

PETROVIETNAM TECHNICAL SERVICES CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

PETROVIETNAM TECHNICAL SERVICES CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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PETROVIETNAM TECHNICAL SERVICES CORPORATION

CORPORATE INFORMATION

Enterprise registration certificate

No. 0103015198 dated 29 December 2006 was initially issued by the Department of Planning and Investment of 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

PETROVIETNAM TECHNICAL SERVICES CORPORATION

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



The stamp is circular and red, containing the following text: "TỔNG CÔNG TY CỔ PHẦN DỊCH VỤ KỸ THUẬT ĐÀNG KHÍ VIỆT NAM". The signature is in blue ink and is written over the stamp.

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.

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

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

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

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2020 VND	2019 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

The notes on pages 10 to 91 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET
(continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2020 VND	2019 VND (Restated - Note 45)
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
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 10 to 91 are an integral part of these consolidated financial statements





CONSOLIDATED BALANCE SHEET
(continued)

Code	RESOURCES	Note	As at 31 December	
			2020 VND	2019 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
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



CONSOLIDATED INCOME STATEMENT

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	20,179,913,749,667	16,788,870,413,790
11	Cost of goods sold and services rendered	(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	399,913,306,190	317,843,929,650
22	Financial expenses	(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	190,645,361,065	580,816,727,174
25	Selling expenses	(118,646,294,100)	(107,903,793,598)
26	General and administration expenses	(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	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	(140,634,037,204)	(360,537,635,386)
52	BIT - deferred	(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
71	Diluted earnings per share	30(b)	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 10 to 91 are an integral part of these consolidated financial statements.

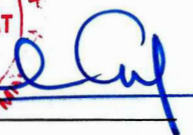
CONSOLIDATED CASH FLOW STATEMENT
(Indirect method)

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
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	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	5,212,155,694,269	6,949,116,096,040


Duong Thi Ngoc Quy
Preparer


Nguyen Van Bao
Chief Accountant




Le Manh Cuong
President and CEO
26 March 2021

The notes on pages 10 to 91 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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).

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.

PETROVIETNAM TECHNICAL SERVICES CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

The Corporation's structure (continued)

No	Name	Place of incorporation and operation	Principal activities	31.12.2020		31.12.2019	
				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
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

PETROVIETNAM TECHNICAL SERVICES CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

The Corporation's structure (continued)

No	Name	Place of incorporation and operation	Principal activities	31.12.2020		31.12.2019	
				Ownership (%)	Voting right (%)	Ownership (%)	Voting right (%)
I - Direct subsidiaries (continued)							
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
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

1 GENERAL INFORMATION (continued)

(*) 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").

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

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Exchange rates**

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

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

2.5 Basis of consolidation**Subsidiaries**

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

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

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

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

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Basis of consolidation (continued)****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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Investments (continued)****(a) Investments held-to-maturity (continued)**

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Construction contracts (continued)

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Fixed assets (continued)

Disposals

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

Construction in progress

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

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

2.12 Operating leases

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

2.13 Investment properties

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

Depreciation

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

Infrastructure	48 - 49 years
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Disposals

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.14 Prepaid expenses**

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

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

2.15 Payables

Classifications of payables are based on their nature as follows:

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

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

2.16 Borrowing

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

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

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

2.17 Accrued expenses

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.18 Provisions**

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

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

2.19 Unearned revenue

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

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

2.20 Capital and reserves**(a) Owners' capital**

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

(b) Share premium

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

(c) Undistributed earnings

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

2.21 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Appropriation of net profit after BIT (continued)**

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.22 Revenue recognition (continued)****(b) Revenue from rendering of services**

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.25 Selling expenses**

Selling expenses represent expenses that are incurred in the process of selling goods, and rendering services, which mainly include publicity, promotions 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.28 Related parties**

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

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

2.29 Segment reporting

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

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

2.30 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.

3 CASH AND CASH EQUIVALENTS

	2020 VND	2019 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
	<u>5,212,155,694,269</u>	<u>6,949,116,096,040</u>

(*) Cash equivalents include term deposits in VND at banks with the original maturity of three months or less, and earn interest at the average rates ranging from 2.9% 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 VND	Book value VND	Cost VND	Book value VND
Term deposits	<u>3,310,783,914,291</u>	<u>3,310,783,914,291</u>	<u>2,742,571,586,619</u>	<u>2,742,571,586,619</u>

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).

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4 INVESTMENTS (continued)

(b) Long-term investments

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

(i) Investment in associates and joint ventures

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

No	Name	2020			2019		
		Cost VND	Book value VND	Fair value VND	Cost VND	Book value VND	Fair value VND
1	Rong Doi MV12 Private Limited (i)	106,022,400	-	(*)	106,022,400	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	(*)
		<u>1,624,677,039,235</u>	<u>4,941,851,498,906</u>		<u>1,624,677,039,235</u>	<u>5,180,369,727,790</u>	

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

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

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

	2020 VND	2019 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	<u>4,941,851,498,906</u>	<u>5,180,369,727,790</u>

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

	2020 VND	2019 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
	<u>190,645,361,065</u>	<u>580,816,727,174</u>

4 INVESTMENTS (continued)

(b) Long-term investments (continued)

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

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

(*) As at 31 December 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.

(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 Berhard, 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 Berhard, from 2009, in which, the Corporation owns 60% of the charter capital to own, manage and operate the FPSO "Ruby II" for oil exploration and production of Petronas Carigali Vietnam Limited. Since 10 September 2017, Vietnam Oil and Gas Group replaced, received rights and obligations of Petronas Carigali Vietnam Limited for the contract with 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.

4 INVESTMENTS (continued)**(b) Long-term investments (continued)***(i) Investment in associates and joint ventures (continued)*

- (v) PTSC Asia Pacific Private Limited (“PTSC AP”) is a jointly controlled venture company established in 2012 by the Corporation and Yinson Holdings Berhad under the Foreign Investment Certificate No. 561/BKHDT-DTRNN dated 19 October 2012 issued by the Ministry of Planning and Investment to contribute to investment capital in floating storage, production and processing of oil (“FPSO”) for PetroVietnam Exploration Production Corporation to rent to develop Lot 01/97 and Lot 02/97 of Cuu Long area in Vietnamese coastline. The total investment capital of the project is USD429,977,481, equivalent to VND9,113,372,709,795, in which, the capital contribution of joint venture parties is USD119,996,426, accounting for 27.9% of total investment capital, the remaining is borrowed capital. The Corporation registered to contribute the capital obligation of USD61,198,177, equivalent to VND1,272,922,081,600, taking up 51% of its chartered capital. The Corporation had contributed capital to PTSC AP with total amount of USD51,000,000, equivalent to VND1,069,026,300. As at 31 December 2020 and 31 December 2019, the Corporation’s contributed capital in PTSC AP is USD30,600,000 equivalent to VND641,415,780,000.
- (vi) PetroVietnam Marine Shipyard Joint Stock Company is a joint stock company established under the Enterprise Registration Certificate No. 3500806844 dated 9 July 2007 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province with the registered charter capital of VND594,897,870,000. As at 31 December 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.

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(ii) Investments in other entities

Details of investments in other entities are as follows:

No	Name	2020			2019		
		Cost VND	Provision VND	Fair value VND	Cost VND	Provision VND	Fair value VND
1	Nhon Trach Shipyard Joint Stock Company	3,000,000,000	(799,729,584)	(*)	3,000,000,000	(776,902,962)	(*)
2	Duyen Hai Petro Construction Investment Joint Stock Company	28,125,000,000	(11,410,576,614)	(*)	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	(10,530,000,000)	(*)
		<u>41,655,000,000</u>	<u>(22,740,306,198)</u>		<u>51,030,000,000</u>	<u>(23,759,623,481)</u>	

(*) 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.

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

	2020 VND	2019 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	<u>22,740,306,198</u>	<u>23,759,623,481</u>

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5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2020 VND	2019 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
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
	<hr/>	<hr/>
	1,870,214,395,106	1,092,131,580,391
Related parties (Note 41(b))	3,202,944,197,780	1,814,386,837,400
	<hr/>	<hr/>
	5,073,158,592,886	2,906,518,417,791
	<hr/> <hr/>	<hr/> <hr/>

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.

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6 PREPAYMENTS TO SUPPLIERS

(a) Short-term

	2020 VND	2019 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
	<hr/>	<hr/>
	371,512,547,232	415,418,891,560
Related parties (Note 41(b))	1,033,416,496	2,484,297,115
	<hr/>	<hr/>
	<u>372,545,963,728</u>	<u>417,903,188,675</u>

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.

(b) Long-term

	2020 VND	2019 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
	<hr/>	<hr/>
	<u>62,278,452,310</u>	<u>75,409,365,095</u>

7 CONSTRUCTION CONTRACTS-IN-PROGRESS RECEIVABLES/PAYABLES

	2020 VND	2019 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)
	<u>21,775,487,707</u>	<u>(8,731,993,491)</u>
 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)
	<u>21,775,487,707</u>	<u>(8,731,993,491)</u>

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

	2020 VND	2019 VND (Restated - Note 45)
Receivables		
NPK project	74,459,687,366	93,560,041,838
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
	<u>85,720,543,145</u>	<u>181,447,480,986</u>
 Payables		
Sao Vang Dai Nguyet Gas pipeline project	33,961,929,987	190,179,474,477
Southern Petrochemical complex project	29,983,125,451	-
	<u>63,945,055,438</u>	<u>190,179,474,477</u>

8 OTHER RECEIVABLES

(a) Short-term

	2020		2019	
	Cost VND	Provision VND	Cost VND (Restated - Note 45)	Provision VND
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 Vietsovetro	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	-
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)
	<u>265,280,299,858</u>	<u>(1,755,167,920)</u>	<u>1,340,878,001,025</u>	<u>(2,746,731,525)</u>

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.

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8 OTHER RECEIVABLES (continued)

(b) Long-term

	2020 VND	2019 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
	<u>91,431,515,913</u>	<u>88,797,453,889</u>

Details of other receivables type of customers are as follows:

	2020 VND	2019 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
	<u>265,280,299,858</u>	<u>1,340,878,001,025</u>
Long-term		
Third parties	<u>91,431,515,913</u>	<u>88,797,453,889</u>

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9 PROVISION FOR DOUBTFUL DEBTS – SHORT-TERM

	2020			
	Cost VND	Recoverable amount VND	Provision VND	Overdue period
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
	<u>69,089,821,959</u>	<u>19,825,535,676</u>	<u>(49,264,286,283)</u>	
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
PetroVietnam Exploration Production Corporation Limited	13,887,083,418	299,701,973	(13,587,381,445)	From 1 year to above 3 year
PetroVietnam Overseas Exploration Production Operating Company Limited	4,949,073,120	-	(4,949,073,120)	3 years and over
Others	19,815,261,811	18,613,546,407	(1,201,715,404)	Over 6 months
	<u>182,407,998,049</u>	<u>99,140,413,957</u>	<u>(83,267,584,092)</u>	
	<u>251,497,820,008</u>	<u>118,965,949,633</u>	<u>(132,531,870,375)</u>	
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
	<u>12,969,200</u>	<u>11,649,200</u>	<u>(1,320,000)</u>	
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
	<u>3,772,477,700</u>	<u>2,017,309,780</u>	<u>(1,755,167,920)</u>	
	<u>255,270,297,708</u>	<u>120,983,259,413</u>	<u>(134,287,038,295)</u>	

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

	2019			
	Cost VND	Recoverable amount VND	Provision VND	Overdue period
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
	<u>95,020,742,629</u>	<u>49,871,123,860</u>	<u>(45,149,618,769)</u>	
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
Others	26,461,583,357	14,282,419,421	(12,179,163,936)	From 1 year to under 3 years
	<u>201,536,754,365</u>	<u>40,888,072,504</u>	<u>(160,648,681,861)</u>	
	<u>296,557,496,994</u>	<u>90,759,196,364</u>	<u>(205,798,300,630)</u>	
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
	<u>431,156,984</u>	<u>16,957,720</u>	<u>(414,199,264)</u>	
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
	<u>4,457,282,245</u>	<u>1,710,550,720</u>	<u>(2,746,731,525)</u>	
	<u>301,014,779,239</u>	<u>92,469,747,084</u>	<u>(208,545,032,155)</u>	

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

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

	2020		2019	
	Cost VND	Provision VND	Cost VND	Provision 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)
	<u>5,338,438,892,744</u>	<u>(134,287,038,295)</u>	<u>4,247,396,418,816</u>	<u>(208,545,032,155)</u>

10 INVENTORIES

(a) Inventories

	2020		2019	
	Book value VND	Provision VND	Book value VND (Restated - Note 45)	Provision VND (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	-
	<u>2,173,327,952,701</u>	<u>(62,052,324,254)</u>	<u>1,511,985,180,780</u>	<u>(2,338,041,333)</u>

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

	2020 VND	2019 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
	<u>1,708,281,322,513</u>	<u>672,998,063,772</u>

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

	2020 VND	2019 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	<u>62,052,324,254</u>	<u>2,338,041,333</u>

10 INVENTORIES (continued)

(b) Long-term work in progress

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

- (i) Long-term work-in-progress of Long Phu 1 Thermal Power Plant project represents the foreign design costs performed by Black & Veatch International (“the Contractor”). By the reporting date of 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.

11 PREPAID EXPENSES

(a) Short-term

	2020 VND	2019 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
	<u>31,676,397,728</u>	<u>43,409,998,709</u>

(b) Long-term

	2020 VND	2019 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
	<u>647,959,290,807</u>	<u>573,263,637,798</u>

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 VND	Machinery and equipment VND	Vehicles VND	Office equipment VND	Others VND	Total 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	<u>3,558,840,724,468</u>	<u>2,447,141,582,490</u>	<u>5,508,195,812,777</u>	<u>211,612,885,698</u>	<u>114,455,844,626</u>	<u>11,840,246,850,059</u>
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
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	<u>2,360,475,533,547</u>	<u>1,711,827,141,923</u>	<u>4,428,092,131,990</u>	<u>188,083,946,463</u>	<u>38,044,596,970</u>	<u>8,726,523,350,893</u>
Net book value						
As at 1 January 2020 (Restated - Note 45)	<u>1,182,573,928,062</u>	<u>669,017,793,674</u>	<u>1,215,160,354,792</u>	<u>32,373,808,805</u>	<u>81,801,021,631</u>	<u>3,180,926,906,964</u>
As at 31 December 2020	<u>1,198,365,190,921</u>	<u>735,314,440,567</u>	<u>1,080,103,680,787</u>	<u>23,528,939,235</u>	<u>76,411,247,656</u>	<u>3,113,723,499,166</u>

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).

13 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Land use right VND	Software VND	Others VND	Total 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).

14 INVESTMENT PROPERTIES

Details of investment properties are presented as follows:

	2020 VND	2019 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.

14 INVESTMENT PROPERTIES (continued)

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.

15 CONSTRUCTION IN PROGRESS

Details of construction in progress are presented as follows:

	2020 VND	2019 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
	<u>166,003,418,817</u>	<u>129,796,562,372</u>

15 CONSTRUCTION IN PROGRESS (continued)

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

	2020 VND	2019 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)
	<u>166,003,418,817</u>	<u>129,796,562,372</u>

16 DEFERRED INCOME TAX

Details of deferred income tax are presented as follows:

	2020 VND	2019 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
	<u>337,988,470,122</u>	<u>494,919,804,855</u>
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)
	<u>(804,489,461,046)</u>	<u>(787,421,949,479)</u>

16 DEFERRED INCOME TAX (continued)

Year of tax losses	Losses incurred VND	Losses utilised VND	Losses carried forward 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 VND	Able-to-pay amount VND	Value VND	Able-to-pay amount 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
Cegelec 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
	<u>4,052,495,449,512</u>	<u>4,052,495,449,512</u>	<u>2,767,583,884,135</u>	<u>2,767,583,884,135</u>
Related parties (Note 41(b))	2,125,495,057,732	2,125,495,057,732	1,267,509,203,591	1,267,509,203,591
	<u>6,177,990,507,244</u>	<u>6,177,990,507,244</u>	<u>4,035,093,087,726</u>	<u>4,035,093,087,726</u>

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 VND	2019 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
	<u>415,579,239,344</u>	<u>88,628,232,463</u>
Related parties (Note 41(b))	22,415,072,888	231,142,007,516
	<u>437,994,312,232</u>	<u>319,770,239,979</u>

(b) Long-term

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

- The advances from Long Phu 1 Power Plant Project Management Board for the Long Phu Thermal Plant Project with the balance as at 31 December 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).

19 TAX AND OTHER RECEIVABLES FROM/ PAYABLES TO THE STATE

(a) Receivables

	2020 VND	2019 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
	<u>49,336,243,463</u>	<u>6,410,821,744</u>

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

(b) Payables

	2020 VND	2019 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
	<u>103,970,046,811</u>	<u>146,179,636,698</u>

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

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

	As at 1.1.2020 VND (Restated - Note 45)	Payables during the year VND	Paid during the year VND	As at 31.12.2020 VND
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
	<u>139,768,814,954</u>	<u>909,234,094,821</u>	<u>(994,369,106,427)</u>	<u>54,633,803,348</u>
In which:				
Tax and other receivables from the State	6,410,821,744			49,336,243,463
Tax and other payables to the State	<u>146,179,636,698</u>			<u>103,970,046,811</u>

20 SHORT-TERM ACCRUED EXPENSES

	2020 VND	2019 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
	<u>449,917,173,426</u>	<u>1,930,446,704,538</u>

21 UNEARNED REVENUE

(a) Short-term

	2020 VND	2019 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
	<u>46,175,228,624</u>	<u>52,029,940,601</u>

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21 UNEARNED REVENUE (continued)

(b) Long-term

	2020 VND	2019 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
	<u>222,072,690,757</u>	<u>266,714,395,089</u>

In which:

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

22 OTHER SHORT-TERM PAYABLES

	2020 VND	2019 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
	<u>630,736,118,353</u>	<u>603,825,606,449</u>

22 OTHER SHORT-TERM PAYABLES (continued)

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

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23 BORROWINGS

(a) Short-term

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

	As at 1.1.2020 VND	Drawdown during the year VND	Repaid during the year VND	Current portion of long-term borrowings VND	Revaluation VND	As at 31.12.2020 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
	<u>771,273,458,439</u>	<u>76,833,336,003</u>	<u>(229,167,448,959)</u>	<u>115,441,422,153</u>	<u>265,099,312</u>	<u>734,645,866,948</u>

23 BORROWINGS (continued)

(a) Short-term (continued)

(*) 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 guranteed 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 VND	Drawdown during the year VND	Repaid during the year VND	Current portion of long-term borrowings VND	Revaluation VND	As at 31.12.2020 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)	-	-
	<u>584,273,712,046</u>	<u>14,905,690,000</u>	<u>(9,533,271,673)</u>	<u>(115,441,422,153)</u>	<u>(479,087,950)</u>	<u>473,725,620,270</u>

23 BORROWINGS (continued)

(b) Long-term (continued)

(*) 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.

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.

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23 BORROWINGS (continued)

(b) Long-term (continued)

The repayment schedule of borrowings is as follows:

	2020 VND	2019 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
	<u>1,208,371,487,218</u>	<u>1,355,547,170,485</u>

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24 PROVISIONS FOR OTHER LIABILITIES

(a) Short-term

	2020 VND	2019 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
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
	<u>193,714,837,216</u>	<u>149,451,673,991</u>

(b) Long-term

	2020 VND	2019 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
	<u>1,125,912,729,833</u>	<u>1,578,454,986,813</u>

24 PROVISIONS FOR OTHER LIABILITIES (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 VND	2019 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	<u>359,937,152,664</u>	<u>316,493,796,127</u>

26 FUND FOR SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT

	2020 VND	2019 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	<u>38,596,359,996</u>	<u>31,195,759,996</u>

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 shares	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 VND	Total 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.

28 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Share premium VND	Investment and development fund VND	Foreign exchange differences VND	Post-tax undistributed earnings VND	Total VND	Non-controlling interests VND	Total owners' capital VND
As at 1 January 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-ĐHĐCĐ dated 24 June 2020 of the parent Company's Shareholders Annual General Meeting and resolutions of subsidiaries' Shareholders Annual General Meeting.

29 NON-CONTROLLING INTEREST

Details of non-controlling interest are as follows:

	2020 VND	2019 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)
	<u>738,566,548,577</u>	<u>718,121,217,616</u>

Movement of non-controlling interest was as follows:

	2020 VND	2019 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	<u>738,566,548,577</u>	<u>718,121,217,616</u>

30 EARNINGS PER SHARE

(a) Basic earnings per share

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

	2020	2019 (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) (*)	<u>(124,402,808,600)</u>	<u>(220,531,491,010)</u>
	<u>499,593,274,365</u>	<u>812,277,233,258</u>
Weighted average number of ordinary shares in issue (shares)	477,966,290	477,966,290
Basic earnings per share	<u>1,046</u>	<u>1,699</u>

(*) 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	<u>(83,576,920,465)</u>	<u>(136,954,570,545)</u>	<u>(220,531,491,010)</u>
	<u>765,796,694,148</u>		<u>812,277,233,258</u>
Weighted average number of ordinary shares in issue (shares)	<u>477,966,290</u>		<u>477,966,290</u>
Earning per share (VND)	<u>1,602</u>		<u>1,699</u>

30 EARNINGS PER SHARE (continued)

(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
	<u> </u>	<u> </u>

(b) Operating lease assets

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

32 NET REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

	2020 VND	2019 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
	<u>20,179,913,749,667</u>	<u>16,788,870,413,790</u>

(*) 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	<u>26,954,891,713,463</u>	<u>21,406,896,678,634</u>

33 COST OF GOODS SOLD AND SERVICES RENDERED

	2020 VND	2019 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
	<u>19,401,747,769,545</u>	<u>15,577,629,398,018</u>

34 FINANCIAL INCOME

	2020 VND	2019 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
	<u>399,913,306,190</u>	<u>317,843,929,650</u>

35 FINANCIAL EXPENSES

	2020 VND	2019 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
	<u>142,818,222,582</u>	<u>67,258,397,945</u>

36 SELLING EXPENSES

	2020 VND	2019 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
	<u>118,646,294,100</u>	<u>107,903,793,598</u>

37 GENERAL AND ADMINISTRATION EXPENSES

	2020 VND	2019 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
	<u>797,515,784,603</u>	<u>728,578,897,683</u>

38 NET OTHER INCOME AND OTHER EXPENSES

	2020 VND	2019 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
	<u>732,982,368,598</u>	<u>425,373,612,676</u>
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)
	<u>(18,194,821,894)</u>	<u>(295,889,989,332)</u>
Net other income	<u><u>714,787,546,704</u></u>	<u><u>129,483,623,344</u></u>

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

39 BUSINESS INCOME TAX (“BIT”)

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

	2020 VND	2019 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)
	<u>1,024,531,892,796</u>	<u>1,335,644,206,714</u>
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)	-
	<u>549,608,496,368</u>	<u>994,010,019,887</u>
Total taxable income		
In which:		
Taxable income	748,320,705,511	1,830,066,625,049
Taxable losses	(198,712,209,143)	(836,056,605,162)
	<u>149,664,141,102</u>	<u>366,013,325,010</u>
BIT at tax rate of 20%	(17,719,650,522)	(11,344,850,177)
Tax incentive	8,689,546,624	41,451,559
Under provision		
	<u>140,634,037,204</u>	<u>354,709,926,392</u>
BIT on normal business operation		
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
	<u>140,634,037,204</u>	<u>360,537,635,386</u>
BIT charge		

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 VND	2019 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
	<u>21,353,193,106,989</u>	<u>16,653,688,882,560</u>

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
Vietnam Public Joint Stock Commercial Bank	Company in PVN Group
PetroVietnam Construction Joint Stock Corporation	Company in PVN Group
Petrovietnam Fertilizer and Chemicals Corporation	Company in PVN Group
Vietnam - Russia Joint Venture Vietsovpetro	Company in PVN Group
PetroVietnam Oil Corporation	Company in PVN Group
PetroVietnam Power Corporation	Company in PVN Group
Binh Son Refining and Petrochemical Joint Stock Company	Company in PVN Group
PetroVietnam Chemical and Services Corporation	Company in PVN Group
PVI Insurance Corporation	Company in PVN Group
PetroVietnam Engineering Consultancy Joint Stock Company	Company in PVN Group
PetroVietnam Maintenance and Repair Corporation	Company in PVN Group
Nghi Son Refinery and Petrochemical Limited Liability Company	Company in PVN Group
Nghi Son Refinery and Petrochemical Complex Project Management Board	Company in PVN Group
Bien Dong Petroleum Operating Company	Company in PVN Group
PetroVietNam Long Phu 1 Power Project Management Board	Company in PVN Group
Petrovietnam Domestic Exploration Production Operating Company Limited	Company in PVN Group
PetroVietnam Gas Joint Stock Company	Company in PVN Group
PetroVietnam Overseas Exploration Production Operating Company Limited	Company in PVN Group
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

41 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions

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

	2020 VND	2019 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
	6,162,237,111,534	4,205,102,798,939

41 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2020 VND	2019 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
	<u>2,194,551,739,378</u>	<u>2,255,246,818,204</u>
iii) Compensation for key management		
Gross salaries and other benefits	<u>23,713,533,000</u>	<u>19,947,172,000</u>
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	<u>13,986,436,600</u>	<u>12,400,867,000</u>
iv) Dividend payment		
Vietnam Oil and Gas Group	<u>245,565,000,000</u>	<u>171,829,939,167</u>

41 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2020 VND	2019 VND
<i>i) Short-term trade receivables (Note 5)</i>		
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 Vietsovpetro	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
	3,202,944,197,780	1,814,386,837,400

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41 RELATED PARTY DISCLOSURES (continued)

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

	2020 VND	2019 VND
<i>ii) Short-term prepayment to suppliers (Note 6(a))</i>		
PetroVietnam Marine Shipyard Joint Stock Company	1,033,416,496	2,484,297,115
<i>iii) Other short-term receivables (Note 8(b))</i>		
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 Vietsovpetro	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	-
	<u>58,856,001,935</u>	<u>962,791,724,096</u>

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41 RELATED PARTY DISCLOSURES (continued)

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

	2020 VND	2019 VND
<i>iv) Short-term payables to suppliers (Note 17)</i>		
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 Vietsovpetro	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
	<u>2,125,495,057,732</u>	<u>1,267,509,203,591</u>

v) 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	-
	<u>22,415,072,888</u>	<u>231,142,007,516</u>

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41 RELATED PARTY DISCLOSURES (continued)

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

	2020 VND	2019 VND
<i>vi) Long-term advance from customers (Note 18(b))</i>		
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
	<u>919,717,302,988</u>	<u>974,563,386,317</u>
<i>vii) Other short-term payable (Note 22)</i>		
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	-
	<u>6,585,811,978</u>	<u>11,557,832,612</u>
<i>viii) Short-term borrowings (Note 23(a))</i>		
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
- Floating storage and offloading (FSO), Floating production storage and offloading (FPSO) services
- Seismic survey, geophysical and geological survey and subsea
- Supply base services
- Mechanical and construction offshore facilities
- Repair, maintenance and instalment oil and gas project
- Other services

- Management, business and operation the technology service vessels
- Supply of Floating storage and offloading (FSO), Floating production storage and offloading (FPSO)
- 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, offices rental, logistic, supply chain management and other related services
- Fabrication, engineering, construction, transportation and installation, hook-up and commissioning
- Supply of maintenance, repair, building and conversion of petroleum exploiting facilities
- Supply other sevicees

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42 SEGMENT REPORTING (continued)

Business activity segment (continued)

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

	2020								
	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Segment assets	2,509,242,950,945	5,762,366,446,076	922,907,721,719	3,835,094,750,900	8,198,825,268,007	2,665,668,481,511	1,317,063,368,937	(4,692,645,633,206)	20,518,523,354,889
Profit from investments in associates and joint ventures									3,317,174,459,672
Unallocated assets									2,443,579,312,376
Total assets									26,279,277,126,937
Segment liabilities	1,462,390,306,859	2,755,380,833,186	1,684,782,098,448	1,331,705,485,573	5,510,936,669,774	1,507,319,602,324	505,575,626,025	(2,619,067,659,643)	12,139,022,962,546
Deferred tax liabilities arised 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

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42 SEGMENT REPORTING (continued)

Business activity segment (continued)

	2019								
	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Segment assets	2,426,412,410,787	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 arised 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

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42 SEGMENT REPORTING (continued)

Business activity segment (continued)

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

	2020								
	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Net revenue from external sales	1,878,152,306,186	3,002,398,615,841	421,663,506,484	1,586,040,303,836	10,859,125,885,416	1,706,453,013,331	726,080,118,573	-	20,179,913,749,667
Net revenue from internal sales 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)	-
	<u>2,127,550,824,264</u>	<u>3,397,479,419,470</u>	<u>448,713,143,435</u>	<u>1,807,508,095,575</u>	<u>11,084,315,777,630</u>	<u>3,402,136,982,031</u>	<u>826,384,303,029</u>	<u>(2,914,174,795,767)</u>	<u>20,179,913,749,667</u>
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	-
	<u>(2,006,568,503,143)</u>	<u>(3,308,636,277,767)</u>	<u>(433,227,591,969)</u>	<u>(1,592,327,563,573)</u>	<u>(10,888,087,274,124)</u>	<u>(3,309,428,944,542)</u>	<u>(708,959,981,890)</u>	<u>2,845,488,367,463</u>	<u>(19,401,747,769,545)</u>
Gross segment profit	<u>120,982,321,121</u>	<u>88,843,141,703</u>	<u>15,485,551,466</u>	<u>215,180,532,002</u>	<u>196,228,503,506</u>	<u>92,708,037,489</u>	<u>117,424,321,139</u>	<u>(68,686,428,304)</u>	<u>778,165,980,122</u>
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

PETROVIETNAM TECHNICAL SERVICES CORPORATION

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42 SEGMENT REPORTING (continued)

Business activity segment (continued)

	2019								
	Supply of technology service vessels VND	FSO / FPSO services VND	Seismic survey, Geo survey and subsea services VND	Supply base services VND	Mechanical and construction VND	Maintenance, repair, and installment oil and gas project VND	Other services VND	Elimination VND	Total VND
Net revenue from external sales	1,764,597,617,506	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)	-
	<u>2,248,270,733,191</u>	<u>3,012,625,122,441</u>	<u>799,252,043,473</u>	<u>1,743,208,466,936</u>	<u>8,725,688,491,526</u>	<u>1,520,678,880,120</u>	<u>1,005,182,413,218</u>	<u>(2,266,035,737,115)</u>	<u>16,788,870,413,790</u>
Net cost from external sales	(1,644,373,466,354)	(2,473,943,740,165)	(695,737,165,376)	(1,253,395,598,620)	(7,948,170,151,423)	(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	-
	<u>(2,128,046,582,039)</u>	<u>(2,859,837,605,437)</u>	<u>(733,258,935,127)</u>	<u>(1,485,454,380,804)</u>	<u>(8,208,918,233,171)</u>	<u>(1,420,579,143,344)</u>	<u>(943,206,184,636)</u>	<u>2,201,671,666,539</u>	<u>(15,577,629,398,018)</u>
Gross segment profit	<u>120,224,151,152</u>	<u>152,787,517,004</u>	<u>65,993,108,346</u>	<u>257,754,086,132</u>	<u>516,770,258,355</u>	<u>100,099,736,776</u>	<u>61,976,228,582</u>	<u>(64,364,070,576)</u>	<u>1,211,241,015,772</u>
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									<u>995,620,225,700</u>

43 COMMITMENTS

(a) The Corporation as a lessee

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

	2020 VND	2019 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	<u>3,251,091,519,718</u>	<u>3,392,149,778,018</u>

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 VND	2019 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	<u>8,021,848,764,229</u>	<u>9,359,624,259,602</u>

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.

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.

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 VND (1)	Adjustments VND (2)	Reclassifications (3)	Restated 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

45 COMPARATIVE FIGURES AND RESTATEMENTS (continued)

(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 VND (1)	Adjustments VND (2)	Reclassifications (3)	Restated 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

45 COMPARATIVE FIGURES AND RESTATEMENTS (continued)

(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 VND (1)	Adjustments VND (2)	Reclassifications VND (3)	Restated 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

45 COMPARATIVE FIGURES AND RESTATEMENTS (continued)


(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 VND (1)	Adjustments VND (2)	Reclassifications VND (3)	Restated 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

