to urban standards at all of PTSC's subsidiaries and affiliates, monitoring monthly statistical data and encourage the employees to save water in their daily lives.

Processing noise, vibration and emission

PTSC has invested in, maintained and strictly operated waste treatment works and regularly measured environmental indicators at frequency from 2 to 4 times a year to ensure compliance with environmental protection standards. For production operations of oil and gas service fleet, the application of Energy Efficiency Management System is inspected by a third party for issuing Certificate of Conformity (according to IMO regulations). This is also one of effective solutions to reduce greenhouse gas emissions.

OCCUPATIONAL HEALTH SAFETY

- Health, Safety, and Environmental Quality Policy of PTSC is applied to achieve and maintain the following goals throughout the production and business processes: preventing and minimizing accidents, protecting employees' health; building a safe and hygienic working environment; eliminating negative impact on the environment; and strictly complying with relevant legal requirements. For many years, PTSC has continuously implemented the Quality Management System of Environmental Safety, Health and Safety according to international standards (ISO9001: 2015 - Quality management system; ISO14001: 2015 - Environment management system; ISO45001: 2018 - Occupational health safety management system) and has been certified, annually assessed, reviewed by an International Certification Organization (BSI - British Standards Institute).
- In 2020, facing the complicated and prolonged Covid-19 pandemic, taking disease prevention measures and maintaining business activities severely affected by the pandemic, PTSC has achieved the following remarkable results: no employee was infected with Covid-19 and no transport or production facility must be closed or suspended due to isolation or quarantine; no occupational accident causing injury to employees; no incident or penalty for environmental violation; implementing projects with 100% safe work hours; no occupational accident (typically, Southern Petrochemical Complex Project - Package A1 implemented by PTSC reached the milestone of 2 million safe work hours).



PTSC'S GREEN ACTIVITIES IN THE WORKPLACE

In 2020, PTSC has measured and monitored working environmental parameters to take remedial measures, improve working conditions that is not appropriate to current standards, taking measures to increase the green carpet area of manufacturing facility such as planting trees and renovating the landscape; and periodically reviewing and successfully organizing environmental cleaning sessions at the workplace.

05

Our stock (PWS)

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OVERVIEW



Current shares volume (Share)	477,966,290
Listed shares volume (Share)	477,966,290
Treasury shares (Share)	0
Market capitalization (billion VND)	11,327.80
Room of foreign investors (%)	39.64
Basic EPS (thousand VND)	1.36
P/E	17.46
Book value per share (thousand VND)	17.326
Highest stock price in 2020 (thousand VND)	19.4
Lowest stock price in 2020 (thousand VND)	8.1

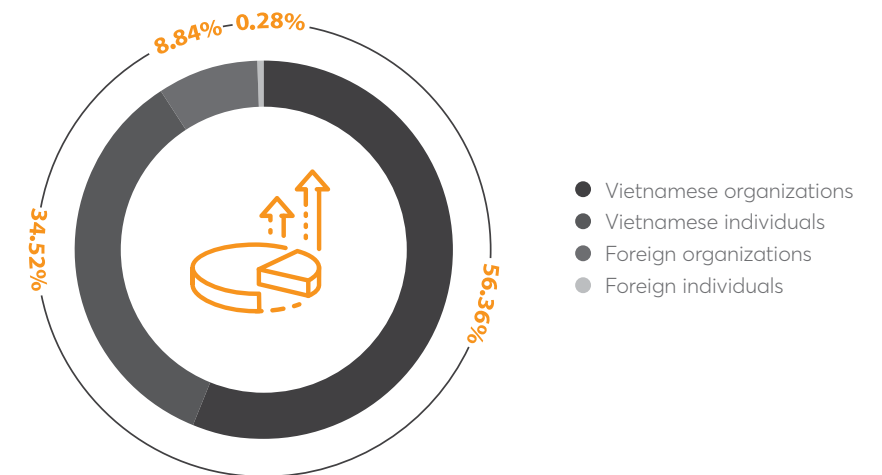
(Historical data as of March 17th, 2021)

INVESTORS



SHAREHOLDER STRUCTURE

The amount of shares is based on the List of ordinary shareholders exercising the right to attend 2021 Annual General Meeting of Shareholder, the last registration date of March 26th, 2021



LIST OF MAJOR SHAREHOLDERS (HOLDING MORE THAN 5%)

The amount of shares is based on the List of ordinary shareholders exercising the right to attend 2021 Annual General Meeting of Shareholder, the last registration date of March 26th, 2021

No.	NAME	NUMBER OF SHARES (SHARE)	HOLDING PERCENTAGE (%)	DOMESTIC/ FOREIGN	INDIVIDUAL/ GROUP
1	Vietnam Oil and Gas Group	245,565,000	51.38%	Domestic	Group

TRANSACTION OF INTERNAL SHAREHOLDERS IN THIS PERIOD

The amount of ordinary shares is based on the List of ordinary shareholders exercising the right to attend 2021 Annual General Meeting of Shareholder, the last registration date of March 26th, 2021 and transaction reports received from Corporate representatives and Related person until March 30th, 2021.

NO.	Full name	Title	Current holding (Share)	Percentage holding at the end of this period (%)	Transaction in this period		Reason
					Sell (share)	Buy (share)	
1	Phan Thanh Tung	Chairman of BOD	48,551	0.01016	-	-	
2	Le Manh Cuong	Member of BOD/President & CEO	55,424	0.01160	-	-	
3	Do Quoc Hoan	Member of BOD	11,427	0.00239	-	-	
4	Nguyen Xuan Ngoc	Member of BOD	-	-	-	-	
5	Luu Duc Hoang	Independent member of BOD	-	-	-	-	
6	Bui Thu Ha	Head of BOS	-	-	-	-	
7	Ho Thi Oanh	Member of BOS	93	0.00002	-	-	
8	Bui Huu Viet Cuong	Member of BOS	1,667	0.00035	-	-	
9	Ta Duc Tien	Vice President	1,637	0.00034	-	-	
10	Nguyen Tran Toan	Vice President	3,794	0.00079	-	-	
11	Nguyen Huu Hai	Vice President	54,643	0.01143	-	-	
12	Nguyen Xuan Cuong	Vice President	5,019		-	-	
13	Tran Ho Bac	Vice President	2,149	0.00045	-	-	
14	Nguyen Van Bao	Chief Accountant	79	0.00002	-	-	
15	Nguyen Duc Thuy	Information Publisher	-	-	-	-	

INVESTOR RELATION



With the goal of transparency in information, providing complete and timely information to shareholders and investors, and complying with the provisions of the law on information disclosure, PTSC has been maintaining regular interaction with shareholders. The motto of PTSC in shareholder relations is: promoting communication, ensuring information transparency, protecting shareholders' rights and maintaining equal treatment for all shareholders, specifically:

Promoting of communication:

Right of shareholder to access information

In 2020, PTSC hosted several meetings with Investors in order to provide quarterly update on its business activities. In addition, PTSC also met many Investors from leading securities companies and fund management companies of Vietnam and foreign countries. Before the annual GMS, PTSC held a meeting with the Investors to provide information and answer any question raised by the Shareholders. In addition, data about PTSC operation is verified with adequate corrections to comply with regulations and avoid any misleading information that may negatively affect the shareholders and investors.

Published information in 2020

- **Jan 22nd, 2020:** Published Consolidated Financial Statements for Quarter 4 of 2019 and Notes to differences between the Consolidated Financial Statements for Quarter 4 of 2019 and Quarter 4 of 2018
- **Jan 22nd, 2020:** Published Financial Statements of Parent Company for Quarter 4 of 2019 and Notes to differences between the Consolidated Financial Statements of Parent Company for Quarter 4 of 2019 and Quarter 4 of 2018
- **Jan 30th, 2020:** Published Corporate Governance Report of Listed Company

Right of shareholders to discuss and question at Annual General Meeting of Shareholders

At the GMS of Shareholders, shareholders had the right to question the Presidium. Issues raised were clarified with transparency and accuracy. The entire comments and recommendations of shareholders at the meeting are well received and examined to implement appropriately.

Transparency of information:

Understanding the important role of information transparency in creating trust for investors, shareholders, PTSC has applied a variety of information technology solutions in information disclosure, such as: using the information disclosure system through the State Securities Commission's IDS, CIMS of the Stock Exchange; uploading and updating published information on the Corporation's website; using stock market information service - EzSearch. Meanwhile, the Corporation also cooperates with securities companies and the media to update and provide the latest information about the Corporation's activities as detailed and clear as possible.

- **Mar 06th, 2020:** Published the Resolution the list of shareholders attending the 2020 Annual General Meeting of Shareholders
- **Mar 09th, 2020:** Announced the last date for registration to exercise the right to attend the 2020 Annual General Meeting of Shareholders
- **Mar 17th, 2020:** Published information on signing contracts with Related Parties
- **Mar 25th, 2020:** Published the audited Financial Statements 2019 of Parent Company and Notes to differences between the audited Financial Statements 2019 of Parent Company and Financial Statements 2018
- **Mar 30th, 2020:** Published the audited Consolidated Financial Statements 2019 and Notes to differences between the 2019 audited Consolidated Financial Statements and 2018 Consolidated Financial Statements
- **Apr 14th, 2020:** Announced to extend the deadline for holding the 2020 Annual General Meeting of Shareholders
- **Apr 17th, 2020:** Published the Annual Report 2020 of PTSC
- **Apr 23rd, 2020:** Announced to extend the deadline for the 2020 Annual General Meeting of Shareholders
- **Apr 28th, 2020:** Published the Consolidated Financial Statements for Quarter 1 of 2020 and Notes to differences between the Consolidated Financial Statements for Quarter 1 of 2020 and Quarter 1 of 2019
- **Apr 28th, 2020:** Published the Financial Statements of Parent Company for Quarter 1 of 2020 and Notes to differences between the Consolidated Financial Statements of Parent Company for Quarter 1 of 2020 and Quarter 1 of 2019
- **May 15th, 2020:** Published the Decision on termination of PetroVietnam Technical Services Corporation (PTSC) Branch - PTSC Engineering and Construction Division
- **Jun 08th, 2020:** Announced the 2020 Annual General Meeting of Shareholders
- **Jun 08th, 2020:** Published the Resolution on convention of the 2020 Annual GMS and Resolution on agenda and documents to be submitted to the 2020 Annual GMS of PTSC
- **Jun 22nd, 2020:** Published the Resolution approving the agenda and documents to be submitted to GMS at the 2020 Annual GMS of the Corporation
- **Jun 25th, 2020:** Published the Resolution of the 2020 Annual General Meeting of Shareholders
- **Jun 26th, 2020:** Published the Resolution on personnel of the Board of Supervisors of PTSC
- **Jul 21st, 2020:** Signed the audit contract and review the Financial Statements 2020 prepared in accordance with Vietnamese Accounting Standards
- **Jul 24th, 2020:** Published the Consolidated Financial Statements for Quarter 2 of 2020 and Notes to differences between the Consolidated Financial Statements for Quarter 2 of 2020 and Quarter 2 of 2019
- **Jul 24th, 2020:** Published the Financial Statements of Parent Company for Quarter 2 of 2020 and Notes to differences between the Consolidated Financial Statements of Parent Company for Quarter 2 of 2020 and Quarter 2 of 2019
- **Jul 29th, 2020:** Report on corporate governance of listed company (for 1st half of 2020)
- **Aug 24th, 2020:** Published the reviewed Financial Statements for 1st half 2020 of Parent Company and Notes to differences between the Financial Statements for 1st half 2020 and Financial Statements for 1st half 2019.
- **Aug 27th, 2020:** Published the reviewed Consolidated Financial Statements for 1st half 2020 and Notes to differences in the Financial Statements for 1st half 2020
- **Oct 27th, 2020:** Published the Financial Statements of Parent Company for Quarter 3 of 2020 and Notes to differences between the Consolidated Financial Statements of Parent Company for Quarter 3 of 2020 and Quarter 3 of 2019
- **Oct 30th, 2020:** Published the Consolidated Financial Statements for Quarter 3 of 2020 and Notes to differences between the Consolidated Financial Statements for Quarter 3 of 2020 and Quarter 3 of 2019
- **Nov 09th, 2020:** Announced the last date for registration to exercise the right to receive 2019 dividends in cash
- **Nov 09th, 2020:** Published the Resolution on payment of 2019 dividends in cash

Protection of shareholders' rights and equal treatment for all shareholders:

To achieve the objective of "Maximum protection of shareholders' rights, equal treatment between minority and majority of shareholders, between domestic and foreign shareholders, between internal and external shareholders of the Corporation", PTSC's shareholder relations department always works with the highest sense of responsibility, meeting highest requirements, flexibly

and promptly processing all requests from shareholders on the implementation of shareholders' rights such as: ownership registration, stock transfer, additional shares issuance, access to information related to Corporation's activities, participation and voting rights at the Annual General Meeting, granting proxy to exercise the rights of shareholders, receiving dividends from PTSC, etc.

MARKET INSIGHTS IN 2020



(Sources: SSI Research and VCSC)

2020 is considered as the most volatile year in the history for Oil and Gas stocks.

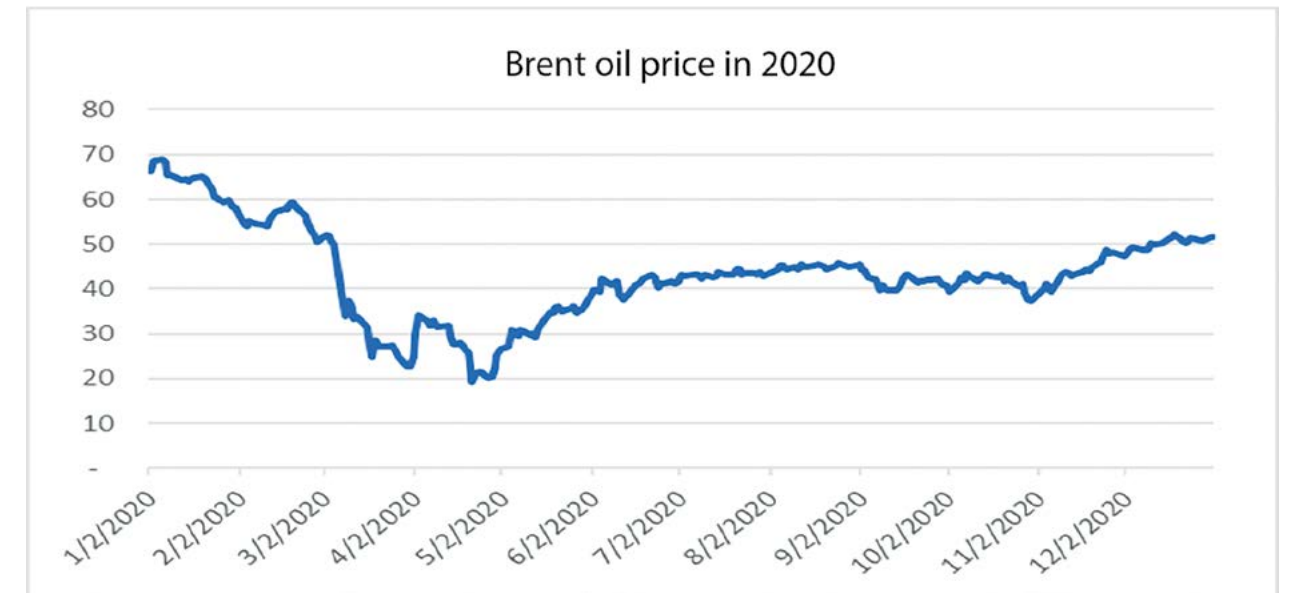
Vietnam's stock market ended 2020 with many unpredictable developments, together VN-Index broke off at 1,103.87 points, up by 14.9% compared to the beginning of the year. Meanwhile, market capitalization of oil and gas sector only increased by 2% over 2019, significantly lower than the growth rate of VN-Index. In 2020, GAS stock price fell 3% YoY, reflecting a 35% YoY drop in profit due to oil price slump. Meanwhile, PLX stock price grew by 4.7% YoY, despite a sharp drop in 2020 profit due to a loss from inventory in Q1. PVS and PVD stock prices rose by 8.6% and 7.6%, respectively, on year-on-year basis. At the same time, OIL and BSR outperformed their peers, growing 44.6% and 20.6%, respectively, in 2020, due to being preferred by individual investors and more responsive to recovery of oil prices in the last two months of 2020. The not-so-expected performance of oil and gas stocks was largely due to the average oil price in 2020 standing at around \$42.2/barrel, down by approx.

34% YoY. Besides, oil and gas exploration and production (E&P) activities in 2020 also faced a lot of difficulties. According to PVN, total production output reached 11.5 million tons of crude oil (down by 12.5% YOY) and 9.2 billion cubic meters (bcm) of dry gas (down by 10% YoY). Thanks to the discovery of a new gas source - Ken Bau 2X field, with a record high reserve of 230 bcm, which is higher than Blue Whale (150 bcm) and Block B (170 bcm), Vietnam easily exceeded the plan set out in 2020, reaching 16 million tons (up by 19.6% YoY) in terms of reserve increase. Accordingly, the rate of increase in reserves/production reached the highest level since 2015.

In 2020, average trading volume reached 5.3 million shares/day with the highest peak reaching 8.2 million shares. Currently, PVS stock constantly rank among the top stocks with best liquidity and most purchased by foreign investors on Hanoi Stock Exchange (HNX) in the last year.

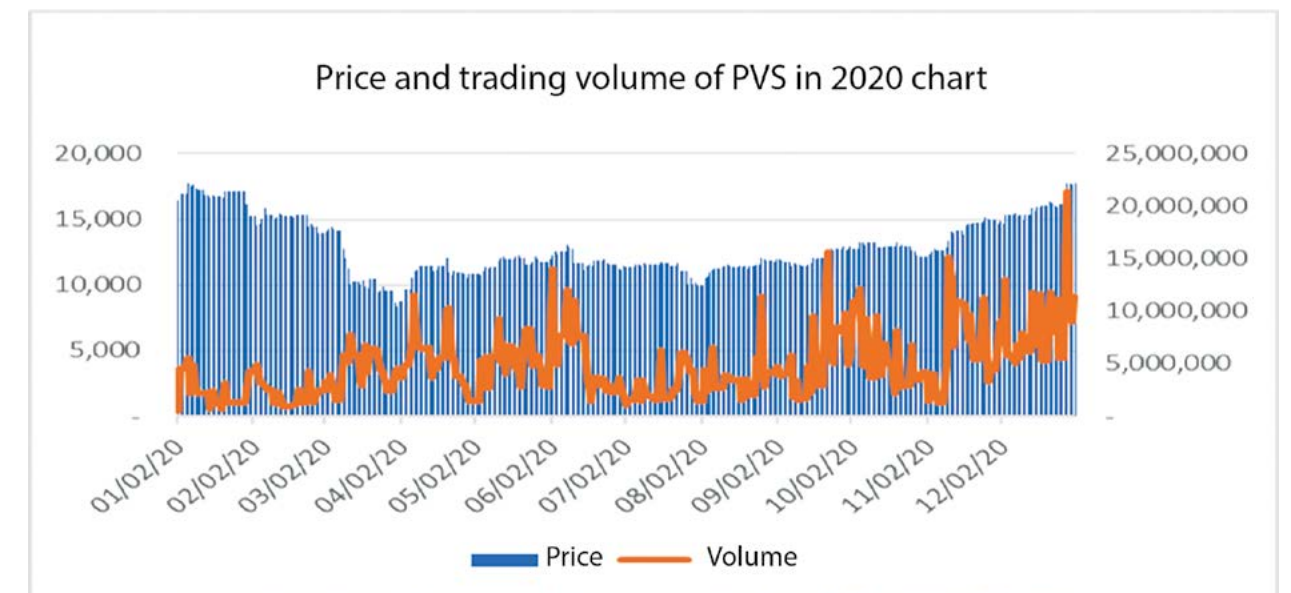
Crude oil price chart in 2020

Source: Bloomberg



Value and trading volume of PVS in 2020 chart

Source: Bloomberg





Oil and Gas industry in 2021: Investment opportunities following the recovery of crude oil price

In the first months of 2021, the oil price recorded an impressive recovery while the number of new Covid-19 tally showed signs of rapid decline as a result of the vaccination campaign accelerated in most countries around the world. In addition, OPEC + countries have almost reached agreement on balancing production output and crude oil price. Goldman Sachs has forecast that the oil price will reach US\$75/barrel in Q3 2021 thanks to optimism about the world economy recovery and lower crude oil inventories of many countries.

The prospect of oil and gas sector in 2021 records a fairly bright recovery in the upstream segment and positive development for the downstream segment, together with the completion of work of won projects as well as the new approach to

bidding for new potential projects. In addition, Vietnam's gas demand, including mainly gas demand for power plants, is forecast to increase threefold in the next 10 years. Meanwhile, the surge in gas supply cannot keep up with the demand. Therefore, the implementation of gas projects and LNG infrastructure projects will be the key focus, apart from the steady source of work for many years from existing projects such as Dai Nguyet WHP (Sao Vang Dai Nguyet), LNG Thi Vai, Long Son Petrochemical, together with the launch of potential projects, such as Su Tu Trang - Phase 2, Lac Da Vang, Block B, Ken Bau, Blue Whale, Nhon Trach 3-4 Power Plant, etc. All these factors justify the reasons why PVS still deserves to be expected as a value investment channel in the medium and long term.

History of increasing ptsc chartered capital

Year	Method	Number of shares offering (share)	Chartered capital (billion VND)
2006	Initial Public Offering (IPO)	100,000,000	1,000.00
2008	Offering to current shareholders	73,803,431	1,738.03
2009	Offering to existing shareholders	25,000,000	1,988.03
2010	Offering to current shareholders	98,998,663	2,978.02
2012	Offering to current shareholders	148,898,327	4,467.00
2018	Dividend payment by share to existing shareholders	31,265,869	4,779.66

DIVIDEND HISTORY

DIVIDEND

+ MAX

No.	Year	Cut-off date	Charter capital	Payment ratio (%)	Payment value (thousand VND)
1	2007	Mar 14th, 2008	1,000,000,000	14%	140,000,000
2	2008 (1st tranche)	Nov 20th, 2008	1,000,000,000	10%	100,000,000
3	2008 (2nd tranche)	Jun 25th, 2009	1,738,034,310	5%	86,901,715
4	2009	May 12th, 2010	1,988,034,310	20%	397,606,862
5	2010	Dec 13rd, 2010	1,988,034,310	15%	298,205,146
6	2011	May 25th, 2012	2,978,020,940	20%	595,604,188
7	2012 (1st tranche)	Jan 17th, 2013	2,978,020,940	10%	297,802,094
8	2012 (2nd tranche)	Sep 5th, 2013	4,467,004,210	5%	223,350,210
9	2013	Jul 28th, 2014	4,467,004,210	12%	536,040,505
10	2014	Jul 31st, 2015	4,467,004,210	12%	536,040,505

No.	Year	Cut-off date	Charter capital	Payment ratio (%)	Payment value (thousand VND)
11	2015	Jul 22nd, 2016	4,467,004,210	12%	536,040,505
12	2016 (1st tranche)	Dec 07th, 2016	4,467,004,210	5%	223,350,210
13	2016 (2nd tranche)	Sep 29th, 2017	4,467,004,210	5%	223,350,210
14	2017 (1st tranche)	Feb 26th, 2018	4,467,004,210	5%	223,350,210
15	2017 (2nd tranche)	Oct 31st, 2018	4,467,004,210	5%	223,350,210
16	2017 (by share)	Oct 31st, 2018	4,467,004,210	100:7	312,690,295
17	2018	Sep 30th, 2019	4,779,662,900	7%	334,576,403
18	2019	Nov 23rd, 2020	4,779,662,900	10%	477,966,290
Total					5,766,225,558

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Financial statements

124 Financial Statements



CORPORATE INFORMATION

Enterprise registration certificate

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

Board of Directors

Mr. Phan Thanh Tung	Chairman
Mr. Le Manh Cuong	Member
Mr. Do Quoc Hoan	Member
Mr. Luu Duc Hoang	Member
Mr. Nguyen Xuan Ngoc	Member

Board of Supervisors

Ms. Bui Thu Ha	Chief of the Board (from 1 July 2020) Member (till 30 June 2020)
Ms. Ho Thi Oanh	Chief of the Board (till 30 June 2020)
Mr. Bui Huu Viet Cuong	Member

Board of Management

Mr. Le Manh Cuong	President and Chief Executive Officer
Mr. Nguyen Tran Toan	Vice President
Mr. Nguyen Huu Hai	Vice President
Mr. Ta Duc Tien	Vice President
Mr. Nguyen Xuan Cuong	Vice President
Mr. Tran Ho Bac	Vice President

Legal representative

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

5th Floor, Petro Vietnam Tower, No. 1 - 5 Le Duan Street,
Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

Auditor

PwC (Vietnam) Limited

STATEMENT BY THE BOARD OF MANAGEMENT

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

The Board of Management of PetroVietnam Technical Services Corporation ("the parent Company") is responsible for preparing the consolidated financial statements of the parent Company and its subsidiaries (together, "the Corporation") which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2020 and the consolidated results of its operations and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Management is required to:

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

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

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 5 to 91 which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2020 and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Management

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

Ho Chi Minh City, SR Vietnam
26 March 2021

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

We have audited the accompanying consolidated financial statements of PetroVietnam Technical Services Corporation ("the parent Company") and its subsidiaries (together, "the Corporation") which were prepared on 31 December 2020 and approved by the Board of Management on 26 March 2021. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2020, the consolidated income statement and the consolidated cash flow statement for the year then ended, and explanatory notes to the consolidated financial statements, as set out on pages 5 to 91.

The Board of Management's Responsibility

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2020, its consolidated financial performance and consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

Other Matters

The consolidated financial statements of the Corporation for the year ended 31 December 2019 were audited by another auditor whose independent auditor's report dated 27 March 2020 stated an unmodified opinion.

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

For and on behalf of PwC (Vietnam) Limited



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

Report reference number: HCM10465
Ho Chi Minh City, 26 March 2021

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

CONSOLIDATED BALANCE SHEET

Form B 01 – DN/HN

Code	ASSETS	Note	As at 31 December	
			2020	2019
			VND	VND
				(Restated - Note 45)
100	CURRENT ASSETS		16,603,118,184,269	16,230,141,459,905
110	Cash and cash equivalents	3	5,212,155,694,269	6,949,116,096,040
111	Cash		3,387,221,129,416	4,041,410,427,943
112	Cash equivalents		1,824,934,564,853	2,907,705,668,097
120	Short-term investment		3,310,783,914,291	2,742,571,586,619
123	Investments held to maturity	4(a)	3,310,783,914,291	2,742,571,586,619
130	Short-term receivables		5,662,418,361,322	4,638,202,056,322
131	Short-term trade accounts receivable	5	5,073,158,592,886	2,906,518,417,791
132	Short-term prepayments to suppliers	6(a)	372,545,963,728	417,903,188,675
134	Construction contracts-in-progress receivables	7	85,720,543,145	181,447,480,986
136	Other short-term receivables	8(a)	265,280,299,858	1,340,878,001,025
137	Provision for doubtful debts - short-term	9	(134,287,038,295)	(208,545,032,155)
140	Inventories	10(a)	2,111,275,628,447	1,509,647,139,447
141	Inventories		2,173,327,952,701	1,511,985,180,780
149	Provision for decline in value of inventories		(62,052,324,254)	(2,338,041,333)
150	Other current assets		306,484,585,940	390,604,581,477
151	Short-term prepaid expenses	11(a)	31,676,397,728	43,409,998,709
152	Value Added Tax ("VAT") to be reclaimed		199,858,428,385	315,170,244,661
153	Tax and other receivables from the State	19(a)	49,336,243,463	6,410,821,744
155	Other current assets	12	25,613,516,364	25,613,516,363
200	NON-CURRENT ASSETS		9,676,158,942,668	10,056,391,494,312
210	Long-term receivables		153,709,968,223	164,206,818,984
212	Long-term prepayments to suppliers	6(b)	62,278,452,310	75,409,365,095

The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (continued)

Form B 01 – DN/HN

Code	ASSETS	Note	As at 31 December	
			2020	2019
			VND	VND
				(Restated - Note 45)
216	Other long-term receivables	8(b)	91,431,515,913	88,797,453,889
220	Fixed assets		3,135,205,849,581	3,203,511,103,799
221	Tangible fixed assets	13(a)	3,113,723,499,166	3,180,926,906,964
222	Historical cost		11,840,246,850,059	11,502,834,937,119
223	Accumulated depreciation		(8,726,523,350,893)	(8,321,908,030,155)
227	Intangible fixed assets	13(b)	21,482,350,415	22,584,196,835
228	Historical cost		136,664,574,783	124,069,521,919
229	Accumulated amortisation		(115,182,224,368)	(101,485,325,084)
230	Investment properties	14	178,600,776,483	183,336,048,339
231	Historical cost		229,280,786,454	229,280,786,454
232	Accumulated depreciation		(50,680,009,971)	(45,944,738,115)
240	Long-term assets in progress		235,819,369,525	200,444,049,775
241	Long-term work in progress	10(b)	69,815,950,708	70,647,487,403
242	Construction in progress	15	166,003,418,817	129,796,562,372
250	Long-term investments		4,960,766,192,708	5,207,640,104,309
252	Investments in associates and joint ventures	4(b)	4,941,851,498,906	5,180,369,727,790
253	Investments in other entities	4(b)	41,655,000,000	51,030,000,000
254	Provision for long-term investments	4(b)	(22,740,306,198)	(23,759,623,481)
260	Other long-term assets		1,012,056,786,148	1,097,253,369,106
261	Long-term prepaid expenses	11(b)	647,959,290,807	573,263,637,798
262	Deferred income tax assets	16	337,988,470,122	494,919,804,855
263	Long-term spare equipment, supplies and parts	10(c)	26,109,025,219	29,069,926,453
270	TOTAL ASSETS		26,279,277,126,937	26,286,532,954,217

The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (continued)

Form B 01 – DN/HN

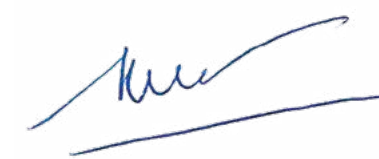
Code	RESOURCES	Note	As at 31 December	
			2020	2019
			VND	VND
				(Restated - Note 45)
300	LIABILITIES		13,395,159,975,310	13,315,786,518,608
310	Short-term liabilities		9,802,865,550,700	9,090,806,538,289
311	Short-term trade accounts payable	17	6,177,990,507,244	4,035,093,087,726
312	Short-term advances from customers	18(a)	437,994,312,232	319,770,239,979
313	Tax and other payables to the State	19(b)	103,970,046,811	146,179,636,698
314	Payable to employees		603,839,251,744	576,062,919,264
315	Short-term accrued expenses	20	449,917,173,426	1,930,446,704,538
317	Construction contracts-in-progress payables	7	63,945,055,438	190,179,474,477
318	Short-term unearned revenue	21(a)	46,175,228,624	52,029,940,601
319	Other short-term payables	22	630,736,118,353	603,825,606,449
320	Short-term borrowings	23(a)	734,645,866,948	771,273,458,439
321	Provision for short-term liabilities	24(a)	193,714,837,216	149,451,673,991
322	Bonus and welfare fund	25	359,937,152,664	316,493,796,127
330	Long-term liabilities		3,592,294,424,610	4,224,979,980,319
332	Long-term advances from customers	18(b)	927,215,112,203	976,563,803,527
333	Long-term accrued expenses		127,030,620	199,903,984
336	Long-term unearned revenue	21(b)	222,072,690,757	266,714,395,089
337	Other long-term payables		155,419,885	155,469,385
338	Long-term borrowings	23(b)	473,725,620,270	584,273,712,046
341	Deferred income tax liabilities	16	804,489,461,046	787,421,949,479


The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET (continued)

Form B 01 – DN/HN

Code	RESOURCES	Note	As at 31 December	
			2020	2019
			VND	VND
				(Restated - Note 45)
342	Provision for long-term liabilities	24(b)	1,125,912,729,833	1,578,454,986,813
343	Fund for scientific and technological development	26	38,596,359,996	31,195,759,996
400	OWNERS' EQUITY		12,884,117,151,627	12,970,746,435,609
410	Capital and reserves		12,884,117,151,627	12,970,746,435,609
411	Owners' capital	27, 28	4,779,662,900,000	4,779,662,900,000
411a	- Ordinary shares with voting rights		4,779,662,900,000	4,779,662,900,000
412	Share premium	28	39,617,060,000	39,617,060,000
417	Foreign exchange differences	28	360,314,913,497	409,506,565,762
418	Investment and development fund	28	2,995,104,942,632	2,984,495,208,487
421	Undistributed earnings	28	3,970,850,786,921	4,039,343,483,744
421a	- Undistributed post-tax profits of previous years		3,379,724,046,817	3,021,694,016,160
421b	- Post-tax profit of the current year		591,126,740,104	1,017,649,467,584
429	Non-controlling interests	28, 29	738,566,548,577	718,121,217,616
440	TOTAL RESOURCES		26,279,277,126,937	26,286,532,954,217


Duong Thi Ngoc Quy
 Preparer


Nguyen Van Bao
 Chief Accountant


Le Manh Cuong
 President and CEO
 26 March 2021

The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

Form B 02 – DN/HN

Code		Note	For the year ended 31 December	
			2020 VND	2019 VND (Restated - Note 45)
01	Revenue from sales of goods and rendering of services		20,179,913,749,667	16,870,455,305,408
02	Less deductions		-	(81,584,891,618)
10	Net revenue from sales of goods and rendering of services	32	20,179,913,749,667	16,788,870,413,790
11	Cost of goods sold and services rendered	33	(19,401,747,769,545)	(15,577,629,398,018)
20	Gross profit from sales of goods and rendering of services		778,165,980,122	1,211,241,015,772
21	Financial income	34	399,913,306,190	317,843,929,650
22	Financial expenses	35	(142,818,222,582)	(67,258,397,945)
23	- Including: Interest expense		(55,755,530,102)	(33,778,304,743)
24	Profit sharing from associates and joint ventures	4(b)	190,645,361,065	580,816,727,174
25	Selling expenses	36	(118,646,294,100)	(107,903,793,598)
26	General and administration expenses	37	(797,515,784,603)	(728,578,897,683)
30	Net operating profit		309,744,346,092	1,206,160,583,370
31	Other income		732,982,368,598	425,373,612,676
32	Other expenses		(18,194,821,894)	(295,889,989,332)
40	Net other income	38	714,787,546,704	129,483,623,344
50	Net accounting profit before tax		1,024,531,892,796	1,335,644,206,714
51	Business income tax ("BIT") - current	39	(140,634,037,204)	(360,537,635,386)
52	BIT - deferred	16	(173,998,846,299)	20,513,654,372
60	Net profit after tax		709,899,009,293	995,620,225,700
	Attributable to:			
61	Owners of the parent Company		623,996,082,965	1,032,808,724,268
62	Non-controlling interests		85,902,926,328	(37,188,498,568)
70	Basic earnings per share	30(a)	1,046	1,699
71	Diluted earnings per share	30(b)	1,046	1,699

Duong Thi Ngoc Quy
Preparer

Nguyen Van Bao
Chief Accountant



Le Manh Cuong
President and CEO
26 March 2021

The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

Form B 03 – DN/HN

Code		Notes	For the year ended 31 December	
			2020 VND	2019 VND (Restated - Note 45)
CASH FLOWS FROM OPERATING ACTIVITIES				
01	Net accounting profit before tax		1,024,531,892,796	1,335,644,206,714
	Adjustments for:			
02	Depreciation and amortisation		538,662,164,792	471,461,549,544
03	(Reversals of the provisions)/provisions		(423,842,121,977)	152,470,981,273
04	Unrealised foreign exchange (gains)/losses		(42,646,834,137)	15,447,044,214
05	Profits from investing activities		(460,160,812,465)	(855,180,071,904)
06	Interest expense		55,755,530,102	33,778,304,743
07	Other adjustments		8,310,000,000	173,885,943,967
08	Operating profit before changes in working capital		700,609,819,111	1,327,507,958,551
09	(Increase)/decrease in receivables		(839,767,732,446)	235,608,080,737
10	Increase in inventories		(657,550,333,992)	(1,007,892,157,382)
11	Increase in payables		619,964,676,677	1,948,656,001,625
12	Increase in prepaid expenses		(62,962,052,028)	(15,395,749,285)
14	Interest paid		(60,618,632,183)	(39,160,239,713)
15	BIT paid		(221,031,189,145)	(319,737,629,669)
17	Other payments on operating activities		(158,198,117,172)	(204,164,280,872)
20	Net cash (outflows)/inflows from operating activities		(679,553,561,178)	1,925,421,983,992
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets and other long-term assets		(501,920,801,056)	(785,724,866,328)
22	Proceeds from disposals of fixed assets and other long-term assets		8,274,108,381	5,008,105,062
23	Term deposits with maturity of more than 3 months		(3,727,696,085,455)	(1,952,180,120,626)
24	Term deposits with maturity of more than 3 months collected		3,156,760,419,478	935,514,070,946

The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT (continued)

(Indirect method)

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Code		Notes	For the year ended 31 December	
			2020	2019
			VND	VND
				(Restated - Note 45)
26	Proceeds from divestment in other entities		9,375,000,000	-
27	Dividend and interest received		657,419,691,956	471,892,806,151
30	Net cash outflows from investing activities		(397,787,666,696)	(1,325,490,004,795)
CASH FLOWS FROM FINANCING ACTIVITIES				
33	Proceeds from borrowings		91,739,026,003	553,762,009,368
34	Repayments of borrowings		(238,489,371,633)	(105,609,356,320)
36	Dividends paid, profits distributed to owners		(526,178,124,864)	(396,628,604,964)
40	Net cash (outflows)/inflows from financing activities		(672,928,470,494)	51,524,048,084
50	Net (decrease)/increase in cash		(1,750,269,698,368)	651,456,027,281
60	Cash and cash equivalents at beginning of year	3	6,949,116,096,040	6,310,817,196,759
61	Effect of foreign exchange differences		13,309,296,597	(13,157,128,000)
70	Cash and cash equivalents at end of year	3	5,212,155,694,269	6,949,116,096,040

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Form B 09 – DN/HN

1. GENERAL INFORMATION

Structure of ownership

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

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

The main shareholder is Vietnam Oil and Gas Group ("the Group"). Details of capital contribution are presented in Note 27.

Principal activities

The principal activities of the Corporation are comprised of

- » Supplying oil and gas services;
- » Management, operation and supply of the technology service vessels;
- » Supplying port-based services;
- » Supplying ship services, tallying services and freight forwarding;
- » Management, business and operation of the floating storage and offloading ("FSO"), floating production storage and offloading (FPSO);
- » Management and implementation of marine engineering activities;
- » Machining, assembly, fabrication of components, oil and gas equipment;
- » Fabrication and installation of all types of petroleum storage tanks, liquefied gas pipelines and other types of oil and gas;
- » Repair shipping vessels and the offshore oil and gas projects;
- » Seismic survey services, geophysical and geological survey services, diving, and subsea services by using remote operated vehicles ("ROV") for oil and gas exploration, exploitation, production and industrial buildings, civil;
- » Maintenance, repair, building and conversion of floating facilities;
- » Exportation and importation of equipment for oil and gas supplies;
- » Supply of petroleum specialized labour;
- » Operation and maintenance of oil and gas exploitation projects;
- » Supplying hotels, housing, office services;
- » Sales of petroleum products;
- » Shipping agency services and maritime brokerage;
- » Chartering, shipping brokerage, towage and salvage services; and
- » Manufacturing, trading of petroleum products, fertilizer and chemicals for agriculture (except chemicals banned by the State).



Duong Thi Ngoc Quy
Preparer



Nguyen Van Bao
Chief Accountant



Le Manh Cuong
President and CEO
26 March 2021

The notes on pages 135 to 218 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Form B 09 – DN/HN

1. GENERAL INFORMATION (continued)

The normal business cycle

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

The Corporation's structure

As at 31 December 2020, the Corporation has 1 representative office, 5 branches, 13 direct subsidiaries, 6 direct associates and joint ventures, and 1 indirect associate (as at 31 December 2019, the Corporation has 6 branches, 13 direct subsidiaries, 6 direct associates and joint ventures, and 1 indirect associate). Details are presented as follows:

Representative office and branches

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

Pursuant to Decision No. 180/QĐ-DVKT-HĐQT of the Board of Directors of the parent Company dated 14 May 2020, the Branch of PetroVietnam Technical Services Corporation – Engineering and Construction Division stopped its operation since 22 May 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

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The Corporation's structure (continued)

No	Name	Place of incorporation and operation	Principal activities	2020		2019	
				Ownership (%)	Voting Right (%)	Ownership (%)	Voting Right (%)
I. Direct subsidiaries							
1.	PTSC Mechanical and Construction Services Company Limited	Vung Tau City	Maintenance and construction for oil and gas field	100	100	100	100
2.	PTSC Geos and Subsea Services Company Limited	Vung Tau City	Operation of 2D and 3D vessels, seismic survey services; geophysical and geological survey services; diving, and subsea services by using remote operated vehicle ("ROV")	100	100	100	100
3.	Petro Hotel Company Limited	Vung Tau City	Hotel services and related services to domestic and oversea companies in petroleum industry	100	100	100	100
4.	PTSC Labuan Company Limited	Malaysia	Providing service vessels in petroleum and gas exploration	100	100	100	100
5.	PTSC Quang Ngai Joint Stock Company	Quang Ngai Province	Management, operation and supply technology service vessels; supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	95.19	95.19	95.19	95.19
6.	PTSC Offshore Services Joint Stock Company	Vung Tau City	Offshore transportation, installation, hook up commissioning, modification, operation and maintenance, offshore facilities decommissioning services of oil and gas projects	84.95	84.95	84.95	84.95
7.	PTSC Phu My Port Joint Stock Company	Ba Ria - Vung Tau Province	Supplying port-based services	59.61	59.61	59.61	59.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Form B 09 – DN/HN

The Corporation's structure (continued)

No	Name	Place of incorporation and operation	Principal activities	2020		2019	
				Owner-ship (%)	Voting Right (%)	Owner-ship (%)	Voting Right (%)
8.	PTSC Thanh Hoa Port Joint Stock Company	Thanh Hoa Province	Supplying port-based services; mechanical, construction, repair and maintenance services of oil and gas projects, industrial buildings	54.69	54.69	54.69	54.69
9.	PTSC Production Services Joint Stock Company	Vung Tau City	Management, operation and maintenance of the floating storage and offloading ("FSO"), floating production storage and offloading ("FPSO"), supply of petroleum specialized labour	51	51	51	51
10.	Dinh Vu Petroleum Services Port Joint Stock Company	Hai Phong City	Supplying port-based services and container services	51	51	51	51
11.	PetroVietnam Security Joint Stock Company	Ha Noi City	Security services	51	51	51	51
12.	Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company	Vung Tau City	Supplying port-based services	51	51	51	51
13.	PTSC CGGV Geophysical Survey Company Limited ("PTSC CGGV") (*)	Vung Tau City	2D and 3D seismic data acquisition service	51	51	51	51
II. Direct associates and joint ventures							
1.	Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT")	Malaysia	Management, business and operation of the floating production storage and offloading ("FPSO")	60	50	60	50
2.	PTSC South East Asia Private Limited ("PTSC SEA")	Singapore	Management, business and operation of the floating storage and offloading ("FSO")	51	50	51	50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

Form B 09 – DN/HN

The Corporation's structure (continued)

No	Name	Place of incorporation and operation	Principal activities	2020		2019	
				Owner-ship (%)	Voting Right (%)	Owner-ship (%)	Voting Right (%)
3.	PTSC Asia Pacific Private Limited ("PTSC AP")	Singapore	Management, business and operation of the floating production storage and offloading ("FPSO")	51	50	51	50
4.	Malaysia Vietnam Offshore Terminal (Labuan) Limited ("MVOT")	Malaysia	Management, business and operation of the floating storage and offloading ("FSO")	49	50	49	50
5.	Rong Doi MV12 Private Limited ("MV12")	Singapore	Management, business and operation of the floating storage and offloading ("FSO")	33	33	33	33
6.	PetroVietnam Marine Shipyard Joint Stock Company ("PV Shipyard")	Vung Tau City	Building, repair and conversion of drilling rigs, marine vessels	28.75	28.75	28.75	28.75
III. Indirect associate							
1.	Thi Vai General Port Joint Stock Company	Ba Ria - Vung Tau Province	Supplying port-based services	21.46	36	21.46	36

(*) As at the date of this consolidated financial statements, the parent Company is working with CGG Holding B.V. (formerly known as, "CGG Veritas Services Holding B.V.") to end the joint venture contract before its expiration and to carry out necessary procedures to dissolve PTSC CGGV's operation in accordance with official approved documents from authorities and the Resolutions of the parent Company's Board of Directors. Since 2018 to the date of this consolidated financial statements, PTSC CGGV has stopped its operation. Accordingly, the Board of Members of PTSC CGGV has evaluated and decided to prepare its financial statements for the year ended 31 December 2020 on liquidation basis in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

As at 31 December 2020, the Corporation had 7,514 employees (as at 31 December 2019: 7,549 employees).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of consolidated financial statements

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

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

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

2.2. Fiscal year

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

2.3. Currency

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

The Corporation determines their accounting currencies based on the currencies which are

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

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

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

- » Assets and liabilities are translated at actual exchange rate at the end of the reporting year;
- » Net assets of those acquired companies are translated at the exchange rate of acquisition date;
- » Undistributed earnings or accumulated losses incurred after acquisition date are translated based on the translation of income and expenses in the income statement;
- » Profits and dividends already paid are translated at the actual exchange rate at the date of payment;
- » Items of the income statement and the cash flow statement are translated at the average exchange rate of the accounting period if it approximates the actual rate at the time of the transaction;
- » The accumulative amount of exchange differences arising from translation is presented in a separate component of owners' equity of the consolidated balance sheet. For subsidiaries, accumulated exchange

differences attributable to the parent Company are presented in "Foreign exchange differences" and those attributable to non-controlling interests are allocated to "Non-controlling interests"; and

- » Upon disposal, the accumulated exchange difference relating to translation of these companies' financial statements presented in owners' equity of the consolidated balance sheet is recognised as financial income or financial expense in the same reporting year.

2.4. Exchange rates

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

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

2.5. Basis of consolidation

Subsidiaries

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

the Corporation. They are de-consolidated from the date that control ceases.

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

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

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

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

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

Non-controlling transactions and interests

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

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

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

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

Associates and joint ventures

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

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

not control or joint control over those policies.

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

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

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

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

2.6. Cash and cash equivalents

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

2.7. Receivables

Receivables represent trade receivables arising from sales of goods and rendering of services or non-trade receivables and are stated at

cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or made for each outstanding amount that is not overdue but doubtful and so the Corporation may be unable to collect the debts. Bad debts are written off when identified according to current prevailing accounting regulations and the Corporation's finance management policies.

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

2.8. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes direct materials, direct labor costs, overhead expenses, purchase cost, conversion cost, and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses such as publicity, selling and distribution expenses.

The Corporation applies the perpetual system for inventories.

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

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

2.9. Investments

(a). Investments held-to-maturity

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

Investments held-to-maturity include bank term deposits and other held-to-maturity investments. Those investments are initially accounted for at cost and measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from investments held-to-maturity is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

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

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

(b). Investments in other entities

Investments in other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee. These investments are accounted for initially at cost.

Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments in other entities is made in accordance with current prevailing accounting regulations and current accounting policies when there is a diminution in value of the investments at the period/year end. Regarding investments in listed shares or those whose fair value can be determined reliably that the Corporation plans to invest in long-term, the provision for diminution in value is made when cost is higher than its expected recoverable amount. For other investments, provision for diminution in value is made when the investees make losses, except when the loss is anticipated by the Board of Management before the date of investment. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2.10. Construction contracts

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

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

Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, and when the contract performance result is reliably determined and certified by

customers, the revenue and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the year and reflected in the billed invoices.

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

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

2.11. Fixed assets

Tangible and intangible fixed assets

Fixed assets are stated at historical cost less accumulated depreciation or amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable conditions for their intended use, in which the historical costs of purchased fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their suitable conditions for their intended use. In regard fixed assets formed from construction investment by contractual mode or self-construction or self-generating process, the historical costs are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the historical cost is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs

approved by competent authorities. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, such expenditure is charged to the consolidated income statement when incurred.

Depreciation and amortisation

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

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

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

Disposals

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

Construction in progress

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

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

2.12. Operating leases

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

2.13. Investment properties

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

Depreciation

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

Infrastructure	48 - 49 years
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Disposals

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

2.14. Prepaid expenses

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

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

2.15. Payables

Classifications of payables are based on their nature as follows:

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

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

consolidated balance sheet date to the maturity date.

2.16. Borrowing

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

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

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. In respect of general-purpose borrowings, a portion of which used for the purpose of construction or production of any qualifying assets, the Corporation determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the weighted average expenditure on that assets. The capitalisation rate is the weighted average of the interest rates applicable to the Corporation's borrowings that are outstanding during the year, other than borrowings made specifically for the purpose of obtaining a qualifying asset. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.17. Accrued expenses

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

2.18. Provisions

Provisions are recognised when the Corporation has a present legal or constructive obligation as a result of past events that the Corporation is obliged to settle this obligation, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been

reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditures expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a financial expense. Changes in the provision balance during the fiscal year are recorded as an increase or decrease in operating expenses.

2.19. Unearned revenue

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

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

2.20. Capital and reserves

(a). Owners' capital

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

(b). Share premium

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

(c). Undistributed earnings

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

2.21. Appropriation of net profit after BIT

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

The Corporation's dividends are recognised as a liability on the consolidated financial statements in the period in which the shareholder list for dividend payment is finalised according to the Resolution of Board of Directors and after the dividends are approved by shareholders at the Annual General Meeting of Shareholders.

The Corporation's funds are as below:

(a). Investment and development fund

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

(b). Bonus and welfare fund

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

2.22. Revenue recognition

(a). Revenue from sales of goods

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

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

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

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

(b). Revenue from rendering of services

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

- » The amount of revenue can be measured reliably;
- » It is probable that the economic benefits

associated with the transaction will flow to the Corporation;

- » The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- » The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c). Revenue from construction contracts

Revenues from construction contracts are comprised of the revenue initially set out in contracts; increases and/or decreases during the term of the contract; bonuses; and other payments to be received from customers or other parties to compensate for the costs not included in the contractual price; other payments that customers agreed to compensate, and other payments provided that these amounts can change the revenue and can be reliably determined. Revenue from construction contracts is recognised in accordance with the guidance presented in Note 2.10.

(d). Revenue from operating lease

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

(e). Interest income

Interest income is recognised on an earned basis.

(f). Dividend/profit distribution income

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

2.23. Cost of goods sold and services rendered

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

2.24. Financial expenses

Financial expenses are expenses incurred in the 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 on selling foreign currencies; and losses from foreign exchange differences.

2.25. Selling expenses

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

2.26. General and administration expenses

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

2.27. Current and deferred income tax

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

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

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

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

2.28. Related parties

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

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

2.29. Segment reporting

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

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

2.30. Accounting estimates

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

The areas involving significant estimates and assumptions are as follows:

- » Estimated useful life of fixed assets (Note 13);
- » Revenue, cost of sales, receivables and payables relating to construction contracts-in-progress (Note 7, 32, and 33);

» Provisions for doubtful debts (Note 9), provision for liabilities (Note 24), provisions for diminution in value of investments (Note 4(b)); and

» Recognition of deferred tax assets relating to temporary differences (Note 16).

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

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3. CASH AND CASH EQUIVALENTS

	2020	2019
	VND	VND
Cash on hand	10,492,190,937	8,910,843,705
Cash in banks	3,376,348,015,847	4,032,121,909,874
Cash in transit	380,922,632	377,674,364
Cash equivalent (*)	1,824,934,564,853	2,907,705,668,097
	5,212,155,694,269	6,949,116,096,040

(*) Cash equivalents include term deposits in VND at banks with the original maturity of three months or less, and earn interest at the average rates ranging from 2.9% to 4.25% per annum (as at 31 December 2019: 4.3% to 5.1% per annum).

4. INVESTMENTS

(a). Investment held-to-maturity

	2020		2019	
	Cost	Book value	Cost	Book value
	VND	VND	VND	VND
Term deposits	3,310,783,914,291	3,310,783,914,291	2,742,571,586,619	2,742,571,586,619

Term deposits include bank deposits in VND with the remaining maturity of not more than 12 months and earn interest at the rate ranging from 3.3% to 6.7% per annum (as at 31 December 2019: from 4.2% to 7.5% per annum)..

4. INVESTMENTS (continued)

(b). Long-term investments

	2020			2019			
	VND	VND	VND	VND	VND	VND	
		Cost	Book value	Provision	Cost	Book value	Provision
Investments in associates and joint ventures (i)	1,624,677,039,235	4,941,851,498,906	-	-	1,624,677,039,235	5,180,369,727,790	-
Investments in other entities (ii)	41,655,000,000	41,655,000,000	(22,740,306,198)	(22,740,306,198)	51,030,000,000	51,030,000,000	(23,759,623,481)
	1,666,332,039,235	4,983,506,498,906	(22,740,306,198)	(22,740,306,198)	1,675,707,039,235	5,231,399,727,790	(23,759,623,481)

i). Investment in associates and joint ventures

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

No	Name	2020			2019		
		VND	VND	VND	VND	VND	VND
		Cost	Book value	Fair value	Cost	Book value	Fair value
1	Rong Doi MV12 Private Limited (i)	106,022,400	-	(*)	106,022,400	139,281,398,037	(*)
2	Malaysia Vietnam Offshore Terminal (Labuan) Limited (ii)	292,324,455,887	1,582,850,858,101	(*)	292,324,455,887	1,454,309,020,839	(*)
3	Vietnam Offshore Floating Terminal (Ruby) Limited (iii)	156,473,118,448	932,977,757,965	(*)	156,473,118,448	788,642,707,402	(*)
4	PTSC South East Asia Private Limited (iv)	340,800,232,500	1,214,342,524,496	(*)	340,800,232,500	1,341,181,930,580	(*)
5	PTSC Asia Pacific Private Limited (v)	641,415,780,000	1,175,123,060,234	(*)	641,415,780,000	1,421,009,076,366	(*)
6	Petro Vietnam Marine Shipyard Joint Stock Company (vi)	171,957,430,000	-	(*)	171,957,430,000	-	(*)
7	Thi Vai General Port Joint Stock Company (vii)	21,600,000,000	36,557,298,110	(*)	21,600,000,000	35,945,594,566	(*)
		1,624,677,039,235	4,941,851,498,906		1,624,677,039,235	5,180,369,727,790	

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

	2020	2019
	VND	VND
Cost of investments	1,624,677,039,235	1,624,677,039,235
Profit sharing from associates and joint ventures:		
Beginning of year	3,555,692,688,555	3,255,902,660,198
Profit sharing from investments in associates and joint ventures (*)	190,645,361,065	580,816,727,174
Dividends received	(380,154,000,000)	(230,831,100,000)
Exchange rate differences from translating the financial statements	(49,009,589,949)	(50,195,598,817)
End of year	4,941,851,498,906	5,180,369,727,790

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

	2020	2019
	VND	VND
Rong Doi MV12 Private Limited (i)	(124,553,738,864)	12,252,294,068
Malaysia Vietnam Offshore Terminal (Labuan) Limited (ii)	140,222,538,542	138,620,031,096
Vietnam Offshore Floating Terminal (Ruby) Limited (iii)	436,725,789,824	455,256,747,055
PTSC South East Asia Private Limited (iv)	(28,799,894,978)	1,262,724,608
PTSC Asia Pacific Private Limited (v)	(238,961,037,002)	(75,074,441,109)
Thi Vai General Port Joint Stock Company (vii)	6,011,703,543	22,985,594,566
Petro Vietnam Marine Shipyard Joint Stock Company (vi)	-	25,513,776,890
	190,645,361,065	580,816,727,174

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

(*) As at 31 December 2020 and 31 December 2019, these are long-term investments that the Corporation intends to invest in the long run. As a result, the fair value of such investments may be different from their book value.

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(i) Rong Doi MV12 Pte. Ltd. is a jointly controlled venture company established between the Corporation and its partner, Modec Inc., and Mitsui Co., Ltd. (Both Modec, Inc. and Mitsui Co., Ltd are incorporated in Japan) in 2006 to invest in FSO "MV 12" with the capacity of 300,000 barrels of oil, operating at Rong Doi field for Korea National Oil Corporation ("KNOC") to charter from 2007. As at 31 December 2020 and 31 December 2019, the Corporation's capital contribution in Rong Doi MV12 Pte. Ltd. is USD6,600, equivalent to VND106,022,400.

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

» to invest in FSO "Orkid" with the capacity of 650,000 barrels of oil for Talisman Malaysia Limited to rent within 10 years. In 2018, MVOT signed a contract appendix with lessor about extension of lease period from 1 January 2018 to 31 December 2027; and

» invest in FSO "Golden Star" with the capacity of 654,717 barrels of oil for crude oil exploitation at the Sao Vang Dai Nguyet Mine offshore of Vietnam with the 7-year duration since November 2020 to November 2027. The contract can be extended for another 8 years

As at 31 December 2020 and 31 December 2019, the Corporation's capital contribution in MVOT is USD17,258,911, equivalent to VND292,324,455,887.

(iii) Vietnam Offshore Floating Terminal (Ruby) Limited ("VOFT") is a jointly controlled venture company established by the Corporation and its partner, Malaysia International Shipping Corporation Berhad, from 2009, in which, the Corporation owns 60% of the charter capital to own, manage and operate the FPSO "Ruby II" for oil exploration and production of Petronas Carigali Vietnam Limited. Since 10 September 2017, Vietnam Oil and Gas Group replaced, received rights and obligations of Petronas Carigali Vietnam Limited for the contract with VOFT based

on the agreement between Vietnam Oil and Gas Group and Petronas Carigali Vietnam Limited. As at 31 December 2020 and 31 December 2019, the Corporation's capital contribution in VOFT is USD8,784,000, equivalent to VND156,473,118,448.

(iv) PTSC South East Asia Private Limited ("PTSC SEA") is a jointly controlled venture company established in September 2011 by the Corporation with Yinson Holdings Berhad under Foreign Investment Certificate No. 474/BKHDT-DTRNN issued by the Ministry of Planning and Investment dated 31 October 2011 to invest and supply FSO services for Branch of Vietnam Oil and Gas Group - Bien Dong POC about crude oil exploitation at Lot 05.2 and Lot 05.3 at Vietnamese coastline. The total investment capital of the project is USD149,318,329, equivalent to VND3,071,478,027,530, in which the capital contributions of joint venture parties are USD37,329,582, taking up 25% of its investment capital, the remaining is borrowed capital. As at 31 December 2020 and 31 December 2019, the Corporation's capital contribution in PTSC SEA is USD16,320,000, equivalent to VND340,800,232,500.

(v) PTSC Asia Pacific Private Limited ("PTSC AP") is a jointly controlled venture company established in 2012 by the Corporation and Yinson Holdings Berhad under the Foreign Investment Certificate No. 561/BKHDT-DTRNN dated 19 October 2012 issued by the Ministry of Planning and Investment to contribute to investment capital in floating storage, production and processing of oil ("FPSO") for PetroVietnam Exploration Production Corporation to rent to develop Lot 01/97 and Lot 02/97 of Cuu Long area in Vietnamese coastline. The total investment capital of the project is USD429,977,481, equivalent to VND9,113,372,709,795, in which, the capital contribution of joint venture parties is USD119,996,426, accounting for 27.9% of total investment capital, the remaining is borrowed capital. The Corporation registered to contribute the capital obligation of USD61,198,177, equivalent to VND1,272,922,081,600, taking up 51% of its chartered capital. The Corporation had

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contributed capital to PTSCAP with total amount of USD51,000,000, equivalent to VND1,069,026,300. As at 31 December 2020 and 31 December 2019, the Corporation's contributed capital in PTSCAP is USD30,600,000 equivalent to VND641,415,780,000.

(vi) PetroVietnam Marine Shipyard Joint Stock Company is a joint stock company established under the Enterprise Registration Certificate No. 3500806844 dated 9 July 2007 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province with the registered charter capital of VND594,897,870,000. As at 31 December 2020 and 31 December 2019, the Corporation's contributed capital at PetroVietnam Marine Shipyard Joint Stock Company is VND171,056,430,000, accounting for 28.75% of charter capital.

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

(ii). Investments in other entities

Details of investments in other entities are as follows:

No	Name	2020		2019	
		Cost	Fair value	Cost	Fair value
		VND	VND	VND	VND
1	Nhon Trach Shipyard Joint Stock Company	3,000,000,000	(*)	3,000,000,000	(*)
2	Duyen Hai Petro Construction Investment Joint Stock Company	28,125,000,000	(*)	37,500,000,000	(12,452,720,519) (*)
3	High Tech Concrete Investment Joint Stock Company	10,530,000,000	(*)	10,530,000,000	(10,530,000,000) (*)
		41,655,000,000		51,030,000,000	(23,759,623,481)

(*) As at 31 December 2020 and 31 December 2019, this is a long-term investment that the Corporation intends to invest in the long run. As a result, the fair value of such investment may be different from its book value.

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

	2020	2019
	VND	VND
Beginning of year	23,759,623,481	26,139,883,741
Reversal of provisions (Note 35)	(1,019,317,283)	(2,380,260,260)
End of year	22,740,306,198	23,759,623,481

5. SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2020	2019
	VND	VND
		(Restated - Note 45)
Third parties		
Technip Geoproduction (M) Sdn Bhd	471,868,864,531	-
Operating Office of Idemitsu Gas Production (Vietnam) Co., Ltd. in Ho Chi Minh City	276,393,454,606	183,292,955,010
North Oil Company	251,384,978,063	4,393,831,041
TPSK Consortium	126,303,173,163	3,500,020,676
Cuu Long Joint Operating Company	69,058,976,793	30,775,906,230
The Operating Office of ENI Vietnam B.V Co, Ltd. in Ho Chi Minh City	59,292,669,720	27,200,961,044
Sapura Fabrication Sdn Bhd.	31,414,661,012	-
GE Power Systems Vietnam Company Limited	27,552,836,256	46,501,600,098
Japan VietNam Petroleum Company Limited	24,270,049,121	28,302,332,074
Greenport Services One Member Limited Liability Company	19,759,262,191	-
Tatsumi Vietnam Co.,Ltd.	19,537,433,515	15,372,007,958
Southern Petroleum Construction JSC	16,885,078,887	327,956,200
Sapura Offshore SDN BHD Taiwan Branch	16,774,747,183	-
Minh Anh Construction JSC	16,669,265,711	16,736,410,113

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Marsol Offshore Construction L.L.C	15,340,739,884	18,847,688,475
Korea National Oil Corporation	16,437,116,305	25,871,732,147
The Operating Office of Premier Oil Vietnam Offshore B.V in Ho Chi Minh City	19,744,909,233	20,043,535,424
Cong Thanh Cement JSC	19,767,290,454	13,239,336,025
Others	371,758,888,478	657,725,307,876
	1,870,214,395,106	1,092,131,580,391
Bên liên quan (Thuyết minh 41(b))	3,202,944,197,780	1,814,386,837,400
	5,073,158,592,886	2,906,518,417,791

As at 31 December 2020 and 31 December 2019, the balances of short-term trade accounts receivable amounting to VND251,497,820,008 and VND296,557,496,994 respectively, which were past due were considered for provision of doubtful debts - short-term are presented in Note 9.

6. PREPAYMENTS TO SUPPLIERS

(a). Short-term

	2020	2019
	VND	VND
		(Restated - Note 45)
Third parties		
Vietnam Machinery Installation Corporation	100,613,950,134	115,920,564,287
Soil Machine Dynamic Ltd	32,795,537,273	-
Toan Thang Engineering Corporation	23,945,116,538	13,824,194,200
Gulf Agency Company Qatar W.L.L.	22,869,818,022	-
Others	191,288,125,265	285,674,133,073
	371,512,547,232	415,418,891,560
Related parties (Note 41(b))	1,033,416,496	2,484,297,115
	372,545,963,728	417,903,188,675

As at 31 December 2020 and 31 December 2019, there was no balances of short-term prepayments to suppliers was past due or was past due but doubtful.

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(b). Long-term

	2020	2019
	VND	VND
Third parties		
South Viet New Spring Corporation	34,628,991,731	34,628,991,731
Anh Minh Marine Services and Trading Company Limited	11,108,917,448	19,075,022,401
Others	16,540,543,131	21,705,350,963
	62,278,452,310	75,409,365,095

7. CONSTRUCTION CONTRACTS-IN-PROGRESS RECEIVABLES/PAYABLES

	2020	2019
	VND	VND
		(Restated - Note 45)
Construction contracts-in-progress receivables	85,720,543,145	181,447,480,986
Construction contracts-in-progress payables	(63,945,055,438)	(190,179,474,477)
	21,775,487,707	(8,731,993,491)
In which:		
Accumulated contract costs incurred plus recognized profits less recognized losses	4,561,355,289,968	3,998,681,869,479
Amount of progress billings	(4,539,579,802,261)	(4,007,413,862,970)
	21,775,487,707	(8,731,993,491)

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Receivables		
NPK project	74,459,687,366	93,560,041,838

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NH3 project	10,829,184,856	48,572,060,035
LNG Thi Vai warehouse EPC project	431,670,923	35,662,242,815
Nam Dinh Vu aviation fuel terminal project	-	3,299,598,856
Southern Petrochemical complex project	-	353,537,442
	85,720,543,145	181,447,480,986
Payables		
Sao Vang Dai Nguyet Gas pipeline project	33,961,929,987	190,179,474,477
Southern Petrochemical complex project	29,983,125,451	-
	63,945,055,438	190,179,474,477

8. OTHER RECEIVABLES

(a). Short-term

	2020		2019	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
			(Restated - Note 45)	
Accrued revenue from rendering of service				
Vietnam Offshore Floating Terminal (Ruby) Limited	19,510,091,475	-	2,811,786,285	-
Baltec les Pty Ltd	16,487,341,561	-	2,446,258,519	-
Nghi Son Refinery and Petrochemical Limited Liability Company	6,606,181,257	-	24,341,497,335	-
Russia-Vietnam Joint Venture Vietsovpetro	236,600,000	-	24,555,901,409	-
Malaysia Vietnam Offshore Terminal (Labuan) Limited	2,348,048,990	-	41,515,071,906	-
PetroVietNam Long Phu 1 Power project	3,109,574,183	-	63,307,769,655	-
PetroVietnam Exploration Production Corporation Limited	627,920,218	-	718,475,815,796	-

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Others	19,250,258,507	-	137,537,722,171	-
Accrued interest income	54,823,326,949	-	70,847,675,886	-
Deposits	18,782,979,836	-	20,704,967,500	-
Advances	14,059,454,917	-	11,417,928,942	-
Vietnam Oil and Gas Group	10,632,042,898	-	57,744,327,344	-
Accrued VAT input	33,487,826,939	-	59,538,979,595	-
Others	65,318,652,128	(1,755,167,920)	105,632,298,682	2,746,731,525)
	265,280,299,858	(1,755,167,920)	1,340,878,001,025	(2,746,731,525)

As at 31 December 2020 and 31 December 2019, the balances of other short-term receivables which were past due amounting to VND3,772,477,700 and VND4,457,282,245, respectively, were considered for provision of doubtful debts - short-term are presented in Note 9.

(b). Long-term

	2020	2019
	VND	VND
Deposits	77,906,965,640	77,194,447,366
Receivables from paid on behalf	13,516,550,273	11,516,550,273
Others	8,000,000	86,456,250
	91,431,515,913	88,797,453,889

Details of other receivables type of customers are as follows:

	2020	2019
	VND	VND
		(Restated - Note 45)
Short-term		
Third parties	206,424,297,923	378,086,276,929
Related parties (Note 41(b))	58,856,001,935	962,791,724,096
	265,280,299,858	1,340,878,001,025
Long-term		
Third parties	91,431,515,913	88,797,453,889

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9. PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

	2020			Overdue period
	Cost	Recoverable amount	Provision	
	VND	VND	VND	
Shot-term trade receivables (Note 5)				
Third parties				
Marsol Offshore Construction L.L.C	15,340,739,884	8,245,885,496	7,094,854,388	From 6 months to under 2 years
Berlanga	13,645,734,640	2,004,901,027	11,640,833,613	3 years and over
Sai Gon Offshore Fabrication and Engineering Limited	13,531,918,730	-	13,531,918,730	3 years and over
Machinery Installation Joint Stock Company No.1	3,046,321,219	-	3,046,321,219	3 years and over
Thyssenkrupp Industrial Solutions (India) Private Limited	1,752,506,374	525,751,913	1,226,754,461	From 2 years to 3 years
Others	21,772,601,112	9,048,997,240	12,723,603,872	Over 6 months
	69,089,821,959	19,825,535,676	(49,264,286,283)	
Related parties				
Nghi Son Refinery and Petrochemical Complex project Management Board	37,203,110,659	22,104,612,827	(15,098,497,832)	3 years and over
Petrovietnam Fertilizer and Chemicals Corporation	53,338,719,355	39,796,924,579	(13,541,794,776)	From 1 year to under 3 years
PetroVietnam Domestic Exploration Production Operating Company Limited	43,311,997,427	15,354,802,493	(27,957,194,934)	From 1 year to above 3 year
PTSC Ca Rong Do Ltd.	9,902,752,259	2,970,825,678	(6,931,926,581)	From 2 year to under 3 years

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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	2020			Overdue period
	Cost	Recoverable amount	Provision	
	VND	VND	VND	
Other short-term receivables (Note 8(a))				
Third parties				
Others	12,969,200	11,649,200	(1,320,000)	From 1 year to over 3 years
	12,969,200	11,649,200	(1,320,000)	
Related parties				
Duyen Hai Petrovietnam Investment and Construction JSC	3,612,011,000	1,870,904,500	(1,741,106,500)	From 6 months to over 3 years
Bien Dong Petroleum Operating Company	49,687,200	38,535,000	(11,152,200)	From 6 months to under 1 years
Others	97,810,300	96,221,080	(1,589,220)	From 6 months to under 1 years
	3,772,477,700	2,017,309,780	(1,755,167,920)	
	255,270,297,708	120,983,259,413	(134,287,038,295)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2019			Overdue period
	Cost	Recoverable amount	Provision	
	VND	VND	VND	
Shot-term trade receivables (Note 5)				
Third parties				
Long Thuan Investment Corporation	6,783,118,234	2,034,935,470	(4,748,182,764)	From 2 years to under 3 years
Machinery Installation Joint Stock Company No.1	2,132,424,853	-	(2,132,424,853)	3 years and over
Others	86,105,199,542	47,836,188,390	(38,269,011,152)	From 6 months to over 3 years
	95,020,742,629	49,871,123,860	(45,149,618,769)	
Related parties				
PetroVietnam Exploration Production Corporation Limited	90,072,978,877	912,374,507	(89,160,604,370)	3 years and over
PetroVietnam Domestic Exploration Production Operating Company Limited	2,377,895,251	2,669,436	(2,375,225,815)	3 years and over
Nghi Son Refinery and Petrochemical Complex project Management Board	15,098,497,832	-	(15,098,497,832)	3 years and over
Petrovietnam Fertilizer and Chemicals Corporation	62,576,725,928	25,690,609,140	(36,886,116,788)	From 1 year to under 3 years
PVEP Overseas Co., Ltd	4,949,073,120	-	(4,949,073,120)	3 years and over

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	2019			Overdue period
	Cost	Recoverable amount	Provision	
	VND	VND	VND	
Other short-term receivables (Note 8(a))				
Third parties				
Pacific Richfield Marine Pte Ltd	344,346,164	-	(344,346,164)	3 years and over
Others	86,810,820	16,957,720	(69,853,100)	From 6 months to over 3 years
	431,156,984	16,957,720	(414,199,264)	
Related parties				
Duyen Hai Petrovietnam Investment and Construction Joint Stock Company	3,697,048,225	1,693,593,000	(2,003,455,225)	From 6 months to over 3 years
PetroVietnam Exploration Production Corporation Limited	329,077,036	-	(329,077,036)	3 years and over
	4,457,282,245	1,710,550,720	(2,746,731,525)	
	301,014,779,239	92,469,747,084	(208,545,032,155)	

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

Details of provision for doubtful debts – short-term by aging are as follows:

	2020		2019	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Under 6 months	5,133,602,592,787	-	3,945,855,698,064	-
From 6 months to under 1 year	11,618,049,037	(2,310,911,374)	45,429,094,627	(13,628,728,388)
From 1 year to under 2 years	20,683,237,239	(8,971,220,001)	110,008,376,591	(55,004,188,296)
From 2 years to under 3 years	37,127,453,525	(19,896,345,821)	20,637,113,543	(14,445,979,480)
Over 3 years	135,407,560,156	(103,108,561,099)	125,466,135,991	(125,466,135,991)
	5,338,438,892,744	(134,287,038,295)	4,247,396,418,816	(208,545,032,155)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. INVENTORIES

(a). Inventories

	2020		2019	
	Book value	Provision	Book value	Provision
	VND	VND	VND	VND
				(Restated - Note 45) (Restated - Note 45)
Goods in transits	3,724,288,759	-	145,001,412,833	-
Raw materials	413,216,663,457	(2,198,714,129)	647,733,378,368	(2,338,041,333)
Tools and supplies	46,212,166,349	-	42,545,944,583	-
Work-in-progress (*)	1,708,281,322,513	(59,853,610,125)	672,998,063,772	-
Merchandise	1,893,511,623	-	3,706,381,224	-
	2,173,327,952,701	(62,052,324,254)	1,511,985,180,780	(2,338,041,333)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

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10. INVENTORIES (continued)

(a). Inventories (continued)

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Gallaf project	1,032,257,768,113	83,155,487,707
Sao Vang Dai Nguyet project	473,270,914,557	333,604,364,649
LNG Thi Vai warehouse EPC project	66,262,114,568	32,825,386,053
Southern Petrochemical complex project	42,339,674,713	3,441,907,822
Provision of repair and maintenance STG package	26,956,980,263	26,956,980,263
Provision of repair and maintenance SPMD	12,073,406,235	-
Provision of service vessels	-	25,216,810,922
Vopak project	-	30,477,141,343
Supply of vessels for Nghi Son Refinery and Petrochemicals plant	-	10,193,515,138
Others	55,120,464,064	127,126,469,875
	1,708,281,322,513	672,998,063,772

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Beginning of year	2,338,041,333	4,194,353,161
Provision/(reversal of provision)	59,714,282,921	(1,856,311,828)
End of year	62,052,324,254	2,338,041,333

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(b). Long-term work in progress

	2020		2019	
	Cost	Recoverable amount	Cost	Recoverable amount
	VND	VND	VND	VND
Long Phu 1 Thermal Power Plant project (i)	301,308,440,489	-	301,308,440,489	-
Bio Ethanol project (ii)	69,815,950,708	69,815,950,708	70,647,487,403	70,647,487,403
	371,124,391,197	69,815,950,708	371,955,927,892	70,647,487,403

- (i) Long-term work-in-progress of Long Phu 1 Thermal Power Plant project represents the foreign design costs performed by Black & Veatch International ("the Contractor"). By the reporting date of this consolidated financial statements, the Corporation and the investor have not finalized the value of this cost. The Corporation has assessed the cost of long-term work-in-progress in the Inventory Assessment Minutes No. 07/BB-PTSCLP of the Inventory Assessment Council – Work-in-progress established under Decision No.0934/QD-PTSCLP dated 21 December 2017 and decided to make provision for net realizable value with total amount of VND301,308,440,489.
- (ii) Long-term work-in-progress of Bio Ethanol project represents the work-in-progress of Dung Quat Bio-Ethanol fuel factory project. The construction of infrastructure has been completed and handed over to its investor - Vietnam Central Biofuels Joint Stock Company. By the reporting date of this consolidated financial statement, both parties are working to finalize the value of the contract. As at 31 December 2020, the balance of long-term work-in-progress of VND69,815,950,718, equivalent to 5% of contract value, will be recognized in the income consolidated financial statements after completion of finalisation and remaining revenue will be recognized at the same time. Accordingly, the recoverable value will depend on the finalisation of the contract. As at the date of the consolidated financial statements, the Corporation and the investor have not completed the finalisation.

(c). 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.

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11. PREPAID EXPENSES

(a). Short-term

	2020	2019
	VND	VND
		(Restated - Note 45)
Tools and supplies	11,320,202,470	16,127,143,678
Insurance	9,256,596,275	13,810,024,125
Repair and maintenance	7,248,743,096	5,277,959,408
Others	3,850,855,887	8,194,871,498
	31,676,397,728	43,409,998,709

(b). Long-term

	2020	2019
	VND	VND
		(Restated - Note 45)
Office rental expense at Head Office, No. 1-5 Le Duan Street	277,130,295,474	284,102,452,875
Land rental in Dinh Vu economic zone	98,921,421,059	105,345,818,711
Repair and maintenance	97,303,319,783	57,814,357,646
Site clearance cost at Son Tra port	92,602,218,595	95,090,338,879
Tools and supplies	34,339,724,654	14,984,670,714
Factory rental at Vung Tau port	21,734,547,751	-
Land rental in Son Tra port	3,153,561,236	3,238,155,004
Others	22,774,202,255	12,687,843,969
	647,959,290,807	573,263,637,798

12. OTHER CURRENT RECEIVABLES

As presented in Note 1, the financial statements for the year ended 31 December 2020 and the financial statements for the year ended 31 December 2019 of PTSC CGGV were prepared on liquidation accounting basis, accordingly, PTSC CGGV's fixed assets are revalued and recorded at their net realisable value. As at 31 December 2020, net realisable value of PTSC CGGV's fixed asset is VND25,613,516,364 (as at 31 December 2019: VND25,613,516,364) and classified as other current assets on consolidated balance sheet.

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13. FIXED ASSETS

(a). Tangible fixed assets

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
As at 1 January 2020 (Restated - Note 45)	3,417,022,369,378	2,217,612,921,308	5,552,387,030,031	201,820,521,776	113,992,094,626	11,502,834,937,119
New purchases	24,081,083,495	221,349,605,268	56,788,315,897	13,739,448,156	418,400,000	316,376,852,816
Transfers from construction in progress (Note 15)	118,348,873,868	19,588,817,417	-	-	-	137,937,691,285
Disposals	-	11,409,761,503	100,948,660,363	2,823,848,880	-	(115,182,270,746)
Others	611,602,273	-	30,872,788	1,123,235,354	45,350,000	(1,720,360,415)
As at 31 December 2020	3,558,840,724,468	2,447,141,582,490	5,508,195,812,777	211,612,885,698	114,455,844,626	11,840,246,850,059
Accumulated depreciation						
As at 1 January 2020 (Restated - Note 45)	2,234,448,441,316	1,548,595,127,634	4,337,226,675,239	169,446,712,971	32,191,072,995	8,321,908,030,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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13. FIXED ASSETS (continued)

(a). Tangible fixed assets (continued)

	Buildings and structures	Machinery and equipment	Vehicles	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Charge for the year	125,934,818,863	172,959,156,422	193,366,769,470	21,889,415,630	5,819,500,033	519,969,660,418
Disposals	-	11,019,329,538	100,948,660,363	2,823,848,880	-	(114,791,838,781)
Others	92,273,368	1,292,187,405	1,552,652,356	428,333,258	34,023,942	(562,500,899)
As at 31 December 2020	2,360,475,533,547	1,711,827,141,923	4,428,092,131,990	188,083,946,463	38,044,596,970	8,726,523,350,893
Net book value						
As at 1 January 2020 (Restated - Note 45)	1,182,573,928,062	669,017,793,674	1,215,160,354,792	32,373,808,805	81,801,021,631	3,180,926,906,964
As at 31 December 2020	1,198,365,190,921	735,314,440,567	1,080,103,680,787	23,528,939,235	76,411,247,656	3,113,723,499,166

The historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2020 was VND5,997,581,738,293 (as at 31 December 2019: VND 5,716,727,096,722).

As at 31 December 2020, the historical cost of tangible fixed assets formed from borrowings pledged as collateral assets for the borrowings of the Corporation (as presented in Note 23) is VND1,643,794,501,710 (as at 31 December 2019: VND1,442,468,430,845).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(b). Intangible fixed assets

	Land use right	Software	Others	Total
	VND	VND	VND	VND
Historical cost				
As at 1 January 2020	1,310,220,000	120,920,040,205	1,839,261,714	124,069,521,919
New purchases	-	12,223,389,992	-	12,223,389,992
Disposal	-	(361,505,168)	-	(361,505,168)
Other	-	733,168,040	-	733,168,040
As at 31 December 2020	1,310,220,000	133,515,093,069	1,839,261,714	136,664,574,783
Accumulated amortisation				
As at 1 January 2020	-	99,855,063,376	1,630,261,708	101,485,325,084
Charge for the year	379,599,850	13,368,632,662	209,000,006	13,957,232,518
Disposal	-	(282,012,368)	-	(282,012,368)
Other	-	21,679,134	-	21,679,134
As at 31 December 2020	379,599,850	112,963,362,804	1,839,261,714	115,182,224,368
Net book value				
As at 1 January 2020	1,310,220,000	21,064,976,829	209,000,006	22,584,196,835
As at 31 December 2020	930,620,150	20,551,730,265	-	21,482,350,415

The historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2020 was VND81,667,080,244 (as at 31 December 2019: VND73,831,836,194).

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14. INVESTMENT PROPERTIES

Details of investment properties are presented as follows:

	2020	2019
	VND	VND
Investment properties hold for leasing:		
Infrastructure project - 39.8 hectare	101,658,786,027	104,406,320,775
Infrastructure project - 23 hectare	76,941,990,456	78,929,727,564
	178,600,776,483	183,336,048,339

Investment properties mainly include:

- » Infrastructure project - 39.8 hectare with historical cost of VND131,881,668,267 being depreciated under straight line method over rental period of 48 years; and
 - » Infrastructure project - 23 hectare with historical cost of VND97,399,118,187 being depreciated under straight line method over rental period of 49 years.
- In 2020, revenue incurred from investment properties is VND5,203,799,784 (in year 2019: VND5,203,799,784). Direct expenses incurred from investment properties leasing in 2020 (including tools and supplies, utilities, management fee) are VND4,735,271,856 (in year 2019: VND4,735,271,856).

Movement of investment properties during the period is as follows:

	Infrastructure
	VND
Historical cost	
As at 1 January 2020 and 31 December 2020	229,280,786,454
Accumulated depreciation	
As at 1 January 2020	45,944,738,115
Charge for the year	4,735,271,856
As at 31 December 2020	50,680,009,971
Net book value	
As at 1 January 2020	183,336,048,339
As at 31 December 2020	178,600,776,483

The Corporation has not been collected sufficient information of similar properties as a basis for fair value comparison, therefore fair value of the investment properties as at 31 December 2020 has not been disclosed in the consolidated financial statements. However, given the occupancy rate of these properties, in the view of the Board of Management, the market value of these properties is higher than the net book values at the consolidated balance sheet date.

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15. CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	2020	2019
	VND	VND
MP Manuever vessel	119,042,319,850	-
Construction of marine service base at Sao Mai - Ben Dinh	31,147,753,732	14,152,455,523
Landscape embellishment project in Dung Quat	5,880,355,437	5,880,355,437
Expansion of Dinh Vu Wharf project	-	70,100,127,026
Construction of marine service base in Quang Ngai Province	-	23,961,373,784
Expansion of 15 barge berths at Phu My port	-	1,952,954,969
Others	9,932,989,798	13,749,295,633
	166,003,418,817	129,796,562,372

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

	2020	2019
	VND	VND
Beginning of year	129,796,562,372	117,431,541,192
New purchases	174,144,547,730	41,061,474,921
Transfers to tangible fixed assets (Note 13(a))	(137,937,691,285)	(19,993,677,002)
Transfers to intangible fixed assets	-	(150,000,000)
Disposal	-	(8,552,776,739)
End of year	166,003,418,817	129,796,562,372

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16. DEFERRED INCOME TAX

Details of deferred income tax are presented as follows:

	2020	2019
	VND	VND
		(Restated - Note 45)
Deferred income tax assets:		
Deferred income tax assets to be recovered within 12 months	337,988,470,122	494,919,804,855
Deferred income tax liabilities:		
Deferred income tax liabilities to be repaid after 12 months	(785,723,496,716)	(768,014,433,926)
Deferred income tax liabilities to be repaid within 12 months	(18,765,964,330)	(19,407,515,553)
	(804,489,461,046)	(787,421,949,479)

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Deferred income tax assets	494,919,804,855	426,358,081,621
Deferred income tax liabilities	(787,421,949,479)	(739,373,880,617)
Beginning of year	(292,502,144,624)	(313,015,798,996)
Charge to consolidated income statements	(173,998,846,299)	20,513,654,372
End of year	(466,500,990,923)	(292,502,144,624)
In which:		
Deferred income tax assets	337,988,470,122	494,919,804,855
Deferred income tax liabilities	(804,489,461,046)	(787,421,949,479)

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Accruals and provisions	319,830,419,359	468,360,928,659
Profit sharing from associates and joint ventures	(583,216,464,535)	(565,634,922,656)
Reversal of provision for investments	(198,406,939,372)	(202,379,511,270)
Unrealised foreign exchange difference	(4,333,057,037)	3,569,711,597
Others	(374,949,339)	3,581,649,046
	(466,500,990,924)	(292,502,144,624)

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

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

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

Year of tax losses	Losses incurred	Losses utilised	Losses carried forward
	VND	VND	VND
Year 2016	426,647,794,631	52,233,138,658	760,218,731,101
Year 2017	121,944,741,574	32,113,786,379	121,944,741,574
Year 2018	1,147,889,900,844	-	1,147,889,900,844
Year 2019	610,121,658,784	-	610,121,658,784
Year 2020	200,065,050,481	-	407,337,753,457

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

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17. SHORT-TERM TRADE ACCOUNTS PAYABLE

	2020		2019	
	Value	Able-to-pay amount	Value	Able-to-pay amount
	VND	VND	VND	VND
Third parties				
Thien Nam Offshore Services Joint Stock Company	278,764,993,071	278,764,993,071	4,655,848,495	4,655,848,495
Hai Duong Company Limited	234,217,190,352	234,217,190,352	140,865,116,017	140,865,116,017
Velocity Energy Pte. Ltd.	225,317,311,051	225,317,311,051	83,410,445,707	83,410,445,707
Marinia LLC	207,006,073,775	207,006,073,775	-	-
CGG Services SAS	115,195,091,374	115,195,091,374	115,269,522,834	115,269,522,834
Ocean Works Asia Pte Ltd	113,759,693,066	113,759,693,066	-	-
CGG Services (Singapore) Pte Ltd	110,892,800,285	110,892,800,285	112,176,718,499	112,176,718,499
Tan Cang Offshore Services Joint Stock Company	92,067,982,287	92,067,982,287	30,441,447,678	30,441,447,678
Allianz Marine Services Pte. Ltd.	89,259,923,660	89,259,923,660	-	-
CGG Marine B.V.	87,177,813,955	87,177,813,955	87,234,142,501	87,234,142,501
Heerema Marine Contractors Nederland SE	63,971,625,440	63,971,625,440	32,453,843,180	32,453,843,180
Vietnam Machinery Installation Corporation - Joint Stock Company	59,992,827,687	59,992,827,687	60,545,865,887	60,545,865,887
Asia Investment and Asset Management JSC (Ashico)	56,980,231,521	56,980,231,521	97,563,137,480	97,563,137,480
SCI E&C Joint Stock Company	50,408,108,196	50,408,108,196	47,952,239,724	47,952,239,724

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	2020		2019	
	Value	Able-to-pay amount	Value	Able-to-pay amount
	VND	VND	VND	VND
Gegelec Oil & Gas	49,350,681,471	49,350,681,471	4,410,889,170	4,410,889,170
APDS Vietnam Limited	42,448,327,818	42,448,327,818	10,439,331,546	10,439,331,546
Sai Gon Shipyard Company Limited	42,062,400,000	42,062,400,000	42,062,400,000	42,062,400,000
Toan Thang Engineering Corporation	41,240,415,887	41,240,415,887	13,930,549,723	13,930,549,723
Man Diesel & Turbo Schweiz Ag	35,638,304,583	35,638,304,583	33,661,714,209	33,661,714,209
Intech Vietnam Joint Stock Company	30,913,702,991	30,913,702,991	2,280,847,349	2,280,847,349
Technip Vietnam Company Limited	50,188,729,042	50,188,729,042	20,862,677,160	20,862,677,160
Gulf Agency CO. Qatar W.L.L	43,831,253,005	43,831,253,005	5,946,880,000	5,946,880,000
Fugro Singapore Marine Pte. Ltd.	38,868,918,230	38,868,918,230	26,416,552,020	26,416,552,020
Vietnam Gre-Coating Engineering Services Joint Stock Company	25,269,176,108	25,269,176,108	2,933,315,548	2,933,315,548
Others	1,867,671,874,657	1,867,671,874,657	1,792,070,399,408	1,792,070,399,408
Related parties (Note 41(b))	4,052,495,449,512	4,052,495,449,512	2,767,583,884,135	2,767,583,884,135
	6,177,990,507,244	6,177,990,507,244	4,035,093,087,726	4,035,093,087,726

As at 31 December 2020 and 31 December 2019, the Board of Management believes that the Corporation is able to fully repay all short-term trade accounts payable as and when they fall due

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18. ADVANCES FROM CUSTOMERS

(a). Short-term

	2020	2019
	VND	VND
Third parties		
North Oil Company	171,463,269,795	-
TPSK Consortium	149,587,366,234	-
Vietnam Central Biofuels Joint Stock Company	45,816,725,642	45,816,725,642
China Yunnan Energy Corporation	11,266,807,693	12,256,163,314
Others	37,445,069,980	30,555,343,507
	415,579,239,344	88,628,232,463
Related parties (Note 41(b))	22,415,072,888	231,142,007,516
	437,994,312,232	319,770,239,979

(b). Long-term

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

- » The advances from Long Phu 1 Power Plant Project Management Board for the Long Phu Thermal Plant Project with the balance as at 31 December 2020 of VND 778,479,407,707 (as at 31 December 2019: VND795,524,628,327). As at the date of this consolidated financial statements, the Corporation and the investor have been working for finalisation minutes, therefore, the netting-off of receivable and payable balance of the investor has not been done yet; and
- » The advances from PetroVietnam Gas Joint Stock Corporation for EPC warehouse LNG Thi Vai project and Sao Vang Dai Nguyet pipeline project with the balance as at 31 December 2020 of VND168,126,974,775 (as at 31 December 2019: VND179,038,757,990).

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19. TAX AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE

(a). Receivables

	2020	2019
	VND	VND
		(Restated - Note 45)
VAT overpaid	-	6,196,942,385
BIT overpaid	48,935,885,088	-
Personal income tax ("PIT") overpaid	335,529,783	149,050,768
Others	64,828,592	64,828,591
	49,336,243,463	6,410,821,744

(b). Payables

	2020	2019
	VND	VND
		(Restated - Note 45)
VAT	33,130,342,705	19,634,276,832
BIT	31,576,243,205	63,037,510,058
PIT	28,424,007,490	27,928,761,711
Others	10,839,453,411	35,579,088,097
	103,970,046,811	146,179,636,698

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

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

	As at 1.1.2020	Payables during the year	Paid during the year	As at 31.12.2020
	VND	VND	VND	VND
	(Restated - Note 45)			
VAT on domestic goods	13,437,334,447	224,463,610,678	(204,770,602,420)	33,130,342,705
VAT on import goods	-	50,791,181,450	(50,791,181,450)	-
Import duties	-	21,845,116,006	(21,845,116,006)	-
BIT	63,037,510,058	140,634,037,204	(221,031,189,145)	(17,359,641,883)
PIT	27,779,710,943	183,873,025,241	(183,564,258,477)	28,088,477,707
Others	35,514,259,506	287,627,124,242	(312,366,758,929)	10,774,624,819
In which:	139,768,814,954	909,234,094,821	(994,369,106,427)	54,633,803,348
Tax and other receivables from the State	6,410,821,744			49,336,243,463
Tax and other payables to the State	146,179,636,698			103,970,046,811

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20. SHORT-TERM ACCRUED EXPENSES

	2020	2019
	VND	VND
		(Restated - Note 45)
Cost of Dai Hung 01 offshore drilling rig project	92,939,067,597	6,632,206,005
Cost of Sao Vang Dai Nguyet Gas pipeline project	61,262,011,048	261,709,162,253
Cost of yard rental at Nghi Son - Thanh Hoa	35,000,000,000	30,000,000,000
Cost of Southern Petrochemical complex project	22,671,453,058	12,274,091
Cost of Dung Quat Bio Ethanol project	28,460,929,088	28,460,929,088
Cost of LNG Thi Vai project	19,985,121,137	30,977,209,711
Cost of NPK project	18,444,186,002	30,842,662,148
Cost of PVN15 project	11,045,117,799	236,487,092,301
Cost of Sao Vang Dai Nguyet project	10,786,974,219	10,807,965,088
Cost of GPP Ca Mau project	9,763,729,250	23,993,977,709
Cost of NH3 project	8,535,629,539	10,054,763,937
Cost of Daman project	-	71,715,775,040
Cost of Maharaja Lela South project	-	54,262,689,400
Cost of Ca Rong Do project	-	161,801,783,012
Cost of Gallaf Project	-	9,996,360,700
Cost of geological survey and subsea services	16,773,121,198	43,828,198,130
Cost of supply of FPSO Lam Son	-	715,054,307,205
Other	114,249,833,491	203,809,348,720
	449,917,173,426	1,930,446,704,538

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21. UNEARNED REVENUE

(a). Short-term

	2020	2019
	VND	VND
Supply of vessels for Nghi Son Refinery and Petrochemicals plant (i)	34,545,454,548	34,545,454,548
Infrastructure leasing services at Sao Mai Ben Dinh (ii)	5,203,799,784	5,203,799,784
Office leasing services (iii)	1,152,000,000	7,666,200,000
Others	5,273,974,292	4,614,486,269
	46,175,228,624	52,029,940,601

(b). Long-term

	2020	2019
	VND	VND
Infrastructure leasing services at Sao Mai Ben Dinh (ii)	191,071,963,496	196,275,763,280
Supply of vessels for Nghi Son Refinery and Petrochemicals plant (i)	17,272,727,261	51,818,181,809
Office leasing (iii)	13,728,000,000	18,620,450,000
	222,072,690,757	266,714,395,089

In which:

- (i) Supply of vessels for Nghi Son Refinery and Petrochemicals plant represents the advanced amount received from Nghi Son Refinery and Petrochemical Company Limited according to the Contract No. 037/2016/NSRP.OPE-PTSC dated 7 October 2016 on shipbuilding, using vessels and maritime services in 15 years since 2019.
- (ii) Infrastructure leasing services at Sao Mai Ben Dinh represents the advanced amount received for leasing the infrastructure and land at Infrastructure project – 39.8 square hectare and Infrastructure project – 23 square hectare of Sao Mai – Ben Dinh Marine Petroleum Services Base in Vung Tau City. This unearned revenue is allocated into the consolidated financial statements with under the straight line method over the rental period of 48 years and 49 years.
- (iii) Office leasing represents the amount of the advance payment for office leasing, which would be allocated to the Corporation's results of operation for the leasing period ranging from 10 to 15 years.

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22. OTHER SHORT-TERM PAYABLES

	2020	2019
	VND	VND
Vietnam Shipbuilding Industry Corporation (i)	420,093,454,966	420,386,262,402
Salary and bonus payables	94,121,183,549	59,745,177,788
Dividend payables (ii)	16,713,663,999	16,576,982,829
Compulsory insurance	9,018,872,992	11,145,135,711
Tan Cang Offshore Services Joint Stock Company (iii)	66,833,000	14,903,942,732
Others	90,722,109,847	81,068,104,987
	630,736,118,353	603,825,606,449

- (i) Payable to Vietnam Shipbuilding Industry Corporation represents the last payment for the project of building FSO5 vessel, in which, the Corporation is the project's investor and Vietnam Shipbuilding Industry Corporation is the constructor. As at the date of the consolidated financial statements, both parties are carrying out the procedures to finalize the contract for payment of this amount.
- (ii) Dividend payables to non-custodial shareholders represent the dividend of previous years which these shareholders have not yet proceeded to receive.

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

	2020	2019
	VND	VND
Third parties	624,150,306,375	592,267,773,837
Related parties (Note 41(b))	6,585,811,978	11,557,832,612
	630,736,118,353	603,825,606,449

23. BORROWINGS

(a). Short-term

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

	As at 1.1.2020	Drawdown during the year	Repaid during the year	Current portion of long-term borrowings	Revaluation	As at 31.12.2020
	VND	VND	VND	VND	VND	VND
(i) Borrowings from banks						
Short-term borrowings	-	76,833,336,003	(76,833,336,003)	-	-	-
Current portion of long-term borrowings (Note 23(b))	127,486,552,385	-	(128,177,651,310)	109,565,301,322	668,999,375	109,543,201,772
(ii) Borrowings from related party (Note 41(b))						
Current portion of long-term borrowings (Note 23(b))	18,280,340,815	-	(24,156,461,646)	5,876,120,831	-	-
(iii) Borrowings from third party (*)	625,506,565,239	-	-	-	(403,900,063)	625,102,665,176
	771,273,458,439	76,833,336,003	(229,167,448,959)	115,441,422,153	265,099,312	734,645,866,948

(*) Borrowing from CGG Holding B.V. (formerly known as, "CGGVeritas Services Holding BV") represents the difference between the capital amount that CGG Holding B.V. should have been contributed to PTSC CGGV, corresponding to 49% of PTSC CGGV's charter capital, and the value of CGG Holding B.V.'s contributed assets to PTSC CGGV at the time of establishment in 2012, the term is 60 months. The borrowing has been extended to June 2021. This borrowing is free of interest, arrangement fee, commissions, or any other related fees. The borrowing is guaranteed by parent Company for liabilities of PTSC CGGV equivalent to 51% of this borrowing balance.

As presented in Note 1, the financial statements for the year ended 31 December 2020 and financial statements for the year ended 31 December 2019 of PTSC CGGV were prepared on liquidation accounting basis, accordingly, PTSC CGGV's liabilities are classified as short-term liabilities on the consolidated financial statements.

(b). Long-term

	As at 1.1.2020	Drawdown during the year	Repaid during the year	Current portion of long-term borrowings	Revaluation	As at 31.12.2020
	VND	VND	VND	VND	VND	VND
Borrowings from banks (*)	584,273,712,046	4,832,340,000	(5,336,042,504)	(109,565,301,322)	(479,087,950)	473,725,620,270
Borrowings from a related party (Note 41(b)) (**)	-	10,073,350,000	(4,197,229,169)	(5,876,120,831)	-	-
	584,273,712,046	14,905,690,000	(9,533,271,673)	(115,441,422,153)	(479,087,950)	473,725,620,270

(*) Long-term borrowings represent 7 credit facilities from commercial banks in Vietnam, in which:

- Credit facility 1 is in USD with the credit limit of more than USD1 million and will be matured in 60 months since 2016;
- Credit facility 2 is in VND with the credit limit of more than VND3 billion and will be matured in 36 months since 2020;
- Credit facility 3 is in VND with the credit limit of more than VND60 billion and will be matured in 120 months since 2017;
- Credit facility 4 is in VND with the credit limit of more than VND1 billion and will be matured in 36 months since 2020;
- Credit facility 5 is in VND with the credit limit of more than VND670 billion and will be matured in 120 months since 2018;
- Credit facility 6 is in VND with the credit limit of more than VND 25 billion and will be matured in 72 months since 2016; and
- Credit facility 7 is in USD with the credit limit of more than USD10 million and will be matured in 84 months since 2015.

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(b). Long-term (continued)

The interest of long-term borrowings in VND ranged from 3% per annum to 9.5% per annum in year 2020 (year 2019: from 4.94% per annum to 9.37% per annum). The interest of long-term borrowings in USD ranged from 3.17% per annum to 5.02% per annum in year 2020 (year 2019: from 4.7% per annum to 5.707% per annum).

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

(**) The long-term borrowings from related party represents the credit facility in VND with the credit limit of more than VND10 billion and will be matured in 36 months since 2020.

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

The repayment schedule of borrowings is as follows:

	2020	2019
	VND	VND
Within one year	734,645,866,948	771,273,458,439
In the second year	87,179,074,272	113,250,020,692
In the third to fifth year	190,540,455,316	211,857,433,900
After five years	196,006,090,682	259,166,257,454
	1,208,371,487,218	1,355,547,170,485

24. PROVISIONS FOR OTHER LIABILITIES

(a). Short-term

	2020	2019
	VND	VND
Warranty provision for construction contracts (i):		
Gallaf project	72,467,016,512	-
GPP Ca Mau project	12,933,752,687	16,327,452,687
Nam Con Son 2 repair, maintenance and ROV survey of pipeline project	2,453,136,749	5,201,751,546
GPP Dinh Co project	-	6,829,445,503
Other projects	2,183,693,468	4,588,539,980

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	2020	2019
	VND	VND
Provision of operation and maintenance of FPSO Lam Son (ii)	40,741,009,201	39,041,896,301
Provision of periodic overhaul of GTG-B generator system on FPSO Lam Son	31,951,657,320	56,423,016,966
Provision of periodic overhaul of service vessels (iii)	27,392,086,417	17,385,800,000
Others	3,592,484,862	3,653,771,008
	193,714,837,216	149,451,673,991

(b). Long-term

	2020	2019
	VND	VND
Warranty provision for construction contracts (i):		
Sao Vang Dai Nguyet project	572,632,992,483	482,125,443,421
Su Tu Trang project	274,903,401,336	274,903,401,336
Gallaf project	192,603,476,923	60,934,754,396
Daman project	54,625,975,610	54,625,975,610
NH3 project	10,174,081,141	10,250,638,941
NPK project	5,369,614,670	5,473,410,946
Su Tu Nau project	-	305,716,586,415
Maharaja Lela South project	-	116,547,125,610
H05 Topside project	-	96,130,757,059
Greater Enfield project	-	6,220,013,470
Ghana Kanfa project	-	19,702,996,906
Ghana Yinson project	-	55,087,141,058
Su Tu Vang 6X project	-	84,525,593,656
Others	15,603,187,670	6,211,147,989
	1,125,912,729,833	1,578,454,986,813

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(b). Long-term (continued)

- (i) Warranty provision for construction contracts is made for warranty obligations according to the terms and conditions of EPC contracts with customers, at 1% - 5% of the contract value.
- (ii) Provision for operation and maintenance for FPSO Lam Son represents the value that the Corporation may be payable to Petrovietnam Exploration and Development Corporation ("PVEP") in relation to the Termination Agreement for the contract signed between the Corporation and Lam Son Joint Operating Company ("Lam Son JOC"), a joint venture between PVEP and Petronas.
- (iii) Provisions for periodic overhaul of service vessels represents the provision made annually based on the approved budget cost until the year when the overhaul is expected to occur. In the year when the overhaul occurs, if the actual overhaul cost is greater than the approved budget cost or vice versa, the difference is recorded in the consolidated income statement of respective financial year.

25. BONUS AND WELFARE FUND

	2020	2019
	VND	VND
Beginning of year	316,493,796,127	184,076,020,333
Appropriation in the year (Note 28)	220,531,491,010	282,653,709,035
Utilisation	(177,088,134,473)	(150,235,933,241)
End of year	359,937,152,664	316,493,796,127

26. FUND FOR SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT

	2020	2019
	VND	VND
Beginning of year	31,195,759,996	60,973,116,327
Appropriation in the year	8,310,000,000	-
Fund utilisation	(909,400,000)	(1,042,300,000)
Reversal of unused fund	-	(28,735,056,331)
End of year	38,596,359,996	31,195,759,996

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27. OWNERS' CAPITAL

(a). Number of shares

	2020		2019	
	Ordinary shares	Preference shares	Ordinary shares	Preference shares
Number of shares registered	477,966,290	-	477,966,290	-
Number of shares issued	477,966,290	-	477,966,290	-
Number of shares in circulation	477,966,290	-	477,966,290	-

(b). Details of owners' shareholding

	2020		2019	
	Ordinary share	Preference shares	Ordinary shares	Preference shares
Vietnam Oil and Gas Group	245,565,000	51.38	245,565,000	51.38
Other shareholders	232,401,290	48.62	232,401,290	48.62
Number of shares issued	477,966,290	100	477,966,290	100

(c). Movement of share capital

	Number of shares	Ordinary shares	Total
	VND	VND	VND
As at 1 January 2019	477,966,290	4,779,662,900,000	4,779,662,900,000
New shares issued	-	-	-
As at 31 December 2019	477,966,290	4,779,662,900,000	4,779,662,900,000
New shares issued	-	-	-
As at 31 December 2020	477,966,290	4,779,662,900,000	4,779,662,900,000

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

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28. MOVEMENTS IN OWNERS' EQUITY

	Owners' capital	Share premium	Investment and development fund	Foreign exchange differences	Post-tax undistributed earnings	Total	Non-controlling interests	Total owners' capital
	VND	VND	VND	VND	VND	VND	VND	VND
As at 1 January 2019	4,779,662,900,000	39,617,060,000	2,767,344,942,049	459,726,593,502	3,825,924,836,393	11,872,276,331,944	832,970,295,718	12,705,246,627,662
Net profit for the year (Restated - Note 45)	-	-	-	-	1,032,808,724,268	1,032,808,724,268	(37,188,498,568)	995,620,225,700
Dividends paid	-	-	-	-	(334,576,403,000)	(334,576,403,000)	(61,887,850,000)	(396,464,253,000)
Appropriation to investment and development fund	-	-	217,150,266,438	-	(484,031,245,939)	(266,880,979,501)	(15,772,729,534)	(282,653,709,035)
Foreign exchange difference due to translation of financial statements	-	-	-	(50,220,027,740)	-	(50,220,027,740)	-	(50,220,027,740)
Others	-	-	-	-	(782,427,978)	(782,427,978)	-	(782,427,978)
As at 31 December 2019 (Restated - Note 45)	4,779,662,900,000	39,617,060,000	2,984,495,208,487	409,506,565,762	4,039,343,483,744	12,252,625,217,993	718,121,217,616	12,970,746,435,609
Net profit for the year	-	-	-	-	623,996,082,965	623,996,082,965	85,902,926,328	709,899,009,293
Dividends paid (*)	-	-	-	-	(477,966,290,000)	(477,966,290,000)	(48,838,860,000)	(526,805,150,000)
Appropriation to bonus and welfare fund (Note 25) (*)	-	-	-	-	(203,825,169,506)	(203,825,169,506)	(16,706,321,504)	(220,531,491,010)
Appropriation to investment and development fund (*)	-	-	10,609,362,591	-	(10,609,362,591)	-	-	-
Foreign exchange difference due to translation of financial statements	-	-	-	(49,191,652,265)	-	(49,191,652,265)	-	(49,191,652,265)
Others	-	-	371,554	-	(87,957,691)	(87,586,137)	87,586,137	-
As at 31 December 2020	4,779,662,900,000	39,617,060,000	2,995,104,942,632	360,314,913,497	3,970,850,786,921	12,145,550,603,050	738,566,548,577	12,884,117,151,627

(*) Appropriation to funds of the parent Company and its subsidiaries was made in accordance to Resolution No. 271/NQ-DVKT-DHĐCĐ dated 24 June 2020 of the parent Company's Shareholders Annual General Meeting and resolutions of subsidiaries' Shareholders Annual General Meeting.

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29. NON-CONTROLLING INTEREST

Details of non-controlling interest are as follows:

	2020	2019
	VND	VND
		(Restated - Note 45)
Owners' capital	1,523,361,857,420	1,523,361,857,420
Investment and development fund	124,433,028,882	115,066,888,926
Accumulated losses	(909,228,337,725)	(920,307,528,730)
	738,566,548,577	718,121,217,616

Movement of non-controlling interest was as follows:

	2020	2019
	VND	VND
		(Restated - Note 45)
Beginning of year	718,121,217,616	832,970,295,718
Net profit/(loss) attributed to non-controlling interests	85,902,926,328	(37,188,498,568)
Dividends paid	(48,838,860,000)	(61,887,850,000)
Appropriation to bonus and welfare fund	(16,706,321,504)	(15,772,729,534)
Others	87,586,137	-
End of year	738,566,548,577	718,121,217,616

30. EARNINGS PER SHARE

(a). Basic earnings per share

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

	2020	2019
	VND	VND
		(Restated - Note 45) (**)
Net profit attributable to shareholders (VND)	623,996,082,965	1,032,808,724,268
Less amount allocated to bonus and welfare funds (VND) (*)	(124,402,808,600)	(220,531,491,010)
	499,593,274,365	812,277,233,258
Weighted average number of ordinary shares in issue (shares)	477,966,290	477,966,290
Basic earnings per share	1,046	1,699

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(*) Estimated amounts appropriated to bonus and welfare funds for the year are determined based on the plan for 2020 profit distribution of the Group approved by shareholders at the Group's General Meeting and the plan for 2020 profit distribution of subsidiaries approved by the Board of Management.

(**) Earning per share of fiscal year 2019 is recalculated due to restated consolidated income statement according to the Announcement No. 354/TB-KTNN dated 23 October 2020 of the State Audit and appropriation of bonus and welfare fund approved at the Annual General Meeting according to Resolution No 271/NQ-DVKT-ĐHĐCĐ dated 24 June 2020 as below:

	2019		
	Previously reported	Adjustment	Restatement amount
Net profit attributable to shareholders (VND)	849,373,614,613	183,435,109,655	1,032,808,724,268
Appropriation to bonus and welfare fund	(83,576,920,465)	(136,954,570,545)	(220,531,491,010)
	765,796,694,148		812,277,233,258
Weighted average number of ordinary shares in issue (shares)	477,966,290		477,966,290
Earning per share (VND)	1,602		1,699

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the period and the ordinary shares expected to be issued. The parent Company did not have any ordinary shares potentially diluted during the year and up to the date of these consolidated financial statements.

31. OFF CONSOLIDATED BALANCE SHEET ITEMS

(a). Foreign currencies

As at 31 December 2020 and 31 December 2019, included in cash and cash equivalents are balances held in following foreign currencies:

	2020	2019
United States Dollar ("USD")	111,928,757	140,179,910
Euro ("EUR")	1,912	1,936
Pound sterling ("GBP")	244,715	245,211
Russian rouble ("RUB")	1,533,253	597,690

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(b). Operating lease assets

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

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Net revenue from sales of goods	295,154,606,152	94,697,760,586
Net revenue from rendering of services	9,089,975,491,844	8,089,923,133,803
Net revenue from construction contracts (*)	10,794,783,651,671	8,604,249,519,401
	20,179,913,749,667	16,788,870,413,790
(*) In which, the accumulated revenue from major projects:		
Accumulated revenue from completed construction contracts until the date of separate financial statements	247,764,460,449	32,914,586,351
Accumulated revenue from in progress construction contracts during the year	26,954,891,713,463	21,406,896,678,634

33. COST OF GOODS SOLD AND SERVICES RENDERED

	2020	2019
	VND	VND
		(Restated - Note 45)
Cost of merchandises sold	279,961,774,659	91,366,788,441
Cost of services rendered	8,435,136,907,860	7,437,916,596,920
Cost of construction contracts	10,686,649,087,026	8,048,346,012,657
	19,401,747,769,545	15,577,629,398,018

34. FINANCIAL INCOME

	2020	2019
	VND	VND
		(Restated - Note 45)
Interest income	261,241,343,019	269,355,239,668
Foreign exchange gains	138,671,963,171	48,488,689,982
	399,913,306,190	317,843,929,650

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35. FINANCIAL EXPENSES

	2020	2019
	VND	VND
Interest expense	55,755,530,102	33,778,304,743
Reversal of provision for long-term investments (Note 4(b))	(1,019,317,283)	(2,380,260,260)
Foreign exchange losses	88,082,009,763	35,860,353,462
	142,818,222,582	67,258,397,945

36. SELLING EXPENSES

	2020	2019
	VND	VND
		(Restated - Note 45)
Advertising expense	56,069,176,979	56,497,980,765
Staff costs	31,282,759,985	19,454,956,782
Others	31,294,357,136	31,950,856,051
	118,646,294,100	107,903,793,598

37. GENERAL AND ADMINISTRATION EXPENSES

	2020	2019
	VND	VND
Staff costs	436,157,046,945	307,374,110,773
Out-sourced services	162,343,943,929	295,942,147,754
Depreciation and amortisation	34,925,334,724	38,090,228,645
(Reversal of provision)/provision for doubtful debts	(1,624,837,578)	1,217,656,374
Others	165,714,296,583	85,954,754,137
	797,515,784,603	728,578,897,683

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38. NET OTHER INCOME AND OTHER EXPENSES

	2020	2019
	VND	VND
Other income		
Reversals of warranty provision for construction contracts (*)	693,567,048,928	369,317,807,626
Income from contracts' breach	14,382,290,848	6,895,090,797
Net gain from disposals of fixed assets	8,274,108,381	5,008,105,062
Reversal of scientific and development fund	-	28,735,056,331
Others	16,758,920,441	15,417,552,860
	732,982,368,598	425,373,612,676
Other expenses		
Penalties and compensation cost	(3,656,067,299)	(13,571,903,548)
Additional tax and late payment	(371,842,161)	(5,122,737,739)
Revaluation of PTSC CGGV's assets	-	(235,950,361,658)
Others	(14,166,912,434)	(41,244,986,387)
	(18,194,821,894)	(295,889,989,332)
Net other income	714,787,546,704	129,483,623,344

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

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39. BUSINESS INCOME TAX (“BIT”)

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

	2020	2019
	VND	VND
Accounting profit before tax	1,024,531,892,796	1,335,644,206,714
Accounting profit before tax	1,034,101,324,070	1,614,905,171,022
Accounting losses before tax	(9,569,431,274)	(279,260,964,308)
	1,024,531,892,796	1,335,644,206,714
Adjustments increasing the accounting profit before tax:	1,761,035,486,260	1,252,765,300,088
Adjustments reducing the accounting profit before tax:	(2,235,639,522,082)	(1,594,399,486,915)
Loss transferred	(319,360,606)	-
Total taxable income	549,608,496,368	994,010,019,887
In which:		
Taxable income	748,320,705,511	1,830,066,625,049
Taxable losses	(198,712,209,143)	(836,056,605,162)
BIT at tax rate of 20%	149,664,141,102	366,013,325,010
Tax incentive	(17,719,650,522)	(11,344,850,177)
Under provision	8,689,546,624	41,451,559
BIT on normal business operation	140,634,037,204	354,709,926,392
Taxable income from from reversal of fund for science and technology	-	26,489,586,331
BIT at tax rate of 20%	-	5,827,708,993
BIT charge	140,634,037,204	360,537,635,386

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40. COST OF OPERATION BY FACTOR

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

	2020	2019
	VND	VND
		(Restated - Note 45)
Raw materials	5,401,070,245,287	5,165,100,296,410
Staff costs	2,988,922,546,879	2,545,721,362,713
Depreciation and amortisation	538,662,164,792	471,461,549,544
Out-sourced services	8,943,710,380,998	7,405,490,054,049
Related cost of construction contracts	2,697,145,709,381	466,955,009,934
Others	783,682,059,652	598,960,609,910
	21,353,193,106,989	16,653,688,882,560

41. RELATED PARTY DISCLOSURES

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

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

Name	Relationship
Vietnam Oil and Gas Group	Parent Company
PTSC Ca Rong Do Limited	Joint venture
Petrovietnam Exploration Production Corporation Limited	Company in PVN Group
Dung Quat Shipbuilding Industry Company Limited	Company in PVN Group
PetroVietNam Drilling & Well Service Corporation	Company in PVN Group
PetroVietnam Transportation Corporation	Company in PVN Group

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41. RELATED PARTY DISCLOSURES (continued)

Name	Relationship
Vietnam Public Joint Stock Commercial Bank	Company in PVN Group
PetroVietnam Construction Joint Stock Corporation	Company in PVN Group
Petrovietnam Fertilizer and Chemicals Corporation	Company in PVN Group
Vietnam - Russia Joint Venture Vietsovetro	Company in PVN Group
PetroVietnam Oil Corporation	Company in PVN Group
PetroVietnam Power Corporation	Company in PVN Group
Binh Son Refining and Petrochemical Joint Stock Company	Company in PVN Group
PetroVietnam Chemical and Services Corporation	Company in PVN Group
PVI Insurance Corporation	Company in PVN Group
PetroVietnam Engineering Consultancy Joint Stock Company	Company in PVN Group
PetroVietnam Maintenance and Repair Corporation	Company in PVN Group
Nghi Son Refinery and Petrochemical Limited Liability Company	Company in PVN Group
Nghi Son Refinery and Petrochemical Complex Project Management Board	Company in PVN Group
Bien Dong Petroleum Operating Company	Company in PVN Group
PetroVietNam Long Phu 1 Power Project Management Board	Company in PVN Group
Petrovietnam Domestic Exploration Production Operating Company Limited	Company in PVN Group
PetroVietnam Gas Joint Stock Company	Company in PVN Group
PetroVietnam Overseas Exploration Production Operating Company Limited	Company in PVN Group
Cuu Long Joint Operating Company	Company in PVN Group
PetroVietnam Ca Mau Fertilizer Joint Stock Company	Company in PVN Group
Thai Binh 2 Thermal Power Plant Project Management Board	Company in PVN Group
PetroVietnam Coating Joint Stock Company	Company in PVN Group
PetroVietnam Manpower Training College	Company in PVN Group

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41. RELATED PARTY DISCLOSURES (continued)

(a). Related party transactions

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

	2020	2019
	VND	VND
<i>(i) Sales of goods and rendering of services</i>		
PetroVietnam Gas Joint Stock Corporation	2,305,356,903,754	348,523,864,280
PetroVietnam Exploration Production Corporation Limited	1,830,762,606,736	1,647,217,364,079
Binh Son Refining and Petrochemical JSC	545,560,827,711	281,537,443,843
Bien Dong Petroleum Operating Company	515,131,078,014	626,478,259,084
Vietnam Offshore Floating Terminal (Ruby) Ltd.	350,146,048,976	282,782,346,744
Nghi Son Refining and Petrochemical Company Limited	314,046,092,714	334,318,565,657
Malaysia Vietnam Offshore Terminal (Labuan) Limited	186,394,982,338	131,672,527,765
PetroVietnam Drilling and Well Services Corporation	49,083,425,229	45,821,438,946
PetroVietnam Fertilizer and Chemicals Corporation	30,768,683,913	43,096,922,269
PetroVietnam Marine Shipyard Joint Stock Company	17,551,385,691	17,519,646,509
Rong Doi MV12 Pte. Ltd.	12,199,601,500	-
PetroVietnam Transportation Corporation	5,235,474,958	78,940,701,898
PetroVietnam Long Phu 1 Thermal Power Project Management Board	-	166,637,985,662
Vietnam Oil and Gas Group	-	4,192,506,663
PetroVietnam Domestic Exploration Production Operating Company Limited	-	196,363,225,540
	6,162,237,111,534	4,205,102,798,939

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(a). Related party transactions (continued)

	2020	2019
	VND	VND
(ii) Purchases of goods and services		
PTSC Ca Rong Do Limited	962,713,183,118	381,690,038,383
PTSC Asia Pacific Private Limited	732,072,346,473	1,138,088,325,405
PTSC South East Asia Private Limited	203,879,368,750	263,334,066,265
PVI Insurance Corporation	55,714,686,754	38,108,350,875
PetroVietnam Gas Joint Stock Corporation	42,790,352,285	-
PetroVietnam Oil Corporation	42,698,817,553	108,758,378,184
Binh Son Refining and Petrochemical JSC	32,231,886,917	28,220,963,576
PetroVietnam Drilling and Well Services Corporation	31,396,049,251	8,266,937,000
PetroVietnam Power Corporation	23,248,978,762	10,454,837,144
Vietnam Oil and Gas Group	13,339,008,257	4,812,052,738
PetroVietnam Ca Mau Fertilizer Joint Stock Company	11,447,662,602	11,035,632,851
PetroVietnam Fertilizer and Chemicals Corporation	8,451,038,365	8,791,331,644
PetroVietnam Construction Joint Stock Company	6,688,914,889	4,325,949,865
PetroVietnam Long Phu 1 Thermal Power Project Management Board	-	221,482,847,953
Others	27,879,445,402	27,877,106,321
	2,194,551,739,378	2,255,246,818,204

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(a). Related party transactions (continued)

	2020	2019
	VND	VND
(iii) Compensation for key management		
Gross salaries and other benefits	23,713,533,000	19,947,172,000
in which:		
Mr. Phan Thanh Tung - Chairman of BOD	2,265,616,200	1,824,115,000
Mr. Le Manh Cuong - Member of BOD cum. President and Chief Executive Officer	2,211,771,000	1,789,313,000
Mr. Nguyen Xuan Ngoc - Member of BOD	1,689,392,600	1,273,068,000
Mr. Do Quoc Hoan - Member of BOD	1,889,144,000	1,496,083,000
Mr. Luu Duc Hoang - Member of BOD	1,671,172,600	1,163,726,000
Others	13,986,436,600	12,400,867,000
(iv) Dividend payment		
Vietnam Oil and Gas Group	245,565,000,000	171,829,939,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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41. RELATED PARTY DISCLOSURES (continued)

(b). Year end balances with related parties

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

	2020	2019
	VND	VND
(i) Short-term trade receivables (Note 5)		
PetroVietnam Exploration Production Corporation Limited	1,532,188,110,602	824,573,552,189
PetroVietnam Gas Joint Stock Corporation	402,321,592,322	188,356,913,942
Binh Son Refining and Petrochemical JSC	206,604,362,561	33,461,128,184
PetroVietnam Domestic Exploration Production Operating Company Limited	184,295,367,932	73,144,224,118
PetroVietnam Long Phu 1 Thermal Power Project Management Board	151,225,238,914	126,037,622,810
Bien Dong Petroleum Operating Company	119,225,076,011	111,249,988,558
Nghi Son Refining and Petrochemical Company Limited	99,393,949,843	128,066,964,583
Vietnam Offshore Floating Terminal (Ruby) Ltd.	98,838,616,962	127,037,356,446
PetroVietnam Fertilizer and Chemicals Corporation	60,212,968,266	36,294,484,493
Malaysia Vietnam Offshore Terminal (Labuan) Limited	58,524,253,900	43,653,842,715
Nghi Son Refinery and Petrochemical Complex Project Management Board	37,203,110,659	37,203,110,659
Vietnam - Russia Joint Venture Vietsovetro	19,382,311,268	20,178,043,963
PTSC Ca Rong Do Limited	9,902,752,259	9,930,695,775
PetroVietnam Marine Shipyard Joint Stock Company	9,444,466,738	7,110,387,856
PetroVietnam Drilling and Well Services Corporation	6,708,056,223	6,862,512,988
PetroVietnam Ca Mau Fertilizer Joint Stock Company	1,404,272,470	1,421,031,890
Vietnam Oil and Gas Group	814,223,264	1,716,404,163
PTSC Asia Pacific Private Limited	-	22,709,616,149
Others	205,255,467,586	15,378,955,919
	3,202,944,197,780	1,814,386,837,400

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

	2020	2019
	VND	VND
(ii) Short-term prepayment to suppliers (Note 6(a))		
PetroVietnam Marine Shipyard Joint Stock Company	1,033,416,496	2,484,297,115
(iii) Other short-term receivables (Note 8(b))		
Vietnam Offshore Floating Terminal (Ruby) Ltd.	19,510,091,475	2,811,786,285
Vietnam Oil and Gas Group	10,632,042,898	57,744,327,344
Nghi Son Refinery and Petrochemical Limited Liability Company	6,606,181,257	24,341,497,335
Vietnam Public Joint Stock Commercial Bank	3,530,267,578	-
Long Phu 1 Power Plant Project Management Board	3,109,574,183	63,307,769,655
Malaysia Vietnam Offshore Terminal (Labuan) Limited	2,348,048,990	41,515,071,906
PetroVietnam Fertilizer and Chemicals Corporation	820,358,222	820,358,222
PetroVietnam Exploration Production Corporation Limited	627,920,218	718,475,815,796
Binh Son Refining and Petrochemical JSC	535,475,627	-
PVI Insurance Corporation	334,164,070	2,956,892,372
PetroVietnam Drilling and Well Services Corporation	275,545,064	305,898,122
Vietnam - Russia Joint Venture Vietsovetro	236,600,000	24,555,901,409
Bien Dong Petroleum Operating Company	114,392,800	73,555,800
PetroVietnam Domestic Exploration Production Operating Company Limited	113,778,200	-
PTSC Asia Pacific Private Limited	-	20,683,587,643
PetroVietnam Construction Joint Stock Company	-	5,199,262,207
PetroVietnam Overseas Exploration Production Operating Company Limited	10,061,561,353	-
	58,856,001,935	962,791,724,096

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

	2020	2019
	VND	VND
(iv) Short-term payables to suppliers (Note 17)		
PTSC Asia Pacific Private Limited	1,806,345,174,570	607,367,871,795
PetroVietnam Drilling and Well Services Corporation	50,449,038,643	68,586,968,940
PTSC South East Asia Private Limited	33,807,710,282	84,855,361,093
PetroVietnam Coating Joint Stock Company	29,757,861,786	-
PetroVietnam Marine Shipyard Joint Stock Company	29,565,146,083	13,402,177,157
Vietnam - Russia Joint Venture Vietsovetro	28,746,553,609	55,880,246,586
Nghi Son Refining and Petrochemical Company Limited	18,369,654,157	5,857,491,980
PetroVietnam Construction Joint Stock Company	17,991,816,573	17,991,816,573
PetroVietnam Urban Development Joint Stock Company	15,118,656,105	35,166,431,703
Petrovietnam Manpower Training College	13,649,667,818	3,137,737,770
PetroVietnam Maintenance - Repair Corporation	8,043,052,732	-
Vietnam Offshore Floating Terminal (Ruby) Ltd.	5,658,656,250	5,662,312,500
PVI Insurance Corporation	5,104,464,883	3,581,062,926
Malaysia Vietnam Offshore Terminal (Labuan) Limited	4,763,705,337	4,771,922,164
Vietnam Petroleum Institute	2,164,580,000	29,894,572
PetroVietnam Transportation Corporation	587,785,108	148,133,700
Bien Dong Petroleum Operating Company	501,563,830	4,689,592,491
Petroleum Design Consulting Corporation	461,934,822	461,934,822
PetroVietnam Exploration Production Corporation	150,912,514	286,608,310
PetroVietnam Fertilizer and Chemicals Corporation	117,600,000	1,169,447,875
PTSC Ca Rong Do Limited	-	331,737,506,831
Vietnam Oil and Gas Group	-	2,200,000,000
Others	54,139,522,630	20,524,683,803
	2,125,495,057,732	1,267,509,203,591

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

	2020	2019
	VND	VND
(u) Short-term advance from customers (Note 18(a))		
Binh Son Refining and Petrochemical JSC	22,231,376,888	-
PetroVietnam Gas Corporation	-	231,142,007,516
Others	183,696,000	-
	22,415,072,888	231,142,007,516
(vi) Long-term advance from customers (Note 18(b))		
PetroVietnam Long Phu 1 Thermal Power Project Management Board	778,479,407,707	795,524,628,327
PetroVietnam Gas Corporation	141,237,895,281	179,038,757,990
	919,717,302,988	974,563,386,317
(vii) Other short-term payable (Note 22)		
Malaysia Vietnam Offshore Terminal (Labuan) Limited	2,692,225,602	1,799,738,945
PVI Insurance Corporation	1,140,397,087	383,592,866
PetroVietnam Construction Joint Stock Corporation	1,669,212,234	1,669,212,234
Bien Dong Petroleum Operating Company	-	1,197,798,600
Vietnam Oil and Gas Group	773,423,862	381,753,040
Binh Son Refining and Petrochemical JSC	184,023,283	184,023,283
PetroVietnam Domestic Exploration Production Operating Company Limited	-	5,941,713,644
Others	126,529,910	-
	6,585,811,978	11,557,832,612
(viii) Short-term borrowings (Note 23(a))		
Vietnam Public Joint Stock Commercial Bank	-	18,280,340,815

42. SEGMENT REPORTING

Geographical segment

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

Business activity segment

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

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

Business activity segment (continued)
The Corporation presented business activity segment reporting by assets and liabilities as follows:

	2020							Total	
	Supply of technology service vessels	FSO / FPSO services	eismic survey, Geo survey and subsea services	Supply base services	Mechanical and construction	Maintenance, repair, and instalment oil and gas project	Other services		Elimination
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Segment assets	1,462,390,306,859	2,755,380,833,186	1,684,782,098,448	1,331,705,485,573	5,510,936,669,774	1,507,319,602,324	505,575,626,025	(2,619,067,659,643)	12,139,022,962,546
Profit from investments in associates and joint ventures									3,317,174,459,672
Unallocated assets									2,443,579,312,376
Total assets									26,279,277,126,937
Segment liabilities	146,239,306,859	275,380,833,186	168,472,098,448	1,331,705,485,573	5,510,936,669,774	1,507,319,602,324	505,575,626,025	(2,619,067,659,643)	12,139,022,962,546
Deferred tax liabilities arising from profit sharing from associates and joint ventures									583,216,464,535
Unallocated liabilities									672,920,548,229
Total liabilities									13,395,159,975,310

Business activity segment (continued)

	2019								Total
	Supply of technology service vessels	FSO / FPSO services	Seismic survey, Geo survey and subsea services	Supply base services	Mechanical and construction	Maintenance, repair, and installment oil and gas project	Other services	Elimination	
Segment assets	2,426,412,410,787	5,146,069,847,459	205,378,391,969	3,972,656,552,159	7,149,874,076,411	1,223,322,601,262	981,519,086,965	(1,261,485,945,707)	19,843,747,021,305
Profit from investments in associates and joint ventures									3,555,692,688,555
Unallocated assets									2,887,093,244,357
Total assets									26,286,532,954,217
Segment liabilities	1,691,477,972,173	2,132,220,734,593	1,477,512,411,899	1,592,521,030,291	6,047,621,709,109	385,292,047,628	518,391,334,452	(2,416,244,468,430)	11,428,792,771,715
Deferred tax liabilities arising from profit sharing from associates and joint ventures									565,634,922,656
Unallocated liabilities									1,321,358,824,237
Total liabilities									13,315,786,518,608

Business activity segment (continued)

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

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

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Business activity segment (continued)

	2019							Total	
	Supply of technology service vessels	FSO / FPSO services	Seismic survey, Geo survey and subsea services	Supply base services	Mechanical and construction	Maintenance, repair, and install oil and gas project	Other services		Elimination
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Net revenue from external sales	1,764,597,617,506	2,626,731,257,169	761,696,921,243	1,505,149,684,752	8,439,651,009,919	789,588,550,022	901,455,373,179	-	16,788,870,413,790
Net revenue from internal sales between segments	483,673,115,685	385,893,865,272	37,555,122,230	238,058,782,184	286,037,481,607	731,090,330,098	103,727,040,039	(2,266,035,737,115)	-
	2,248,270,733,191	3,012,625,122,441	799,252,043,473	1,743,208,466,936	8,725,688,491,526	1,520,678,880,120	1,005,182,413,218	(2,266,035,737,115)	16,788,870,413,790
Net cost from external sales	(1,644,373,466,354)	(2,473,943,740,165)	(695,737,165,376)	(1,253,395,598,620)	(794,817,015,142)	(689,721,991,269)	(872,287,284,812)	-	(15,577,629,398,018)
Net cost from internal sales between segments	(483,673,115,685)	(385,893,865,272)	(37,521,769,751)	(232,058,782,184)	(260,748,081,748)	(730,857,152,075)	(70,918,899,824)	2,201,671,666,539	-
	(2,128,046,582,039)	(2,859,837,605,437)	(733,258,935,127)	(1,485,454,380,804)	(8,208,918,233,171)	(1,420,579,143,344)	(943,206,184,636)	2,201,671,666,539	(15,577,629,398,018)
Gross segment profit	120,224,151,152	152,787,517,004	65,993,108,346	257,754,086,132	516,770,258,355	100,099,736,776	61,976,228,582	(64,364,070,576)	1,211,241,015,772
Selling and administration expenses									(836,482,691,281)
Net income from financing activities									250,585,531,705
Profit sharing from associates and joint ventures									580,816,727,174
Profit from operating service									1,206,160,583,370
Net income from other activities									129,483,623,344
Net accounting profit before tax									1,335,644,206,714
BIT - current									(360,537,635,386)
BIT - deferred									20,513,654,372
Net profit after tax									995,620,225,700

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43. COMMITMENTS

(a). The Corporation as a lessee

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

	2020	2019
	VND	VND
Under 1 year	874,561,158,771	1,007,947,613,595
From 1 to 5 years	1,290,529,829,563	1,276,608,142,031
More than 5 years	1,086,000,531,384	1,107,594,022,392
Total minimum payments	3,251,091,519,718	3,392,149,778,018

As at 31 December 2020 and 31 December 2019, the Corporation has entered into non-cancellable operating lease commitment contracts of ship rental, land rental in Vung Tau City, land rental at Son Tra Port, and hotel lease for its operating activities. In which:

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

(b). The Corporation as a lessor

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

	2020	2019
	VND	VND
Under 1 year	1,393,863,652,729	1,544,105,160,399
From 1 to 5 years	4,496,376,141,636	5,066,665,352,111
More than 5 years	2,131,608,969,864	2,748,853,747,092
Total minimum receipts	8,021,848,764,229	9,359,624,259,602

As at 31 December 2020 and 31 December 2019, the Corporation has entered into non-cancellable operating lease commitment contracts of leasing service vessels with the term of 15 years and FSO/ FPSO with the term of from 1 to 5 years.

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44. CONTINGENT LIABILITIES

• Provision for dismantling and restoration costs of the Corporation's leased premises

As at 31 December 2020, the Corporation has engaged in operating lease contracts with suppliers to conduct its business activities. Under the terms of these contracts, the settlement of properties associated with the land after the termination date shall be implemented in accordance with the laws. According to Article 273 of the Civil Code No. 91/2015/QH13 dated 24 November 2015, in case the land lessor does not want to inherit the properties associated to the land or the parties have other negotiations, the Corporation must be obliged to handle assets incorporated to the land upon the termination date. As at the date of these consolidated financial statements, the parties have not yet determined how the assets will be handled after the end of the lease contracts due to the long lease duration (some contracts expire in 50 years) and as a result, the Corporation assessed that the dismantling and restoration costs only incur (i) at the end of the lease term (ii) when the Corporation decides not to extend the lease contract, and (iii) when land lessor does not want to inherit the properties associated to the land. Accordingly, the Corporation has not made any provisions for the cost of dismantling, removing items and restoring the sites related to these operating lease contracts in the consolidated financial statements.

• Long Phu 1 Thermal Power Project

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

• FSO MV12

In December 2019, the FSO MV12, owned by Rong Doi MV12 Private Limited ("Rong Doi"), a jointly controlled venture company, is chartered by Korea National Oil Corporation ("KNOC"), and is operating at Rong Doi field, has a problem related to the mooring system and subsea structure system. At the date of this report, Rong Doi completed the comprehensive repair of the above incident of the FSO MV12 on 12 October 2020 and the vessel returned to normal operation on 13 October 2020. The Board of Management of the Corporation has assessed and believed that this issue has no impact on the its consolidated financial statements for the year ended 31 December 2020.

45. COMPARATIVE FIGURES AND RESTATEMENTS

According to the Announcement No. 354/TB-KTNN dated 23 October 2020 of the State Audit in relation to the audit results of PetroVietnam Technical Services Corporation, the Board of Management has decided to restate a few items on the separate financial statements for the year ended 31 December 2019 following the State Audit's result.

Additionally, certain comparative figures on the consolidated financial statements for the year ended 31 December 2019 have been reclassified to comply with this year's presentation.

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Details are presented in the following pages:

(a). The impact on the consolidated balance sheet as at 31 December 2019 is as follows:

Code	ASSETS	As at 31 December 2019			
		As previously reported	Adjustments	Reclassifications	Restated
		VND (1)	VND (2)	VND (3)	VND (4) = (1) + (2) + (3)
100	CURRENT ASSETS	15,984,102,208,255	246,039,251,650	-	16,230,141,459,905
130	Short-term receivables	4,627,034,139,321	11,167,917,001	-	4,638,202,056,322
131	Short-term trade accounts receivable	2,884,571,159,669	21,947,258,122	-	2,906,518,417,791
132	Short-term prepayments to suppliers	420,262,173,629	(2,358,984,954)	-	417,903,188,675
136	Other short-term receivables	1,346,922,552,014	(6,044,550,989)	-	1,340,878,001,025
137	Provision for doubtful debts – short-term	(206,169,226,977)	(2,375,805,178)	-	(208,545,032,155)
140	Inventories	1,269,256,728,673	240,390,410,774	-	1,509,647,139,447
141	Inventories	1,272,164,712,524	239,820,468,256	-	1,511,985,180,780
149	Provision for decline in value of inventories	(2,907,983,851)	569,942,518	-	(2,338,041,333)
150	Other current assets	396,123,657,602	(5,519,076,125)	-	390,604,581,477
151	Short-term prepaid expenses	35,357,728,480	8,052,270,229	-	43,409,998,709
152	Value Added Tax to be reclaimed	318,218,883,243	(3,048,638,582)	-	315,170,244,661
153	Tax and other receivables from the State Budget	16,933,529,516	(10,522,707,772)	-	6,410,821,744
200	LONG-TERM ASSETS	10,019,865,324,289	36,526,170,023	-	10,056,391,494,312
220	Fixed assets	3,176,899,751,007	26,611,352,792	-	3,203,511,103,799
221	Tangible fixed assets	3,154,315,554,172	26,611,352,792	-	3,180,926,906,964
222	Historical cost	11,482,964,370,282	19,870,566,837	-	11,502,834,937,119
223	Accumulated depreciation	(8,328,648,816,110)	6,740,785,955	-	(8,321,908,030,155)
260	Other long-term assets	1,087,338,551,875	9,914,817,231	-	1,097,253,369,106
261	Long-term prepaid expenses	569,879,030,649	3,384,607,149	-	573,263,637,798
262	Deferred income tax assets	488,389,594,773	6,530,210,082	-	494,919,804,855
270	TOTAL ASSETS	26,003,967,532,544	282,565,421,673	-	26,286,532,954,217

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(a). The impact on the consolidated balance sheet as at 31 December 2019 is as follows (continued):

Code	RESOURCES	As at 31 December 2019			
		As previously reported	Adjustments	Reclassifications	Restated
		VND (1)	VND (2)	VND (3)	VND (4) = (1) + (2) + (3)
300	LIABILITIES	13,219,703,953,202	96,082,565,406	-	13,315,786,518,608
310	Short-term liabilities	8,994,685,972,883	96,120,565,406	-	9,090,806,538,289
311	Short-term trade accounts payable	4,036,407,225,912	(1,314,138,186)	-	4,035,093,087,726
313	Tax and other payables to the Budget	89,223,868,867	56,955,767,831	-	146,179,636,698
315	Short-term accrued expenses	2,025,081,085,720	(94,634,381,182)	-	1,930,446,704,538
317	Construction contracts-in-progress payables	44,733,508,613	145,445,965,864	-	190,179,474,477
318	Short-term unearned revenue	58,983,517,052	(6,953,576,451)	-	52,029,940,601
319	Other short-term payables	603,475,946,267	349,660,182	-	603,825,606,449
321	Provision for short-term liabilities	153,180,406,643	(3,728,732,652)	-	149,451,673,991
330	Long-term liabilities	4,225,017,980,319	(38,000,000)	-	4,224,979,980,319
337	Other long-term payables	193,469,385	(38,000,000)	-	155,469,385
400	OWNERS' EQUITY	12,784,263,579,342	186,482,856,267	-	12,970,746,435,609
410	Capital and reserves	12,784,263,579,342	186,482,856,267	-	12,970,746,435,609
421	Undistributed earnings	3,856,690,802,067	182,652,681,677	-	4,039,343,483,744
421b	- Post-tax profit of current year	834,996,785,907	182,652,681,677	-	1,017,649,467,584
429	Non-controlling interests	714,291,043,026	3,830,174,590	-	718,121,217,616
440	TOTAL RESOURCES	26,003,967,532,544	282,565,421,673	-	26,286,532,954,217

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(b). The impact on the consolidated income statement for the year ended 31 December 2019 is as follows:

Code		Year ended 31 December 2019			
		As previously reported	Adjustments	Reclassifications	Restated
		VND (1)	VND (2)	VND (3)	VND (4) = (1) + (2) + (3)
01	Revenue from sales of goods and rendering of services	17,050,071,971,020	(179,616,665,612)	-	16,870,455,305,408
10	Net revenue from sales of goods and rendering of services	16,968,487,079,402	(179,616,665,612)	-	16,788,870,413,790
11	Cost of sales	(16,070,972,203,124)	415,839,002,920	77,503,802,186	(15,577,629,398,018)
20	Gross profit from sales of goods and rendering of services	897,514,876,278	236,222,337,308	77,503,802,186	1,211,241,015,772
21	Financial income	320,202,914,604	(2,358,984,954)	-	317,843,929,650
25	Selling expenses	(107,848,793,598)	(55,000,000)	-	(107,903,793,598)
26	General and administration expenses	(649,409,286,872)	(1,665,808,625)	(77,503,802,186)	(728,578,897,683)
30	Net operating profit	974,018,039,641	232,142,543,729	-	1,206,160,583,370
31	Other income	425,202,760,701	170,851,975	-	425,373,612,676
32	Other expenses	(295,963,496,670)	73,507,338	-	(295,889,989,332)
40	Net other income	129,239,264,031	244,359,313	-	129,483,623,344
50	Net accounting profit before tax	1,103,257,303,672	232,386,903,042	-	1,335,644,206,714
51	BIT - current	(308,885,806,504)	(51,651,828,882)	-	(360,537,635,386)
52	BIT - deferred	13,983,444,290	6,530,210,082	-	20,513,654,372
60	Net profit after tax	808,354,941,458	187,265,284,242	-	995,620,225,700
61	Owners of the parent company	849,373,614,613	183,435,109,655	-	1,032,808,724,268
62	Non-controlling interests	(41,018,673,155)	3,830,174,587	-	(37,188,498,568)
70	Basic earnings per share	1,602	97	-	1,699
71	Diluted earnings per share	1,602	97	-	1,699

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(c). The impact on the consolidated cashflow statement for the year ended 31 December 2019 is as follows:

Code		Year ended 31 December 2019			
		As previously reported	Adjustments	Reclassifications	Restated
		VND (1)	VND (2)	VND (3)	VND (4) = (1) + (2) + (3)
01	Net accounting profit before tax	1,103,257,303,672	232,386,903,042	-	1,335,644,206,714
08	Operating profit before changes in working capital	1,095,121,055,509	232,386,903,042	-	1,327,507,958,551
17	Other payments on operating activities	(204,164,280,873)	1	-	(204,164,280,872)
20	Net cash inflows from operating activities	1,693,035,080,949	232,386,903,043	-	1,925,421,983,992
50	Net increase in cash and cash equivalents	419,069,124,238	232,386,903,043	-	651,456,027,281
70	Cash and cash equivalents at end of year	6,716,729,192,997	232,386,903,043	-	6,949,116,096,040

46. IMPACT OF COVID-19

The impact of the Covid-19 since the beginning of 2020 is a fluid and challenging situation facing all industries. The Corporation had performed a preliminary assessment of the overall impact of the situation on the Corporation's operations, including the recoverability of the carrying amount of assets, measurements of its assets and liabilities. At this juncture, the Board of Management is not yet able to reliably estimate the financial impact on the Corporation's results for the next financial period. The Corporation will continue to monitor the situation, take appropriate and timely actions to minimise the impact.

The consolidated financial statements were approved by the Board of Management on 26 March 2021.



Duong Thi Ngoc Quy
Preparer



Nguyen Van Bao
Chief Accountant



Le Manh Cuong
General Director