

**PETROVIETNAM OIL CORPORATION**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the year ended 31 December 2021**



**PETROVIETNAM OIL CORPORATION - JOINT STOCK COMPANY**

PetroVietnam Tower, 1-5 Le Duan, Ben Nghe Ward, District 1

Ho Chi Minh City, Vietnam

---

**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 5
CONSOLIDATED BALANCE SHEET	6 - 9
CONSOLIDATED INCOME STATEMENT	10
CONSOLIDATED CASH FLOW STATEMENT	11 - 12
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	13 - 57

**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan , Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

---

**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of PetroVietnam Oil Corporation (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2021.

**THE BOARD OF DIRECTORS AND BOARD OF MANAGEMENT**

The members of the Board of Directors and Board of Management of the Corporation who held office during the year and to the date of this report are as follows:

**Board of Directors**

Mr. Cao Hoai Duong	Chairman
Mr. Doan Van Nhuom	Member (assigned on 26 January 2021)
Mr. Nguyen Mau Dung	Member (assigned on 26 January 2021)
Mr. Le Van Nghia	Member
Mr. Hang Anh Minh	Member
Mr. Le Ngoc Quang	Member
Mr. Tran Hoai Nam	Member

**Board of Management**

Mr. Doan Van Nhuom	Chief Executive Officer
Mr. Vo Khanh Hung	Executive Officer
Mr. Vu Hoai Lam	Executive Officer
Mr. Nguyen Tuan Tu	Executive Officer
Mr. Nguyen Anh Toan	Executive Officer
Mr. Nguyen Dang Trinh	Executive Officer
Mr. Le Xuan Trinh	Executive Officer (resigned on 25 March 2021)

**BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan, Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

---

**STATEMENT OF THE BOARD OF MANGEMENT (Continued)**

**BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY (Continued)**

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;
- state whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the consolidated financial statements;
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimize errors and frauds.

The Board of Management 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 that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Board of Management is also responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management,



**Đoàn Văn Nhuom**  
Chief Executive Officer

16 March 2022



No. *0780* /VN1A-HN-BC

## INDEPENDENT AUDITORS' REPORT

**To: The Shareholders  
The Board of Directors and Board of Management  
PetroVietnam Oil Corporation**

We have audited the accompanying consolidated financial statements of PetroVietnam Oil Corporation (the "Corporation") prepared on 16 March 2022 as set out from page 06 to page 57, which comprise the consolidated balance sheet as at 31 December 2021, the consolidated income statement and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Board of Management's Responsibility for the Consolidated Financial Statements***

The Board of Management of the Corporation is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as the Board of Management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these 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 requirements and plan and perform the audit to obtain reasonable assurance about 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 qualified audit opinion.



## INDEPENDENT AUDITORS' REPORT (Continued)

### *Basis for Qualified Opinion*

As stated in Note 07 of the Notes to the consolidated financial statements, an amount of VND 169,785,513,359 has been recognized as other receivables from Vietnam Oil and Gas Group related to the accumulated loss as at 18 May 2011 incurred by Petec Trading and Investment Corporation ("PETEC" - a subsidiary of the Corporation) when PETEC was officially transformed into a joint stock company. Such receivable amount represents the State-owned capital contribution to PETEC as at 18 May 2011 whose finalization has not been approved by Vietnam Oil and Gas Group and competent authorities. We were unable to obtain sufficient information about the finalized amount and any difference between such finalized amount and the above receivable amount as at 31 December 2020, which caused us to qualify our audit opinion on the consolidated financial statements for the year then ended. We were also unable to sufficiently obtain such information as at 31 December 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As stated in Note 14 of the Notes to the consolidated financial statements, the cost of intangible assets as at 31 December 2021 and 31 December 2020 included an amount of VND 29,702,935,030 (as at 31 December 2020: VND 29,702,935,030), representing the value of land plots at Saigon Petroleum Joint Stock Company (PVOIL Saigon - a subsidiary of the Corporation) of which land use rights either have not yet been granted/transferred to PVOIL Saigon or expired but not yet extended. We were unable to obtain sufficient appropriate audit evidence of the rights and term to use such land plots as at 31 December 2020, which caused us to qualify our audit opinion on the consolidated financial statements for the year then ended. We were also unable to obtain sufficient appropriate audit evidence of the rights and term to use such land plots as at 31 December 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As presented in Note 17 of the Notes to the consolidated financial statements, as at 31 December 2021, the Corporation's investment in PetroVietnam Biofuels Joint Stock Company (the Corporation's associate) was reported in the consolidated financial statements using the equity method of accounting with the amount of VND 272,915,527,557 (as at 31 December 2020: VND 273,373,642,647). We were unable to obtain sufficient audit evidence of post-acquisition changes in the Corporation's shares of net assets of PetroVietnam Biofuels Joint Stock Company as at 31 December 2020, which caused us to qualify our audit opinion on the consolidated financial statements for the year then ended. We were also unable to obtain sufficient audit evidence of post-acquisition changes in the Corporation's shares of net assets of PetroVietnam Biofuels Joint Stock Company as at 31 December 2021. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

### *Qualified Opinion*

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraph, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2021, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

## INDEPENDENT AUDITORS' REPORT (Continued)

### Emphasis of Matters

- As disclosed in Note 01 of the Notes to the consolidated financial statements, as at 31 December 2021, the Corporation's equity investment in PETEC reported in its separate financial statements exceeded the capital contributions recorded and accounted for by PETEC by VND 111,225,298,544. The Board of Management of the Corporation believes that such difference will be cleared upon completion of PETEC's equitization finalization. Accordingly, the Board of Management decided to increase the charter capital of this subsidiary to eliminate the difference before the Corporation's consolidation reporting.
- As stated in Note 02 of the Notes to the consolidated financial statements, the accompanying consolidated financial statements do not include adjustments (if any) related to the finalization of equitization of the Corporation as the Holding company due to the fact that the competent authorities have not approved the final accounts of the Corporation at the time of its equitization and official transformation into a joint stock company.

Our opinion is not qualified in respect of these matters.



**Vo Thái Hoa**

**Audit Partner**

Audit Practising Registration Certificate

No. 0138-2018-001-1

**DELOITTE VIETNAM COMPANY LIMITED**

16 March 2022

Hanoi, Vietnam

**Vu Van Hung**

**Auditor**

Audit Practising Registration Certificate

No. 5070-2019-001-1



**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 01-DN/HN**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CONSOLIDATED BALANCE SHEET***As at 31 December 2021*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>21,549,982,060,668</b>	<b>16,345,161,515,226</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>2,990,894,028,577</b>	<b>3,533,617,033,987</b>
1. Cash	111		2,731,437,695,084	2,506,279,063,350
2. Cash equivalents	112		259,456,333,493	1,027,337,970,637
<b>II. Short-term financial investments</b>	<b>120</b>	<b>5</b>	<b>7,925,663,754,088</b>	<b>5,922,370,447,571</b>
1. Trading securities	121		33,414,563	797,639,327
2. Provision for impairment of trading securities	122		(36,197)	(5,924,643)
3. Held-to-maturity investments	123		7,925,630,375,722	5,921,578,732,887
<b>III. Short-term receivables</b>	<b>130</b>		<b>7,761,018,081,791</b>	<b>4,905,841,222,375</b>
1. Short-term trade receivables	131	6	4,277,619,452,540	3,158,877,153,148
2. Short-term advances to suppliers	132		88,002,386,699	72,463,593,521
3. Other short-term receivables	136	7	4,195,391,436,352	2,518,238,608,319
4. Provision for short-term doubtful debts	137	8	(804,492,677,302)	(848,829,267,132)
5. Deficits in assets awaiting solution	139		4,497,483,502	5,091,134,519
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>2,578,271,658,502</b>	<b>1,827,498,080,478</b>
1. Inventories	141		2,579,364,637,993	1,829,246,905,712
2. Provision for devaluation of inventories	149		(1,092,979,491)	(1,748,825,234)
<b>V. Other short-term assets</b>	<b>150</b>		<b>294,134,537,710</b>	<b>155,834,730,815</b>
1. Short-term prepayments	151	10	33,108,480,349	30,318,851,456
2. Value added tax deductibles	152	11	155,956,761,188	65,983,568,556
3. Taxes and other receivables from the State budget	153	12	105,069,296,173	59,532,310,803

*The accompanying notes are an integral part of these consolidated financial statements*



**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 01-DN/HN**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CONSOLIDATED BALANCE SHEET (Continued)**

As at 31 December 2021

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>5,647,581,826,801</b>	<b>5,729,802,091,425</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>24,812,466,496</b>	<b>28,876,237,293</b>
1. Long-term trade receivables	211	6	21,888,407,938	24,336,321,374
2. Other long-term receivables	216	7	25,023,666,496	28,876,237,293
3. Provision for long-term doubtful debts	219	8	(22,099,607,938)	(24,336,321,374)
<b>II. Fixed assets</b>	<b>220</b>		<b>3,747,949,930,914</b>	<b>3,737,198,323,785</b>
1. Tangible fixed assets	221	13	2,153,041,993,983	2,208,851,860,179
- Cost	222		6,468,508,878,504	6,273,653,973,208
- Accumulated depreciation	223		(4,315,466,884,521)	(4,064,802,113,029)
2. Finance lease assets	224		2,268,507,172	-
- Cost	225		2,424,911,135	-
- Accumulated depreciation	226		(156,403,963)	-
3. Intangible assets	227	14	1,592,639,429,759	1,528,346,463,606
- Cost	228		1,861,746,293,589	1,767,219,662,077
- Accumulated amortisation	229		(269,106,863,830)	(238,873,198,471)
<b>III. Investment property</b>	<b>230</b>	<b>15</b>	<b>108,543,572,613</b>	<b>112,566,434,533</b>
- Cost	231		139,314,852,250	139,372,662,434
- Accumulated depreciation	232		(30,771,279,637)	(26,806,227,901)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>109,572,796,582</b>	<b>250,367,643,699</b>
1. Long-term work in progress	241		585,993,545	585,993,545
2. Construction in progress	242	16	108,986,803,037	249,781,650,154
<b>V. Long-term financial investments</b>	<b>250</b>		<b>801,330,548,617</b>	<b>753,953,944,811</b>
1. Investments in joint-ventures, associates	252	17	708,439,333,186	707,597,992,068
2. Equity investments in other entities	253	18	118,979,564,661	71,463,046,290
3. Provision for impairment of long-term financial investments	254	18	(26,088,349,230)	(25,107,093,547)
<b>VI. Other long-term assets</b>	<b>260</b>		<b>855,372,511,579</b>	<b>846,839,507,304</b>
1. Long-term prepayments	261	10	849,242,720,938	837,732,576,309
2. Long-term reserved spare parts	263		21,363,636	-
3. Goodwill	269	19	6,108,427,005	9,106,930,995
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>27,197,563,887,469</b>	<b>22,074,963,606,651</b>

The accompanying notes are an integral part of these consolidated financial statements

**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 01-DN/HN**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CONSOLIDATED BALANCE SHEET (Continued)***As at 31 December 2021*

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>16,012,422,052,620</b>	<b>11,509,108,571,735</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>15,724,500,056,614</b>	<b>11,228,091,311,624</b>
1. Short-term trade payables	311	20	6,399,024,107,514	2,396,352,602,232
2. Short-term advances from customers	312		76,230,816,531	40,307,498,393
3. Taxes and amounts payable to the State budget	313	12	1,074,337,936,651	734,545,326,327
4. Payables to employees	314		191,836,089,512	101,081,963,984
5. Short-term accrued expenses	315	21	48,689,699,837	134,865,125,023
6. Short-term unearned revenue	318		6,477,136,557	1,623,783,506
7. Other current payables	319	22	3,917,626,254,876	3,316,051,837,211
8. Short-term loans and obligations under finance leases	320	23	4,633,571,013,891	4,001,002,454,973
9. Short-term provisions	321	24	46,453,453,571	27,302,545,880
10. Bonus and welfare funds	322		106,943,725,929	35,995,874,659
11. Price stabilization fund	323	25	(776,690,178,255)	438,962,299,436
<b>II. Long-term liabilities</b>	<b>330</b>		<b>287,921,996,006</b>	<b>281,017,260,111</b>
1. Long-term unearned revenue	336		23,677,570,475	13,683,370,297
2. Other long-term payables	337		26,302,334,547	29,730,436,676
3. Long-term loans and obligations under finance leases	338	26	104,319,315,734	93,667,086,745
4. Deferred tax liabilities	341	27	130,346,505,498	140,206,299,008
5. Scientific and technological development fund	343		3,276,269,752	3,730,067,385

*The accompanying notes are an integral part of these consolidated financial statements*



**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 01-DN/HN**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CONSOLIDATED BALANCE SHEET (Continued)***As at 31 December 2021*

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>D. EQUITY</b>	<b>400</b>		<b>11,185,141,834,849</b>	<b>10,565,855,034,916</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>28</b>	<b>11,185,141,834,849</b>	<b>10,565,855,034,916</b>
1. Owner's contributed capital	411		10,342,295,000,000	10,342,295,000,000
2. Other owner's capital	414		18,967,801,779	(1,782,841,473)
3. Assets revaluation reserve	416		(163,981,446,150)	(167,017,350,614)
4. Foreign exchange reserve	417		(21,113,618,263)	10,658,454,084
5. Investment and development fund	418		211,457,940,243	206,532,733,644
6. Other reserves	420		19,805,997,473	(10,231,885,928)
7. Accumulated (losses)	421		(401,912,043,108)	(898,817,340,742)
- (Losses) accumulated to the prior year end	421a		(926,446,535,288)	(786,624,745,793)
- Retained earnings/(Losses) of the current year	421b		524,534,492,180	(112,192,594,949)
8. Construction investment fund	422		5,326,859,943	5,959,092,576
9. Non-controlling interests	429	29	1,174,295,342,932	1,078,259,173,369
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>27,197,563,887,469</b>	<b>22,074,963,606,651</b>



Phung To Van  
Preparer



Nguyen Ngoc Ninh  
Chief Accountant



Doan Van Nhuom  
Chief Executive Officer

16 March 2022

The accompanying notes are an integral part of these consolidated financial statements

**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 02-DN/HH**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2021

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	32	57,848,309,273,527	50,033,857,003,272
2. Deductions	02	32	12,331,415,165	5,569,496,714
3. Net revenue from goods sold and services rendered (10=01-02)	10	32	57,835,977,858,362	50,028,287,506,558
4. Cost of goods sold and services rendered	11	33	54,657,677,585,567	48,070,683,274,369
5. Gross profit from goods sold and services rendered (20=10-11)	20		3,178,300,272,795	1,957,604,232,189
6. Financial income	21	35	412,733,591,573	451,700,305,452
7. Financial expenses	22	36	201,054,954,166	210,772,353,351
- In which: Interest expense	23		144,565,099,296	146,206,620,298
8. Share of net profit/(losses) from joint-ventures, associates	24	17	71,038,203,622	(7,775,961,338)
9. Selling expenses	25	37	1,833,758,314,419	1,606,741,748,359
10. General and administration expenses	26	37	728,224,901,968	721,381,472,971
11. Operating profit/(loss) (30=20+(21-22)+24-(25+26))	30		899,033,897,437	(137,366,998,378)
12. Other income	31	38	49,849,048,626	60,899,648,340
13. Other expenses	32	38	21,037,786,992	34,417,619,860
14. Profit from other activities (40=31-32)	40	38	28,811,261,634	26,482,028,480
15. Accounting profit/(loss) before tax (50=30+40)	50		927,845,159,071	(110,884,969,898)
16. Current corporate income tax expense	51	39	164,841,585,527	23,390,818,229
17. Deferred corporate tax (income)/expense	52	27	(9,859,793,510)	31,843,522,540
18. Net profit/(loss) after corporate income tax (60=50-51-52)	60		772,863,367,054	(166,119,310,667)
In which:				
18.1. Profit/(losses) after tax attributable to Holding Company	61		604,820,984,180	(112,192,594,949)
18.2. Profit/(losses) after tax attributable to non-controlling shareholders	62		168,042,382,874	(53,926,715,718)
19. Basic earnings/(losses) per share	70	40	507	(128)

Phung To Van  
Preparer

Nguyen Ngoc Ninh  
Chief Accountant



Doan Van Nhuom  
Chief Executive Officer

16 March 2022

The accompanying notes are an integral part of these consolidated financial statements



**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 03-DN/HN**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**CONSOLIDATED CASH FLOW STATEMENT***For the year ended 31 December 2021*

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. <b>Profit/(Loss) before tax</b>	<b>01</b>	<b>927,845,159,071</b>	<b>(110,884,969,898)</b>
2. <b>Adjustments for:</b>			
Depreciation and amortisation of fixed assets and investment properties	02	346,471,338,897	377,936,450,533
Provisions	03	(27,102,874,081)	(41,202,158)
Foreign exchange loss/(gain) arising from translating foreign currency items	04	22,196,102,434	(10,334,623,807)
(Gain) from investing activities	05	(459,537,989,046)	(455,386,429,780)
Interest expense	06	144,565,099,296	146,206,620,298
Other adjustments (i)	07	(1,215,802,131,109)	637,105,029,742
3. <b>Operating (loss)/profit before movements in working capital</b>	<b>08</b>	<b>(261,365,294,538)</b>	<b>584,600,874,930</b>
(Increase)/decrease in receivables	09	(2,941,667,607,364)	3,770,923,540,909
(Increase)/decrease in inventories	10	(750,117,732,281)	615,935,869,820
Increase/(decrease) in payables (excluding accrued loan interest and corporate income tax payable)	11	5,109,494,414,161	(3,647,987,605,805)
(Increase)/decrease in prepaid expenses	12	(11,301,269,532)	136,108,875,497
Decreases in trading securities	13	764,224,764	1,760,189,193
Interest paid	14	(141,240,244,916)	(149,991,171,118)
Corporate income tax paid	15	(112,882,729,112)	(28,755,688,136)
Other cash inflows	16	149,653,418	435,688,829
Other cash outflows (ii)	17	(168,582,775,148)	(36,933,479,904)
<b>Net cash generated by operating activities</b>	<b>20</b>	<b>723,250,639,452</b>	<b>1,246,097,094,215</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(268,110,299,455)	(81,978,035,355)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	16,564,342,962	8,490,287,396
3. Cash outflow for lending, buying debt instruments of other entities	23	(9,255,083,844,529)	(10,362,042,897,584)
4. Cash recovered from lending, selling debt instruments of other entities	24	7,251,032,201,694	9,825,549,734,095
5. Cash recovered from investments in other entities	26	2,445,480,000	76,730,000,000
6. Interest earned, dividends and profits received	27	370,536,839,331	378,066,074,963
7. Decreased in cash due to change of ownership interest in PVOil Ninh Binh		-	(9,091,196,603)
<b>Net cash used in investing activities</b>	<b>30</b>	<b>(1,882,615,279,997)</b>	<b>(164,276,033,088)</b>

The accompanying notes are an integral part of these consolidated financial statements

**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

*For the year ended 31 December 2021*

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	22,375,464,298,697	16,944,813,720,161
2. Repayment of borrowings	34	(21,731,239,596,360)	(17,468,222,693,286)
3. Repayment of obligations under finance leases	35	(1,003,914,430)	-
<b>Net cash generated by/(used in) financing activities</b>	<b>40</b>	<b>643,220,787,907</b>	<b>(523,408,973,125)</b>
<b>Net (decrease)/increase in cash (50=20+30+40)</b>	<b>50</b>	<b>(516,143,852,638)</b>	<b>558,412,088,002</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>3,533,617,033,987</b>	<b>2,966,080,861,563</b>
Effects of changes in foreign exchange rates	61	(26,579,152,772)	9,124,084,422
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	<b>70</b>	<b>2,990,894,028,577</b>	<b>3,533,617,033,987</b>

- (i) Include the adjustments for appropriation and use of the Price Stabilization Fund (including interest expense on the negative balance of the Fund) with the amounts of VND 119,681,213,700 and VND 1,335,483,344,809, respectively.
- (ii) Including the amount transferred by the Corporation during the year to the Enterprise Arrangement and Support Fund related to the payables for equitization according to the guidance in Decree No. 126/2017/ND-CP dated 16 November 2017 of the Government and Circular No. 41/2018/TT-BTC dated 04 May 2018 of the Ministry of Finance with the amount of VND 119,996,417,768.



**Phung To Van**  
Preparer



**Nguyen Ngoc Ninh**  
Chief Accountant



**Doan Van Nhuom**  
Chief Executive Officer

16 March 2022

*The accompanying notes are an integral part of these consolidated financial statements*



**PETROVIETNAM OIL CORPORATION**

PetroVietnam Tower, 1-5 Le Duan  
Ben Nghe Ward, District 1  
Ho Chi Minh City, Vietnam

**FORM B 09-DN/HN**

Issued under Circular No.202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements*

**1. GENERAL INFORMATION****Structure of ownership**

PetroVietnam Oil Corporation (the "Corporation" or "PVOIL"), formerly known as PetroVietnam Oil Corporation - One member Limited Company, was incorporated in Vietnam as an independent accounting member of Vietnam Oil and Gas Group. As per Decision No. 1250/QĐ-DKVN dated 06 June 2008 issued by Vietnam Oil and Gas Group, the Holding company was established on the basis of consolidation of Petroleum Trading Company Limited and PetroVietnam Oil Processing and Distribution Company Limited (PDC).

PetroVietnam Oil Corporation - One member Limited Company was granted Business Registration Certificate No. 4104005189 dated 26 June 2008 and the 16<sup>th</sup> amendment dated 16 January 2016. PetroVietnam Oil Corporation - One member Limited Company officially started its operation from 01 July 2008 with the charter capital of VND 7,220,000,000,000. According to the 16<sup>th</sup> amended Business Registration Certificate dated 16 January 2016, the amended charter capital of PetroVietnam Oil Corporation - One Member Limited Company is VND 10,884,251,000,000.

From 01 August 2018, PetroVietnam Oil Corporation - One member Limited Company officially transformed its operating model to a joint stock company with the name of PetroVietnam Oil Corporation under the 17<sup>th</sup> amended Business Registration Certificate dated 01 August 2018. The charter capital of the Corporation after equitization is VND 10,342,295,000,000.

The Corporation's shares have been approved for trading on the UPCoM market on 07 March 2018 with the stock code of OIL.

The number of employees of the Corporation (excluding its subsidiaries) as at 31 December 2021 was 699 (as at 31 December 2020: 685).

**Principal activities**

The principal activities of the parent company - the Corporation are wholesale of solid, liquid, gaseous fuels and related products; import/export and trade of crude oil domestically and overseas; import/export and trade of oil products domestically and overseas; import/export of equipment, materials, machinery and commercial services; production of oil products; construction of oil storage tank systems, distribution and trading of oil products; import/export of oil products, products made from oil, chemicals/materials/equipment/facilities supporting processing and trade of oil products; trade of materials/equipment/chemicals for production of oil products; ship brokerage and supply; hotel business and tourism (hotel business is not carried out at the head quarter); supplying tank truck, oil tankers and storage facilities for rent; trading of fertilizers and petrochemical products.

**Normal production and business cycle**

The Corporation's normal production and business cycle is carried out for a time period of 12 months or less.

**The Corporation's structure**

The Corporation includes the parent company - the Corporation and 27 subsidiaries. Below is the list of the subsidiaries:

<b>Name of Subsidiary</b>	<b>Place of incorporation &amp; operation</b>	<b>Proportion of ownership interest (%)</b>	<b>Proportion of voting power held (%)</b>	<b>Principal Activity</b>
Me Kong Petroleum JSC	Can Tho	89.37%	89.37%	Build gas and oil depots. Manufacture and trade oil and gas related products, export and import petroleum related products.
Vung Ang Petroleum JSC	Ha Tinh	56.50%	56.50%	Wholesale solid, liquid fuels and gas and relevant products. Store goods. Transport by interior waterway.
PetroVietnam Oil Lube JSC	Ho Chi Minh City	62.67%	62.67%	Exploit, manufacture, transport, wholesale and retail products related to petrol, oil, and gas.
PetroVietnam Oil Tra Vinh JSC	Tra Vinh	96.27%	96.27%	Trade petrol and oil, and consuming goods.
PetroVietnam Oil Bac Lieu JSC	Bac Lieu	96.10%	96.10%	Wholesale food. Wholesale materials and others installation equipments for construction. Buy and sell petrol, oil and relevant products.
PetroVietnam Oil Binh Thuan JSC	Binh Thuan	79.68%	79.68%	Wholesale solid, liquid and gas fuels. Wholesale materials, and other installation equipments for construction. Transport goods by road.
PetroVietnam Oil Thanh Hoa JSC	Thanh Hoa	56.86%	56.86%	Trade all types of petrol and oil; Do commercial business and commercial services; export and import; exploit and process mineral; and Real estate.
PetroVietnam Oil Phu My JSC	Vung Tau	67.64%	67.64%	Wholesale and retail petrol and oil and relevant products. Manufacture and process fuel and solven. Trade biofuels.
Sai Gon PetroVietnam JSC	Ho Chi Minh City	65.18%	66.93%	Trade petrol and oil. Exploit raw oil. Provide supporting service of exploiting raw oil and natural gas. Produce basic chemicals.
PetroVietnam Oil Vung Tau JSC	Vung Tau	57.18%	57.18%	Wholesale and retail petrol and oil and relevant products. Produce and process fuels and solven. Trade biofuels.
PetroVietnam Oil Hanoi JSC (iii)	Hanoi	71.84%	71.84%	Trade petrol and oil and relevant products. Provide warehouse and port services. Transport goods.
PetroVietnam Oil Lao Petroleum Domestic Trading Sole Company Limited	Laos	100.00%	100.00%	Retail oil and petrol and relevant products.
PetroVietnam Oil Lao Company Ltd	Laos	100.00%	100.00%	Wholesale oil and petrol and relevant products.
PetroVietnam Oil Thai Binh JSC	Thai Binh	68.00%	68.00%	Wholesale solid and liquid fuels and gas, relevant products. Build all kinds of houses.
Thai Binh Petroleum Services JSC	Thai Binh	51.00%	51.00%	Wholesale trade of mineral water.



Name of Subsidiary	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
PetroVietnam Oil Nam Dinh JSC	Nam Dinh	56.75%	56,75%	Trade petroleum products. Agents that trade petrol and oil. Trade biofuels.
PetroVietnam Oil Tay Ninh JSC	Tay Ninh	78.62%	78.62%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipment and other spare parts. Transport goods by interior waterway.
PetroVietnam Oil Cai Lan JSC	Quang Ninh	80.19%	80.19%	Provide warehouse and storage services. Wholesale solid & liquid fuels and relevant products. Transport goods through roadway and waterway.
PetroVietnam Oil Phu Yen JSC	Phu Yen	67.13%	67.13%	Trade petrol and oil and other relevant products; trade gas. Transport goods.
PetroVietnam Oil Phu Tho JSC	Phu Tho	71.68%	71.68%	Wholesale solid & liquid fuels and relevant products. Transport products of oil and gas.
Singapore International Oil Trading Company Ltd	Singapore	51.00%	51.00%	Trade crude oil and other international oil products. Participate in trading and providing crude oil in Vietnam.
PVOil Mien Trung JSC (ii)	Quang Ngai	72.29%	72.29%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipment and other spare parts. Transport goods by interior waterway.
Hai Phong PVOil Petroleum JSC	Hai Phong	72.00%	72.00%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by interior waterway.
Vietnam Petroleum Oil Transport JSC	Ho Chi Minh City	71.00%	71.00%	Transport goods by road. Wholesale solid & liquid fuels and gas. Retail engine fuels for specialized shops.
Thu Duc Trading and Import Export JSC	Ho Chi Minh City	51.01%	51.01%	Trade petrol, oil, engine oil, spike. Trade and transport petrol & oil. Wholesale car and motor vehicles. Trade steels, iron and other construction materials.
PETEC Trading and Investment Corporation (i)	Ho Chi Minh City	94.78%	95.09%	Export and import, organize channels of wholesaling petrol & oil; export and import entire equipment, machines and individual equipments; export and import fertilizer; provide maritime services.
PetroVietnam Oil Cambodia Public Limited Company	Cambodia	51.00%	51.00%	Under establishment
Ha Giang Petroleum - Tourism JSC (iii)	Ha Giang	0.00%	0.00%	During the year, the Company was merged into Hanoi Petroleum Joint Stock Company.
PetroVietnam Oil Thua Thien Hue JSC (ii)	Thua Thien Hue	0.00%	0.00%	During the year, the Company was merged into PV Oil Central Petroleum Joint Stock Company.

- (i) As at 31 December 2021, the Corporation's equity investment in PETEC reported in its interim separate financial statements exceeded the capital contributions recorded and accounted for by PETEC by VND 111,225,298,544. The Board of Management of the Corporation believes that such difference will be cleared upon completion of PETEC's equitization finalization. Accordingly, the Board of Management decided to increase the charter capital of this subsidiary to eliminate the difference before the Corporation's interim consolidation reporting.



On 29 March 2021, the Vietnam Oil and Gas Group issued Resolution No. 1474/NQ-DKVN approving the policy on the Vietnam Gas Corporation - JSC receiving the transfer of all shares of the Corporation in PETEC Trading and Investment Corporation (PETEC) from the Corporation. On 31 March 2021, the Vietnam Oil and Gas Group issued Official Letter No. 1574/DKVN – KTDT requesting the Representative of the Group's capital at PVGAS and the Corporation to report to the Prime Minister and advise to implement the next steps to ensure the interests of the Corporation and PVGAS.

- (ii) In 2021, PetroVietnam Oil Thua Thien Hue JSC ("PVOIL Thua Thien Hue") has completed the merger procedures into PVOil Mien Trung JSC ("PVOIL Mien Trung") based on Resolution No. 07/NQ-DVN dated 01 July 2021 of the Corporation's Board of Directors approving the plan to merge PVOIL Thua Thien Hue into PVOIL Central and the merger contract No. 25/PVOILMT.KHDT-PVOILTTH/05-21 signed on 15 May 2021 between PVOIL Mien Trung and PVOIL Thua Thien Hue. On 01 July 2021, PVOIL Mien Trung was granted the 9<sup>th</sup> revised business registration certificate. Accordingly, from 01 July 2021, all transactions, obligations and interests related to customers and partners of PVOIL Thua Thien Hue are transferred and implemented at PVOIL Mien Trung.
- (iii) In 2021, Ha Giang Petroleum - Tourism JSC ("PVOIL Ha Giang") has completed the merger procedures into PetroVietnam Oil Hanoi JSC ("PVOIL Hanoi") pursuant to Resolution No. 18/NQ-DVN dated 19 January 2021 of the Corporation's Board of Directors approving the merger plan of PVOIL Ha Giang into PVOIL Hanoi and the merger contract No. 99/PVOILHN-PVOILHG/10-21/K signed on 25 October 2021 between PVOIL Hanoi and PVOIL Ha Giang. On 29 December 2021, PVOIL Hanoi was granted the 12<sup>th</sup> revised business registration certificate. Accordingly, from 29 December 2021, all transactions, obligations and interests related to customers and partners of PVOIL Ha Giang are transferred and implemented at PVOIL Hanoi.

**List of joint ventures:**

<b>Name of Joint Venture</b>	<b>Place of incorporation &amp; operation</b>	<b>Proportion of ownership interest (%)</b>	<b>Principal Activity</b>
PetroVietnam Oil Stockpile Co., Ltd.	Ba Ria - Vung Tau	19.00%	Investment in buiding underground oil storage
LG-VINA Chemical Co., Ltd. (i)	Dong Nai	15.00%	Manufacturing and trading plastic oil DOP
Orient Petrochemical and Biofuels Co., Ltd.	Binh Phuoc	30.01%	Manufacturing and trading chemical bio fuels

- (i) At the Minutes of the 27th Extraordinary Members' Council meeting of fiscal year 2020 on 30 December 2020, LG-Vina Chemicals Co., Ltd decided to increase capital through profit distribution of 2019. Accordingly, the Corporation will own additional contributed capital from the undistributed profit in 2019 of USD 285,000 at the rate of ownership of 15% contributed capital. As at 31 December 2021, the Corporation's contributed capital at LG-Vina Chemicals Company Limited is USD 855,000 (as at 31 December 2020: USD 570,000).



**List of associates:**

<b>Name of Associate</b>	<b>Place of incorporation &amp; operation</b>	<b>Proportion of ownership interest (%)</b>	<b>Proportion of voting power held (%)</b>	<b>Principal Activity</b>
PetroVietnam Biofuels JSC	Hanoi	39.76	39.76	Produce and trade biofuels.
Petroleum Trading JSC	Ho Chi Minh City	29.00	29.00	Buy and sell equipments, spare parts, materials and petrochemicals.
Materials - Petroleum JSC	Ho Chi Minh City	44.87	44.94	Export and import petrol and oil. Transport goods.
Thach Han Trading JSC	Quang Tri	45.00	45.00	Trade petrol and oil, technological products, agricultural goods and food.
PetroVietnam Central Biofuels JSC	Quang Ngai	34.28	34.28	Produce and trade biofuels.
Phu Yen Cashew JSC	Phu Yen	47.79	47.79	Produce and process agricultural products for exporting.
Ninh Binh Petroleum JSC	Ninh Binh	20.26	33.30	Wholesale solid & liquid fuels and gas and relevant products. Prepare premises. Warehouse and goods storage. Transport goods along coastline and by ocean-going.
Duong Dong Kien Giang Petroleum Joint Stock Company (i)	Kien Giang	0.00	0.00	Trade petrol & oil, cement.

- (i) On 14 May 2021, the Corporation's Board of Directors issued Resolution No. 61/NQ-DVN on "approving the plan to divest capital associated with debt recovery of PetroVietnam Oil Corporation in Duong Dong Kien Giang Petroleum JSC". On 15 June 2021, Petroleum Securities JSC – Ho Chi Minh City had dispatch No. 92/CKDK-TV sent to the Corporation about "notifying the results of the competitive offering according to the capital transfer lot of PetroVietnam Oil Corporation - JSC at Duong Dong Kien Giang Petroleum JSC". Accordingly, on 31 December 2021, the Corporation divested all of its capital at Duong Dong Kien Giang Petroleum JSC.

**Disclosure of information comparability in the consolidated financial statements**

Comparative figures are the figures of the audited consolidated financial statements for the year ended 31 December 2020.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

The consolidated financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.

The consolidated financial statements are not intended to present the consolidated financial position, consolidated results of operations and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

**Equitization finalization**

These consolidated financial statements do not include adjustments (if any) related to the finalization of equitization due to the fact that the Parent Company - the Corporation has not obtained approval for the equitization finalization at the official date of transformation into a joint stock company.

**Financial year**

The Corporation's financial year begins on 01 January and ends on 31 December.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies, which have been adopted by the Corporation in the preparation of these consolidated financial statements, are as follows:

**Estimates**

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting 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 consolidated balance sheet date and the reported amounts of revenues and expenses during the year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Corporation as the Holding company and enterprises controlled by the Holding company (its subsidiaries) for the year ended 31 December 2021. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Parent company - the Corporation.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**Business combinations**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.



### Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

### Interests in joint ventures

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Corporation's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Corporation reports its interests in jointly controlled entities using the equity method of accounting.

Any goodwill arising on the acquisition of the Corporation's interest in a jointly controlled entity is accounted for in accordance with the Corporation's accounting policy for goodwill arising on the acquisition of a subsidiary.

### Goodwill

Goodwill represents the excess of the cost of acquisition over the Corporation's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill is amortised on the straight-line basis over its estimated period of benefit of 10 years.

Goodwill arising on the acquisition of associates is included in the carrying amount of the associates. Goodwill arising on the acquisition of subsidiaries is presented separately as an asset in the consolidated balance sheet.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of unamortised goodwill is included in the determination of the profit or loss on disposal.



**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Financial investments**

***Trading securities***

Trading securities are those the Corporation holds for trading purpose. Trading securities are recognised from the date the Corporation obtains the ownership of those securities and initially measured at the fair value of payments made at the transaction date plus directly attributable transaction costs.

In subsequent years, investments in trading securities are measured at cost less provision for impairment of such investments.

Provision for impairment of investments in trading securities is made in accordance with prevailing accounting regulations.

***Held-to-maturity investments***

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity, including term deposits (commercial bills), bonds, preference shares which the issuer shall redeem at a certain date in the future, loans held to maturity to earn periodic interest and other held-to-maturity investments.

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

Held-to-maturity investments are measured at cost less provision for impairment of such investments.

Provision for impairment of financial investments relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

***Equity investments in other entities***

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control, or significant influence.

Equity investments in other entities are carried at cost less provision for impairment. Provision for impairment of equity investments in listed company is made in accordance with prevailing accounting regulations. Provision for impairment of investments in other entities is made based on the figures of the consolidated financial statements, including non-controlling interests.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.



Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Inventories are accounted for under a perpetual system. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process 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 cost of tangible fixed assets 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.

Tangible fixed assets are depreciated using the straight-line method over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	5 - 50
Machinery and equipment	3 - 20
Motor vehicles and transmission equipment	6 - 30
Office equipment	3 - 10
Others	4 - 8

Tangible fixed assets of the Corporation are revalued when the equitization was performed. The cost and accumulated depreciation of tangible fixed assets are adjusted based on the revaluation value approved by competent authorities as regulated.

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Corporation at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Corporation's general policy on borrowing costs (see below).

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives, as follows:

	<u>Years</u>
Motor vehicles	4 - 10

### Intangible assets and amortisation

Intangible assets represent land use rights, computer software and other intangible assets that are stated at cost less accumulated amortisation.

Indefinite-term land use rights are not amortised. Finite-term land use rights are amortised over the duration specified in the land use right certificate.

Computer software is amortised using the straight-line method over a period from 3 to 5 years.

Intangible assets of the Corporation are revaluated at the time of equitization. Their cost and accumulated amortisation are adjusted to the revaluation values approved by competent authorities in accordance with legal regulations.

### Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost and other directly attributable costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.



### Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals or for capital appreciation, which are stated at cost less accumulated depreciation. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. Investment properties are depreciated using the straight-line method over their estimated useful lives.

### Prepayments

Prepayment comprise land rental, office rental, brand name and geographical location advantages, business privileges and other prepayments.

Brand name and geographical location advantages represent brand name value and geographical location advantages value for land leased annually. Brand name and geographical location advantages are amortized to the consolidated income statement on a straight-line basis over the remaining lease term or the useful life of the fixed asset on land.

Business privileges represent the Corporation's brand value and development potential in the enterprise value, which is recognized according to the enterprise valuation results dated 31 December 2015 of PetroVietnam Oil Corporation – One Member Limited Liability Company (equitization unit) has been approved by the competent authorities. Business privileges are allocated to the consolidated income statement in accordance with current regulations from the time the Corporation officially transforms into a joint stock company.

Land rental and office rental represent rentals that have been paid in advance. Prepaid rentals are charged to the consolidated income statement using the straight-line method over the rental term.

Other prepayments comprise ground leveling costs, cost of tools and supplies awaiting allocation, repair and maintainance expenses awaiting allocation and other prepayments that are charged to the consolidated income statement using the straight-line method over the estimated useful lives.

### Revenue recognition

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

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

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the consolidated balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:



- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate. Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

#### **Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

According to Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 of Vietnam Oil and Gas Group, the Corporation applied the buying exchange rate issued by the Joint Stock Commercial Bank for Foreign Trade of Vietnam for converting the foreign currency items as at 31 December 2021. This exchange rate is different from that prescribed in Circular No. 200/2014/TT-BTC dated 22 December 2014 of the Ministry of Finance guiding the enterprise accounting regime ("Circular 200"). According to the Board of Management, this difference does not materially affect the Corporation's consolidated financial statements for the year ended 31 December 2021.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Corporation's foreign operations (including comparatives) are translated to reporting currency using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the "Foreign exchange difference" item. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising from the Corporation's foreign operations are treated as assets and liabilities of the foreign operation and translated at the balance sheet rate.

#### **Borrowing costs**

Borrowing costs are recognised in the consolidated income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

#### **Payable provisions**

Payable provisions are recognised when the Corporation has a present obligation as a result of a past event, and it is probable that the Corporation will be required to settle that obligation. Provisions are measured at the Board of Management's best estimate of the expenditure required to settle the obligation at the balance sheet date.



#### **Petroleum price stabilization fund**

The petroleum price stabilization fund is appropriated and used as per Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 of the Ministry of Finance and Ministry of Industry and Trade (effective on 01 November 2014) on determination of base prices, establishment, management and utilization of price stabilization funds and control of petroleum and oil prices under the Government's Decree No. 83/2014/ND-CP on petroleum and oil business dated 03 September 2014 and Joint Circular No. 90/2016/TTLT-BCT-BTC dated 24 June 2016 of the Ministry of Finance and Ministry of Industry and Trade (effective from 15 August 2016) amending some articles of the aforementioned Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014.

The petroleum price stabilization fund is appropriated by a specific and fixed amount of money which is included in the base price of each litre of petroleum sold and determined as a cost item in the base price structure (the appropriation rate is subject to the regulation of the Ministry of Finance from time to time).

The petroleum price stabilization fund is used in compliance with the written directions released by the Ministry of Industry and Trade from time to time. The utilization of the petroleum price stabilization fund is based on the actual sales volume multiplied by utilization rate per litre of petroleum as regulated by the Ministry of Industry and Trade.

#### **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	27,883,342,955	25,772,599,412
Bank demand deposits (i)	2,703,326,926,079	2,478,648,768,039
<i>In which:</i>		
Price Stabilization Fund Balance (ii)	-	524,881,731,236
Cash in transit	227,426,050	1,857,695,899
Cash equivalents (i)	259,456,333,493	1,027,337,970,637
	<u><u>2,990,894,028,577</u></u>	<u><u>3,533,617,033,987</u></u>

- (i) As at 31 December 2021, cash equivalents represent term deposits in Vietnam Dong with original terms of less than 3 months at banks and with interest rates ranging from 0.2% p.a to 3.5% p.a (as at 31 December 2020: 3% p.a to 6.3% p.a).

As at 31 December 2021, cash and cash equivalents include demand deposits of VND 5,200,417,367, USD 3,776,074 (as at 31 December 2020: VND 7,733,019,292 and USD 3,776,074) and deposits of VND 1,014,000,000 (as at 31 December 2020: VND 1,014,000,000) with original maturity of less than 03 months ("cash equivalents"); held-to-maturity investments include time deposits in the amount of VND 274,312,164,697 (as at 31 December 2020: VND 270,568,036,997) with original maturity from 6 to 12 months (as presented in Note 05) at Ocean Commercial Joint Stock Bank (currently known as Ocean Commercial One Member Limited Liability Bank - "Oceanbank"). Such deposits have been frozen under Directive No. 600/2015/CT-TGD dated 13 February 2015 issued by Oceanbank on the suspension of payment services for the business entities of Vietnam Oil and Gas Group to review and evaluate the payment records of customers. Oceanbank has been transformed into a wholly State-owned bank; accordingly, the Board of Management has assessed and believes that these deposits will be unfrozen in the coming time depending on the decision of the State Bank of Vietnam.

- (ii) The bank account receiving Price Stabilization Fund is monitored separately as guided by Joint Circular No. 39/2014/TTLT-BCT-BTC dated 29 October 2014 jointly issued by the Ministry of Finance and Ministry of Industry and Trade.



PETROVIETNAM OIL CORPORATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

5. SHORT-TERM FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	VND Cost	VND Fair value	VND Provision	VND Cost	VND Fair value	VND Provision
<b>a. Trading securities</b>						
<b>Total</b>	<b>33,414,563</b>	<b>93,331,850</b>	<b>(36,197)</b>	<b>797,639,327</b>	<b>1,130,359,200</b>	<b>(5,924,643)</b>
Pomina Steel JSC (i)	168,047	131,850	(36,197)	18,839,843	12,915,200	(5,924,643)
Phong Phu Corporation (i)	1,128,000	2,640,000	-	648,318,000	818,444,000	-
Viet Thang Textile Corporation (i)	32,118,516	90,560,000	-	130,481,484	299,000,000	-

Closing balance			Opening balance		
VND Cost	VND Carrying amount	VND Cost	VND Carrying amount	VND Cost	VND Carrying amount

**b. Held-to-maturity investments**

Term deposits (ii)	7,925,630,375,722	7,925,630,375,722	5,921,578,732,887	5,921,578,732,887
--------------------	-------------------	-------------------	-------------------	-------------------

(i) The fair value of these trading securities is determined based on the closing price of the shares listed on the Stock Exchange at the balance sheet date.

(ii) The held-to-maturity investments represent the amounts of time deposits at banks in VND with original maturity of more than 3 months and remaining maturity of no more than 12 months from the reporting date and interest rate from 3.5% p.a to 6.0% p.a (as at 31 December 2020: 4.85% p.a to 7.1% p.a).

6. TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Short-term trade receivables</b>		
Vitol Asia Pte Ltd	872,496,099,678	-
Chevron U.S.A Inc Singapore Branch	511,900,518,721	-
Ninh Binh Petroleum JSC	300,322,010,800	258,588,970,219
Northern Petroleum and Gas JSC	124,164,578,894	124,164,578,894
TKV - Materials Trading JSC - Hon Gai Materials Enterprise	122,107,366,506	69,009,786,531
Tien Phong Petroleum Investment and Development JSC	118,524,357,430	118,524,357,430
Quang Dong Commercial Transportation JSC	87,946,610,123	87,946,610,123
Phu Lam Investment JSC	77,865,356,829	77,865,356,829
Vietnam International Petroleum JSC	69,638,325,811	69,638,325,811
Saigon Passenger Transport JSC	55,835,953,922	47,509,243,392
Vu Anh Petroleum Trading JSC	43,257,741,001	43,257,741,001
Branch of Vietnam Railway Corporation - Saigon Locomotive Enterprise	31,472,425,045	-
Binh Son Refining and Petrochemical JSC (i)	26,633,159,847	14,563,295,218
VietsovPetro Joint Venture	15,245,629,544	14,036,116,892
Pacific Petroleum Transport JSC	13,004,944,000	-
Pacific Petroleum JSC	12,277,340,615	11,972,879,655
PetroVietnam Exploration Production Corporation	10,155,652,621	31,340,755,698
Materials - Petroleum JSC	7,772,460,000	-
Uong Bi Coal Production and Trading JSC	2,054,669,099	12,841,630,804
SK Energy International Pte Ltd	-	614,481,798,440
Duong Dong Kien Giang Petroleum JSC	-	41,434,776,646
Others	1,774,944,252,054	1,521,700,929,565
	<b>4,277,619,452,540</b>	<b>3,158,877,153,148</b>
<b>b. Long-term trade receivables</b>		
Tan Dinh Phong Manufacturing and Commercial Export & Import Co., Ltd.	12,839,699,605	12,839,699,605
Huong Giang Co., Ltd.	6,315,000,000	6,315,000,000
Itasco Lam Dong JSC	2,169,153,465	4,616,066,901
Others	564,554,868	565,554,868
	<b>21,888,407,938</b>	<b>24,336,321,374</b>
<i>In which: Trade receivables from related parties (Details stated in Note 41)</i>	435,677,857,644	380,958,950,473

- (i) Closing balance represents the entrustment fee and crude oil receivables for conducting purchase and import activities which were entrusted by Binh Son Refining and Petrochemical JSC.



7. OTHER RECEIVABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
<b>a. Other short-term receivables</b>		
Collection and payment on-behalf-of relating to entrusted crude oil exports	3,305,468,257,964	1,973,221,045,540
Collection and payment on-behalf-of relating to entrusted crude oil imports	24,509,682,717	15,571,147,640
Other receivables from Vietnam Oil and Gas Group:	172,131,795,269	172,131,795,269
- Other receivables from Vietnam Oil and Gas Group (i)	169,785,513,359	169,785,513,359
- Profit temporarily distributed to Vietnam Oil and Gas Group	2,346,281,910	2,346,281,910
Special consumption taxes awaiting deduction, and environmental protection tax and special preferential import tariffs awaiting returns (ii)	7,687,919,694	29,993,409,429
Receivable related to equitization (iii)	5,755,479,545	5,755,479,545
BCC Contract No. 13/2021/PVGAS/TT-PVOIL/D4 (iv)	387,558,110,831	-
Crude oil export duties collected, paid on-behalf-of	37,469,894	1,652,137,894
Other short-term receivables	292,242,720,438	319,913,593,002
	<u><b>4,195,391,436,352</b></u>	<u><b>2,518,238,608,319</b></u>
<b>b. Other long-term receivables</b>		
Receivables related to transfer of Petroland project	15,458,071,200	21,254,847,900
Long-term deposits	2,722,438,000	2,502,750,000
Depreciable cost of assets used for business cooperation	460,347,905	497,673,425
Ba Tri - Ben Tre Fishing Port	4,260,918,637	4,323,977,958
Other long-term receivables	2,121,890,754	296,988,010
	<u><b>25,023,666,496</b></u>	<u><b>28,876,237,293</b></u>
<i>In which: Other receivables from related parties (Details stated in Note 41)</i>	<i>3,536,644,622,072</i>	<i>1,867,288,900,463</i>
(i) Other receivables from Vietnam Oil and Gas Group include an accumulated loss of VND 169,785,513,359 as at 18 May 2011 incurred by Petec Trading and Investment Corporation ("PETEC" – the Corporation's subsidiary) when Petec was officially transformed into a joint stock company. Such receivable amount represents the State-owned capital contributions to PETEC as at 18 May 2011 whose finalization has not been approved by the Vietnam Oil and Gas Group and competent authorities.		
(ii) Represents deductible special consumption taxes on condensate materials, and environmental protection tax and special preferential import tariffs which are refundable from the State budget.		
(iii) Represents expenses related to equitization. Such value may be subject to adjustment upon the final approval of competent authorities.		
(iv) Represents receivable related to Business Cooperation Contract No. 13/2021/PVGAS/TT-PVOIL/D4 between the Corporation and Vietnam Gas Corporation – JSC ("PVGAS") regarding the preparation of Condensate sources provided by PVGAS and product consumption.		



8. BAD DEBTS

Items	Closing balance		Opening balance	
	Cost	VND Recoverable amount	Cost	VND Recoverable amount
Northern Petroleum and Gas JSC	124,164,578,894	-	124,164,578,894	-
Tien Phong Petrol Investment and Development JSC	118,524,357,430	-	118,524,357,430	-
Quang Dong Transportation Trading JSC	87,946,610,123	-	87,946,610,123	-
Phu Lam Investment JSC	77,865,356,829	-	77,865,356,829	-
Vietnam International Petroleum JSC	69,538,325,811	-	69,538,325,811	-
Vu Anh Petroleum Trading JSC	43,257,741,001	-	43,257,741,001	-
Song Phat JSC	26,371,285,621	-	26,371,285,621	-
Cam Giang Investment and Development JSC	20,010,740,366	-	20,010,740,366	-
Cai Lan Ship Industry Co., Ltd.	19,576,761,700	-	19,576,761,700	-
Dieu Phu Yen JSC	16,604,952,041	-	17,604,952,041	-
Tan Dinh Phong Export Import Trading and Manufacturing Co., Ltd.	12,839,699,605	-	12,839,699,605	-
Anh Thuy Petroleum Service Trading Co., Ltd.	12,047,043,901	-	12,047,043,901	-
Orient Petrochemical and Biofuels Co., Ltd.	10,206,785,688	-	10,206,785,688	-
Ninh Binh Petroleum Service and Trading Co., Ltd.	8,906,024,795	-	8,906,024,795	-
Clients of Me Kong Petroleum JSC Branch	7,839,154,020	-	7,839,154,020	-
Nam Song Hau JSC	7,799,179,244	-	7,799,179,244	-
1932 Service and Trading Construction Co., Ltd.	6,875,172,043	-	6,875,172,043	-
Huong Giang Co., Ltd.	6,315,000,000	6,315,000,000	6,315,000,000	6,315,000,000
Kien Giang Petroleum JSC	4,412,890,390	-	4,412,890,390	-
Thanh Phat Transportation JSC	4,270,513,122	-	4,270,513,122	-
PetroVietnam Exploration Production Corporation	3,681,404,379	3,681,404,379	3,681,404,379	3,681,404,379
Phuong Hoang Commercial JSC	3,287,903,374	-	3,287,903,374	-
Hong Viet Petroleum Trading and Investment JSC	3,145,082,500	-	3,145,082,500	-
Blue Star Industry Co., Ltd.	2,700,000,000	2,700,000,000	2,700,000,000	2,700,000,000
Trung Nam JSC	2,516,000,000	-	2,516,000,000	-
Hung Nghiep Service and Trading Co., Ltd.	2,255,318,300	836,000,000	2,255,318,300	836,000,000
Itasco Lam Dong JSC	2,169,153,465	-	4,616,066,901	-
Mr. Do Van Truc	2,066,082,640	-	2,066,082,640	-
Kumho Samco Buslines Co., Ltd.	1,712,601,433	1,712,601,433	-	-
Mr. Vo Huu Thuyen	1,104,148,576	-	1,104,148,576	-
Duong Dong Kien Giang Petroleum JSC	-	-	41,434,776,646	-
Others	137,472,384,606	13,590,763,630	148,012,989,757	25,298,246,740
	<b>847,482,251,897</b>	<b>28,835,769,442</b>	<b>901,191,945,697</b>	<b>38,830,651,119</b>

Vietnamese Accounting Standards as well as current prevailing regulations provide no detailed guidance on the determination of the recoverable amount of receivables. Accordingly, as at 31 December 2021, the Board of Management prudently assessed and determined the recoverable amount of receivables as follows:

- The recoverable amount of receivables without collateral is determined based on their book value less provision for doubtful debts that had been made.
- For receivables having collateral value higher than their book value, the recoverable amount is determined based on the historical cost of the receivables. For receivables having collateral valued lower than their book value, the recoverable value is determined by the book value less the total of collateral value and provision for doubtful debts.



9. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	122,371,537,818	-	151,953,156,293	-
Raw materials	452,687,455,503	(1,014,618,341)	302,951,209,865	(1,014,618,341)
Tools and supplies	12,824,858,645	-	12,759,009,450	-
Finished goods	156,837,458,917	-	189,211,923,671	-
Merchandise	1,831,080,811,128	(78,361,150)	1,172,349,096,664	(734,206,893)
Goods on consignment	3,562,515,982	-	22,509,769	-
	<b>2,579,364,637,993</b>	<b>(1,092,979,491)</b>	<b>1,829,246,905,712</b>	<b>(1,748,825,234)</b>

As at 31 December 2021, the Board of Management assessed net realizable value of inventories and made provision with amount of VND 1,092,979,491 (as at 31 December 2020: VND 1,748,825,234) for inventories whose realizable value is lower than cost as at the reporting date.

During the year, the Company reversed the provision for devaluation of inventories with the amount of VND 734,206,893 (for the year ended 31 December 2020: VND 24,435,770).

10. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a. Current</b>		
Fixed assets operating leases	4,977,219,523	4,406,139,259
Tools and supplies	1,012,470,632	1,197,240,195
Other current prepayments	27,118,790,194	24,715,472,002
	<b>33,108,480,349</b>	<b>30,318,851,456</b>
<b>b. Non-current</b>		
Operating leases	423,172,265,521	394,292,946,638
Brand name and geographical location advantages (i)	263,497,684,069	242,876,845,531
Business privilege	-	36,653,911,311
Ground leveling costs	17,936,068,702	18,544,071,034
Tools and supplies awaiting allocation	23,897,816,566	21,916,397,157
Repair and maintainance expenses awaiting allocation	28,567,182,145	13,657,634,132
Other non-current prepayments	92,171,703,935	109,790,770,506
	<b>849,242,720,938</b>	<b>837,732,576,309</b>

- (i) Includes the value of brand name and land-lease-related geographical location advantages totaling VND 198,162,166,312 as at 31 December 2021 (as at 31 December 2020: VND 201,191,937,846) which was included in the enterprise valuation of Petec Trading and Investment Corporation ("PETEC" - a subsidiary of the Corporation) when being equitized on 18 May 2011.

**11. VALUE ADDED TAX DEDUCTIBLES**

Value added tax deductibles of the Corporation as at 31 December 2021 represent the portion of the input value added tax of the Corporation that has not been deducted. The deduction of this tax portion in the subsequent year will be subject to the declaration of the Corporation, the inspection and approval of the local tax authorities.

**12. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE BUDGET**

	Opening balance	Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
<b>Tax receivables</b>	<b>59,532,310,803</b>	<b>22,847,842,319</b>	<b>68,384,827,689</b>	<b>105,069,296,173</b>
Value added tax on domestic goods	657,550,192	3,637,889,287	3,229,886,388	249,547,293
Special consumption tax	36,930,013,723	-	51,874,798,306	88,804,812,029
Corporate income tax	21,735,897,164	8,416,413,396	812,807,984	14,132,291,752
Personal income tax	169,019,499	60,976,565	375,056,070	483,099,004
Land & housing tax	39,830,225	10,666,169,692	12,024,885,514	1,398,546,047
Other taxes	-	66,393,379	67,393,427	1,000,048
	<b>59,532,310,803</b>	<b>22,847,842,319</b>	<b>68,384,827,689</b>	<b>105,069,296,173</b>
 <b>Tax payables</b>	 <b>734,134,888,460</b>	 <b>10,261,292,712,735</b>	 <b>9,921,500,210,411</b>	 <b>1,073,927,390,784</b>
Value added tax on domestic goods	76,937,613,867	1,157,503,001,793	1,130,969,530,696	103,471,084,964
Value added tax on imported goods	-	76,011,803,735	76,011,803,735	-
Export and import duties	872,181,039	1,070,490,678,599	1,071,362,859,638	-
Corporate income tax	19,880,728,094	146,641,628,350	112,069,921,128	54,452,435,316
Personal income tax	3,362,143,439	17,408,201,254	15,731,301,946	5,039,042,747
Natural resource tax	37,290,000	570,738,000	566,778,000	41,250,000
Land & housing tax	-	11,155,542,380	11,077,542,380	78,000,000
Business license tax	-	524,175,335	524,175,335	-
Other taxes	633,044,932,021	7,780,986,943,289	7,503,186,297,553	910,845,577,757
 <b>Other payables</b>	 <b>410,437,867</b>	 <b>11,113,601,799</b>	 <b>11,113,493,799</b>	 <b>410,545,867</b>
Charges and fees	410,437,867	11,113,601,799	11,113,493,799	410,545,867
	<b>734,545,326,327</b>	<b>10,272,406,314,534</b>	<b>9,932,613,704,210</b>	<b>1,074,337,936,651</b>

In which: details of the receivables/payables to the foreign tax authority are as follows:

<i>Tax receivables</i>	656,750,192	656,750,192	-	-
<i>Tax payables</i>	22,313,959,822	1,274,215,452,473	1,291,753,650,437	4,775,761,858



PETROVIETNAM OIL CORPORATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

13. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Motor vehicles, transmission equipment	Office equipment	Others	Total
	VND	VND	VND	VND	VND	VND
<b>COST</b>						
Opening balance	4,368,655,402,444	1,317,230,545,331	443,453,380,616	100,193,322,249	44,121,322,568	6,273,653,973,208
Additions	15,743,568,155	21,482,812,219	25,698,096,961	9,911,145,791	171,502,803	73,007,125,929
Transfer from construction in progress	124,604,280,696	68,813,138,330	2,748,530,182	193,939,392	321,805,000	196,681,693,600
Disposals	(11,947,936,327)	(4,558,546,148)	(4,769,892,310)	(2,381,796,614)	(870,845,137)	(24,529,016,536)
Others	(26,872,866,158)	(15,509,685,867)	(4,421,708,684)	(2,130,870,962)	(1,369,766,026)	(50,304,897,697)
<b>Closing balance</b>	<b>4,470,182,448,810</b>	<b>1,387,458,263,865</b>	<b>462,708,406,765</b>	<b>105,785,739,856</b>	<b>42,374,019,208</b>	<b>6,468,508,878,504</b>
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	2,625,219,727,953	981,599,446,713	339,743,119,743	80,291,370,639	37,948,447,981	4,064,802,113,029
Charge for the year	202,234,364,781	76,759,150,763	25,372,621,136	5,783,118,932	1,700,671,355	311,849,926,967
Disposals	(9,952,349,572)	(4,558,546,148)	(4,769,892,310)	(209,534,545)	(500,557,407)	(19,990,879,982)
Others	(20,100,000,742)	(13,076,467,841)	(4,663,858,660)	(2,129,031,395)	(1,224,916,855)	(41,194,275,493)
<b>Closing balance</b>	<b>2,797,401,742,420</b>	<b>1,040,723,583,487</b>	<b>355,681,989,909</b>	<b>83,735,923,631</b>	<b>37,923,645,074</b>	<b>4,315,466,884,521</b>
<b>NET BOOK VALUE</b>						
Opening balance	1,743,435,674,491	335,631,098,618	103,710,260,873	19,901,951,610	6,172,874,587	2,208,851,860,179
<b>Closing balance</b>	<b>1,672,780,706,390</b>	<b>346,734,680,378</b>	<b>107,026,416,856</b>	<b>22,049,816,225</b>	<b>4,450,374,134</b>	<b>2,153,041,993,983</b>

The cost of the Corporation's tangible fixed assets as at 31 December 2021 includes about VND 776,788,291,181 (as at 31 December 2020: VND 648,652,550,050) of assets that have been fully depreciated but are still in use.

As stated in Notes 23 and 26, the carrying amount of assets used as collateral for loans was VND 341,775,722,390 as at 31 December 2021 (as at 31 December 2020: VND 324,759,560,615).

14. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Others VND	Total VND
<b>COST</b>				
Opening balance	1,678,489,149,268	87,356,777,058	1,373,735,751	1,767,219,662,077
Additions	90,492,009,495	6,804,660,504	-	97,296,669,999
Transfer from construction in progress	16,328,440,773	9,025,000,000	-	25,353,440,773
Disposals	(1,501,820,058)	-	-	(1,501,820,058)
Others	(26,909,659,202)	288,000,000	-	(26,621,659,202)
<b>Closing balance</b>	<b>1,756,898,120,276</b>	<b>103,474,437,562</b>	<b>1,373,735,751</b>	<b>1,861,746,293,589</b>
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	177,745,960,099	60,132,253,934	994,984,438	238,873,198,471
Charge for the year	25,540,931,057	4,899,318,950	59,706,224	30,499,956,231
Disposals	(352,339,176)	-	-	(352,339,176)
Others	(806,086,507)	816,028,231	76,106,580	86,048,304
<b>Closing balance</b>	<b>202,128,465,473</b>	<b>65,847,601,115</b>	<b>1,130,797,242</b>	<b>269,106,863,830</b>
<b>NET BOOK VALUE</b>				
Opening balance	1,500,743,189,169	27,224,523,124	378,751,313	1,528,346,463,606
<b>Closing balance</b>	<b>1,554,769,654,803</b>	<b>37,626,836,447</b>	<b>242,938,509</b>	<b>1,592,639,429,759</b>

The cost of the Corporation's intangible fixed assets as at 31 December 2021 includes about VND 17,324,093,385 (as at 31 December 2020: VND 12,111,285,425) of assets that have been fully amortised but are still in use.

As stated in Note 23 and Note 26, as at 31 December 2021, the Corporation and subsidiaries' land use rights whose net book value amounted to VND 105,148,890,701 are used to secure bank loans (as at 31 December 2020: VND 117,253,295,966).

As at 31 December 2021, below are the land lots whose land use rights either have not been granted/transferred to Saigon Petroleum Joint Stock Company (PVOIL Saigon - a subsidiary of the Corporation) or expired but not yet extended:



PETROVIETNAM OIL CORPORATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

Order	Land name	Location	Owner	Cost as at 31/12/2021	Note
				VND	
1	Petrol Station 5	Tan Binh 1, Long Phu, Long My, Hau Giang Province	Land use right not yet granted	334,915,334	The total area of the lots is 1,154.5 m <sup>2</sup> . PV Oil Saigon has filed for land use right certificate for the area of 854.5 m <sup>2</sup> , the remaining area of 300 m <sup>2</sup> is within the scope of the waterway safety corridor for which no land use rights shall be granted.
2	Petrol Station 40	Nang Ren, Phu Loc, Thach Tri, Soc Trang Province	Sai Gon Petroleum Enterprise	1,918,019,831	Land use rights under the name of Sai Gon Petroleum Enterprise (former name of PVOIL Saigon).
3	Petrol Station 63	5/4, 1B, Ben Luc, Long An Province	Mr. Nguyen Van Chung	384,695,116	The total area of the plot is 1,632 m <sup>2</sup> , of which only 300 m <sup>2</sup> of residential land and 200 m <sup>2</sup> of paddy land have not been transferred to PV Oil Saigon. Petro station operates on 1,132 m <sup>2</sup> of business land whose use right has been transferred to PV Oil Saigon.
4	Land plot in Can Gio District	Ho Chi Minh City	Sai Gon Petroleum Enterprise	14,950,957,950	Land use rights under the former name of PVOIL Saigon. PVOIL Saigon has filed for renewal of such land use right.
5	Land plot in Ba Lang District	Can Tho	Ms. Hoang Hai Ha	10,592,491,299	PV Oil Saigon has not completed the procedures to change land use purpose. The total area of the plot is 1,967.8 m <sup>2</sup> . Of which, 618.3 m <sup>2</sup> including 300 m <sup>2</sup> of residential land and 318.3 m <sup>2</sup> of business land has been registered under PV Oil Saigon's name in the land use right certificate.
6	Petrol Station 31	Highway 38, Thao Lang, Vinh Thanh, Bac Lieu Town, Bac Lieu Province		1,521,855,500	Land use rights expired in December 2016 and not yet extended.
				<b>29,702,935,030</b>	

15. INCREASES, DECREASES IN INVESTMENT PROPERTIES

Investment properties held to earn rentals

	Buildings and structures	Others	Total
	VND	VND	VND
<b>COST</b>			
Opening balance	138,601,406,545	771,255,889	139,372,662,434
Decrease	(57,810,184)	-	(57,810,184)
Closing balance	138,543,596,361	771,255,889	139,314,852,250
<b>ACCUMULATED DEPRECIATION</b>			
Opening balance	26,034,972,012	771,255,889	26,806,227,901
Charge for the year	3,965,051,736	-	3,965,051,736
Closing balance	30,000,023,748	771,255,889	30,771,279,637
<b>NET BOOK VALUE</b>			
Opening balance	112,566,434,533	-	112,566,434,533
Closing balance	108,543,572,613	-	108,543,572,613

During the year, the amount that the Corporation earned from the lease of investment properties (all of the investment properties were leased under operating lease contracts) was VND 27,452,506,572 (for the year ended 31 December 2020: VND 20,985,226,514). Directly attributable cost of operating activities arising from investment properties in the year was VND 14,978,587,035 (for the year ended 31 December 2020: VND 9,400,331,448).

The cost of the investment properties as at 31 December 2021 includes properties that have been fully depreciated but are still under leases with an amount of VND 886,142,245 (as at 31 December 2020: VND 886,142,245).

According to Vietnamese Accounting Standard No. 05 - *Investment Properties*, the fair value of the investment property as at 31 December 2021 should be disclosed. However, the Corporation has not determined this fair value so the investment property' fair value as at 31 December 2021 is not presented in the notes to the consolidated financial statements. To determine this investment property' fair value, the Corporation will have to hire an independent consulting firm. Currently, the Corporation has not found suitable consulting company to carry out this work.



16. CONSTRUCTION IN PROGRESS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cai Mep Petroleum Terminal in Ba Ria-Vung Tau Province (i)	56,164,171,321	56,164,171,321
Construction of petrol stations	29,282,481,081	25,857,515,858
Hop Thinh - Ky Son Petrol entrepot, Hoa Binh province (ii)	5,683,769,124	11,683,769,124
Nghi Son petroleum depot	-	111,508,151,581
Nghi Son petroleum depot expansion project - phase 1	-	20,262,054,022
Depots expansion in Phu My Condensate Processing Plant	-	7,258,066,196
Other constructions	17,856,381,511	17,047,922,052
	<u>108,986,803,037</u>	<u>249,781,650,154</u>

- (i) Represent the ground leveling value of phase 02 of Cai Mep Petroleum Terminal in Ba Ria - Vung Tau Province. According to Notice No. 7524/TB-DKVN dated 25 September 2012 of the Vietnam Oil and Gas Group, the Corporation for Trade, Technology and Investment - JSC ("PETEC" - a subsidiary of the Corporation) has temporarily suspending investment and is waiting for a decision on the continuation of this project in the near future.
- (ii) According to Decision No. 46/QD-SKHDT dated 23 April 2021 of Hoa Binh Department of Planning and Investment, Phu Tho Petroleum JSC ("PV Oil Phu Tho" - a subsidiary of the Corporation) has ended the continued implementation of this project to find a transfer partner. As at 22 June 2021, PV Oil Phu Tho with Petro Binh Minh and People's Committee of Thinh Minh Commune, Hoa Binh City, Hoa Binh Province to hand over land in the field.

17. INVESTMENTS IN ASSOCIATES, JOINT VENTURES

a. Investments in associates

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	668,958,734,421	693,143,806,812
Profit/(Loss) incurred in the year	22,818,354,615	(13,894,781,608)
Dividends received in the year	(6,075,606,000)	(14,377,832,000)
Reserves distribution and other adjustments in the year	(4,492,640,653)	4,087,541,217
Gain on associate disposal in the year	2,405,480,000	-
(Loss) arising from the decrease in ownership rate in the associate in the year	(58,615,450,713)	-
Closing balance (*)	<u>624,998,871,670</u>	<u>668,958,734,421</u>

- (\*) As at 31 December 2021, the Corporation's investment in PetroVietnam Biofuels Joint Stock Company (an associate of the Corporation) was reported in the consolidated financial statements using the equity method of accounting with the amounts of VND 272,915,527,557 (as at 31 December 2020: VND 273,373,642,647). According to Notice No. 385/TB-VPCP dated 02 October 2018 of the Government Office, the dissolution and bankruptcy plan for Phu Tho Biofuel Plant Project was proposed for consideration in accordance with legal regulations. On 24 October 2018, the Board of Directors sent a document to the Vietnam Oil and Gas Group to implement the bankruptcy plan of PetroVietnam Biofuel Joint Stock Company. On 10 December 2018, the Corporation sent the Official Letter No. 211/DVN-TCKT to the PVN to propose the redetermination of this investment to nil (VND 0) when finalizing equitization, and that in the course of implementing the bankruptcy procedure, any recovery from assets liquidation at Phu Tho Biofuel Plant will be fully transferred to the Enterprise Support and Arrangement Fund. This matter has been submitted by the PVN to the Committee for Management of State Capital at Enterprises under the Official Letter No. 3540/DKVN-HDTV dated 01 July 2019 on rearrangement, handling of houses and land and solution for difficulties in equitization of PVOIL. At the date of these consolidated financial statements, the Corporation has not yet received any response from Vietnam Oil and Gas Group, Committee for Management of State Capital at Enterprises or any other competent authorities on the implementation of the bankruptcy plan for PetroVietnam Biofuel Joint Stock Company.

Summarized financial information of the Corporation's associates is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Total assets	5,148,338,862,279	5,972,523,952,248
Total liabilities	3,973,252,402,563	4,501,101,095,779
Net assets	1,175,086,459,716	1,471,422,856,469
<b>The Corporation's share of net assets of associates</b>	<b>624,998,871,670</b>	<b>668,958,734,421</b>
	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Revenue	7,270,964,815,886	10,443,245,189,720
(Loss) after tax	(73,168,707,412)	(101,630,485,987)
<b>The Corporation's share of profit/(loss) after tax of associates</b>	<b>22,818,354,615</b>	<b>(13,894,781,608)</b>

**b. Investments in joint ventures**

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
<b>Opening balance</b>	<b>38,639,257,647</b>	<b>32,245,772,734</b>
Profit incurred in the year	48,219,849,007	6,118,820,270
Dividend received in the year	(1,971,202,500)	-
Fund distribution and other adjustments in the year	(1,447,442,638)	274,664,643
<b>Closing balance</b>	<b>83,440,461,516</b>	<b>38,639,257,647</b>



Summarized financial information of the joint ventures of the Company is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Total assets	2,322,976,531,396	1,909,533,238,827
Total liabilities	2,883,019,018,307	2,618,329,961,483
Net assets	(560,042,486,911)	(708,796,722,655)
<b>The Corporation's share of net assets of joint ventures</b>	<b>83,440,461,516</b>	<b>38,639,257,647</b>
	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Revenue	3,709,624,507,738	609,271,569,965
Profit/(loss) after tax	172,962,092,487	(121,718,779,140)
<b>The Corporation's share of profit after tax of joint ventures</b>	<b>48,219,849,007</b>	<b>6,118,820,270</b>

**18. EQUITY INVESTMENTS IN OTHER ENTITIES**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Ca Mau Trading JSC (i)	47,556,518,371	-
Green Indochina Development JSC	7,263,016,037	7,263,016,037
Indochina Petroleum Transportation JSC	9,753,141,763	9,753,141,763
Lam Kinh Hotel JSC	10,549,395,047	10,549,395,047
Au Lac JSC	26,482,144,914	26,482,144,914
Sai Gon Fuel JSC	4,736,610,000	4,736,610,000
Viet Tin Transportation JSC	7,000,000,000	7,000,000,000
Other long-term investments	5,638,738,529	5,678,738,529
	<b>118,979,564,661</b>	<b>71,463,046,290</b>
Provision for impairment of long-term investments	(26,088,349,230)	(25,107,093,547)
	<b>92,891,215,431</b>	<b>46,355,952,743</b>

- (i) On 23 March 2021, Ca Mau Trading JSC issued Official Letter no. 24/2021/BC-TNCM to the State Securities Commission, Ho Chi Minh Stock Exchange and the City Securities Depository Center Ho Chi Minh City on the report on the results of the public offering of shares, whereby the Corporation refused the right to buy more shares of Ca Mau Trading JSC in this public offering. Accordingly, as at 31 December 2021, the proportion of the Corporation's capital contribution in Ca Mau Trading JSC was 16.30% (as at 31 December 2020: 24.48%), this investment is classified as "Investments in other entities".

As at the date of consolidated financial statements, the Board of Management has not yet obtained information to determine the fair value of shares of these companies. Hence, the fair value of these investments as at 31 December 2021 has not been presented in the Notes to the consolidated financial statements.

19. GOODWILL

	Amount VND
<b>COST</b>	
Opening balance	223,644,147,290
Increase due to merger of subsidiaries	3,274,100,000
Closing balance	<u>226,918,247,290</u>
<b>ACCUMULATED AMORTISATION</b>	
Opening balance	214,537,216,295
Charge for the year	6,272,603,990
Closing balance	<u>220,809,820,285</u>
<b>CARRYING AMOUNT</b>	
Opening balance	<u>9,106,930,995</u>
Closing balance	<u>6,108,427,005</u>

20. SHORT-TERM TRADE PAYABLES

	Amount VND	Closing balance Amount able to be paid off VND	Amount VND	Opening balance Amount able to be paid off VND
Binh Son Refining and Petrochemical JSC	2,365,350,973,092	2,365,350,973,092	944,265,324,925	944,265,324,925
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	1,806,200,083,832	1,806,200,083,832	786,001,646,472	786,001,646,472
Brunei Shell Petroleum Company Sdn Bhd	495,227,255,954	495,227,255,954	-	-
Premier Oil Vietnam Offshore B.V	263,368,204,760	263,368,204,760	-	-
Santos Petroleum Ventures B.V	158,020,069,499	158,020,069,499	-	-
PetroVietnam Exploration Production Corporation	111,922,794,103	111,922,794,103	153,671,700,393	153,671,700,393
Gazprom EP International B.V	83,374,458,284	83,374,458,284	-	-
PetroVietnam Transportation Joint Stock Corporation	47,420,381,577	47,420,381,577	70,767,827,739	70,767,827,739
PetroVietnam Gas Joint Stock Corporation	4,127,817,392	4,127,817,392	2,224,215,174	2,224,215,174
Japan Vietnam Petroleum Co. Ltd	4,584	4,584	53,348,861,167	53,348,861,167
Others	1,064,012,064,436	1,064,012,064,436	386,073,026,362	386,073,026,362
	<u>6,399,024,107,514</u>	<u>6,399,024,107,514</u>	<u>2,396,352,602,232</u>	<u>2,396,352,602,232</u>
<i>In which: Short-term trade payables to related parties (Details stated in Note 41)</i>	4,352,810,652,946	4,352,810,652,946	1,967,726,238,441	1,967,726,238,441



21. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Accrued purchase costs	8,296,731,600	106,608,957,369
Accrued cost of goods sold and operating expenses	1,916,419,330	363,480,253
Interest expense	7,345,113,135	4,020,258,765
Other accruals	31,131,435,772	23,872,428,636
	<b>48,689,699,837</b>	<b>134,865,125,023</b>

*In which: Accrued to related parties (Details stated in Note 41)*

	9,253,261,611	72,433,530,915
--	---------------	----------------

22. OTHER CURRENT PAYABLES

	Closing balance VND	Opening balance VND
Collection and payment on behalf relating to entrusted crude oil exports	3,816,547,115,093	3,084,096,897,922
Collection and payment on behalf relating to entrusted oil import	228,409,628	14,604,280,132
Collection and payment on behalf relating to crude oil export duty	54,774,371,679	4,149,656,832
Payables on equitization (i)	5,078,241,760	124,763,746,767
Payable for proceeds from sale of shares (ii)	6,508,956,732	6,508,956,732
Other payables	34,489,159,984	81,928,298,826
	<b>3,917,626,254,876</b>	<b>3,316,051,837,211</b>

*In which: Other current payables to related parties (Details stated in Note 41)*

	1,836,172,573,859	1,731,578,882,702
--	-------------------	-------------------

- (i) Represents payables relating to equitization which is the excess of enterprise value over the designated charter capital of the Corporation after equitization of VND 10,342,295,000,000 under Decision No. 1979/QĐ-TTg dated 08 December 2017 of the Prime Minister. This amount might be subject to changes when there is final approval from the competent authorities. During the period, the Corporation has transferred VND 119,996,417,768 to the Enterprise Arrangement and Support Fund according to the guidance in Decree No. 126/2017/ND-CP dated 16 November 2017 of the Government and Circular No. 41/2018/TT-BTC dated 04 May 2018 of the Ministry of Finance.
- (ii) Represents the proceeds from initial public offering (IPO) and the payable amount to the owners regarding this IPO. The proceeds from this equitization will be finalized and might be subject to changes upon final approval by the competent authorities.

PETROVIETNAM OIL CORPORATION  
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

23. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term loans	3,973,723,091,648	3,973,723,091,648	22,333,827,760,162	21,701,111,836,145	4,606,439,015,665	4,606,439,015,665
Current portion of long-term loans (Note 26)	27,279,363,325	27,279,363,325	29,980,395,116	30,127,760,215	27,131,998,226	27,131,998,226
Current portion of long-term obligations under finance leases (Note 26)	-	-	1,003,914,430	1,003,914,430	-	-
	<u>4,001,002,454,973</u>	<u>4,001,002,454,973</u>	<u>22,364,812,069,708</u>	<u>21,732,243,510,790</u>	<u>4,633,571,013,891</u>	<u>4,633,571,013,891</u>

Short-term loans represent facilities obtained from banks and individuals to supplement working capital of the Corporation and its subsidiaries. Bank loans might be withdrawn in Vietnam Dong, Laotian Kip or United States Dollar based on each credit limit as contracted with banks. Such loans bear fixed interest rates that are stated in each loan acknowledgement ranging from 2.6% p.a to 3% p.a (as at 31 December 2020: from 1.15% p.a. to 1.2% p.a.) as for the US dollar, ranging from 1.75% p.a. to 9.5% p.a. (as at 31 December 2020: from 1.25% p.a. to 9.2% p.a) as for Vietnam Dong and 8% p.a. as for Laotian Kip (as at 31 December 2020: from 7.2% p.a. to 8% p.a.). Loans with balance as at 31 December 2021 of VND 384,186,459,455 (as at 31 December 2020: VND 402,593,811,068) are secured by fixed assets, the remaining loans are unsecured.



Details of short-term loans by currency are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Loans in VND	4,293,539,371,743	3,649,415,121,271
Loans in LAK	292,713,309,922	217,118,869,293
Loans in USD	20,186,334,000	107,189,101,084
	<u>4,606,439,015,665</u>	<u>3,973,723,091,648</u>

Details of short-term loans by type of guarantee are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Unsecured loans	4,248,244,554,436	3,571,129,280,580
Secured loans	358,194,461,229	402,593,811,068
	<u>4,606,439,015,665</u>	<u>3,973,723,091,648</u>

The Corporation's short-term loans are contracted with fixed interest rates. Details of short-term loans by type of interest rate are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Loans with fixed interest rate	4,606,439,015,665	3,973,723,091,648
	<u>4,606,439,015,665</u>	<u>3,973,723,091,648</u>

## 24. SHORT-TERM PROVISIONS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Provision for environmental risks and damage compensation (i)	44,737,637,099	27,302,545,880
Other current provisions	1,715,816,472	-
	<u>46,453,453,571</u>	<u>27,302,545,880</u>

- (i) On 20 June 2016, the Ministry of Finance issued Circular No. 86/2016/TT-BTC ("Circular 86") guiding some contents relating to the provision for environmental damage compensation as prescribed in the Government's Decree No. 19/2015/ND-CP dated 14 February 2015 detailing the implementation of the environmental protection law. The Corporation has applied this Circular and set up the provision fund for environmental damage compensation with accumulated balance to 31 December 2021 of VND 44,737,637,099.

25. PRICE STABILISATION FUND

	Current year VND	Prior year VND
Opening balance	438,962,299,436	(198,578,419,135)
Appropriation to the fund	119,681,213,700	1,136,409,785,318
Interest incurred	149,653,418	435,688,829
Utilization in the year	(1,335,483,344,809)	(497,043,946,838)
Interest on negative balance of Price Stabilisation Fund	-	(2,260,808,738)
Closing balance	<u>(776,690,178,255)</u>	<u>438,962,299,436</u>

*In which:*

Amount transferred to the bank deposits	-	524,881,731,236
Amount remained outstanding	(776,690,178,255)	(85,919,431,800)

Appropriation and utilization of the Price Stabilization Fund comply with the regulations of the Ministry of Finance and Ministry of Industry and Trade from time to time (as presented in Note 3 - Summary of Significant Accounting Policies, "Price Stabilization Fund" item). In the year, the Corporation appropriated to and utilized the fund in accordance with prevailing current regulations. Handling of any difference (if any) between the appropriation and utilization of the fund will comply with the guidance of the Ministry of Finance and Ministry of Industry and Trade in the coming time.



PETROVIETNAM OIL CORPORATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

26. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Amount	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
<b>a. Long-term loans (i)</b>						
In which:						
Amount due for settlement within 12 months (see Note 23)	120,946,450,070	120,946,450,070	69,164,330,924	60,108,155,331	130,002,625,663	130,002,625,663
Amount due for settlement after 12 months	27,279,363,325	27,279,363,325	29,980,395,116	30,127,760,215	27,131,998,226	27,131,998,226
	93,667,086,745	93,667,086,745	39,183,935,808	29,980,395,116	102,870,627,437	102,870,627,437
<b>b. Long-term obligations under finance leases (ii)</b>						
In which:						
Amount due for settlement within 12 months (see Note 23)	-	-	3,456,517,157	2,007,828,860	1,448,688,297	1,448,688,297
Amount due for settlement after 12 months	-	-	1,003,914,430	1,003,914,430	-	-
Long-term loans and obligation under finance leases	93,667,086,745	93,667,086,745	2,452,602,727	1,003,914,430	1,448,688,297	1,448,688,297
Amount due for settlement within 12 months (see Note 23)	27,279,363,325	27,279,363,325	41,636,538,535	30,984,309,546	104,319,315,734	104,319,315,734
	27,279,363,325	27,279,363,325	30,984,309,546	31,131,674,645	27,131,998,226	27,131,998,226
	<u>120,946,450,070</u>	<u>120,946,450,070</u>	<u>72,620,848,081</u>	<u>62,115,984,191</u>	<u>131,451,313,960</u>	<u>131,451,313,960</u>

Details of long-term loans and obligations under finance leases are as follows:

- (i) Long-term loans for the purpose of financing investment projects to expand petroleum depots at the Corporation and its subsidiaries. The loans bear interest rates ranging from 6% to 11% p.a. (as at 31 December 2020: from 7% p.a. to 10.65% p.a.) for loans in Vietnam Dong. These loans are secured by: (i) assets formed from the Vung Ang depot project and other fixed assets; (ii) assets formed from Nam Dinh transit warehouse project, value of land use rights at CHXD Giao Thuy, land use rights of Nhan Chinh CH; (iii) assets of Thanh Quang petrol station; (iv) Phu Tho petroleum storage tank project; (v) a car and a part of assets belonging to the "Nghi Son Petroleum Warehouse" Project; (vi) land use rights, assets on land and other fixed assets of the subsidiaries.

- (ii) Long-term financial leasing debt include a loan with term of 36 months of Saigon Petroleum JSC and a loan with term of 48 months of PETEC Trading and Investment Corporation from Vietcombank Financial Leasing Company Limited, interest rates as agreed in the financial lease contract.

Details of long-term loans and obligations under finance leases by currency are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Loans and obligations under finance leases in VND	131,451,313,960	120,946,450,070
	<u>131,451,313,960</u>	<u>120,946,450,070</u>

Details of long-term loans and obligations under finance leases by type of guarantee are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Unsecured loans	7,897,000,000	2,192,000,000
Secured loans	123,554,313,960	118,754,450,070
	<u>131,451,313,960</u>	<u>120,946,450,070</u>

The Corporation's long-term loans and obligations under finance leases are contracted with floating interest rates. Details of long-term loans and obligations under finance leases by type of interest rates are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Loans and obligations under finance leases with floating interest rate	12,952,312,118	72,265,255,570
Loans and obligations under finance leases with fixed interest rate	118,499,001,842	48,681,194,500
	<u>131,451,313,960</u>	<u>120,946,450,070</u>

Long-term loans and obligations under finance leases are repayable as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
On demand or within one year	27,131,998,226	27,279,363,325
In the second year	34,592,838,649	23,702,943,502
In the third to fifth year inclusive	56,440,734,014	54,074,755,101
After five years	13,285,743,071	15,889,388,142
	<u>131,451,313,960</u>	<u>120,946,450,070</u>
Less: Amount due for settlement within 12 months (shown under Current portion of long-term loans - Note 23)	27,131,998,226	27,279,363,325
<b>Amount due for settlement after 12 months</b>	<u><b>104,319,315,734</b></u>	<u><b>93,667,086,745</b></u>



27. DEFERRED TAX LIABILITIES

The following are deferred tax liabilities recognized in the consolidated balance sheet as at the balance sheet date and deferred tax income recognized in the consolidated income statement.

Deferred tax liabilities

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Corporate income tax rate used for determination of deferred tax liabilities	20%	20%
Deferred tax liabilities arising from taxable temporary differences	130,346,505,498	140,206,299,008
<b>Deferred tax liabilities</b>	<b><u>130,346,505,498</u></b>	<b><u>140,206,299,008</u></b>
Transfer into current year's profit and loss	(9,859,793,510)	31,843,522,540

PETROVIETNAM OIL CORPORATION  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FORM B 09-DN/HN

28. OWNERS' EQUITY

Movement in owners' equity:

	Owners' contributed capital	Asset revaluation reserve (i)	Investment and development fund	Other reserves	Foreign exchange reserve	Accumulated losses	Construction investment fund	Other owners' capital	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<i>For the year ended 31 December 2020</i>										
Opening balance	10,342,295,000,000	(167,017,350,614)	199,418,329,107	(10,231,793,325)	8,604,488,811	(750,642,854,533)	5,959,092,576	(1,782,841,473)	1,218,623,471,283	10,845,225,541,832
(Loss) in the year	-	-	-	-	-	(166,119,310,667)	-	-	-	(166,119,310,667)
Funds distribution in the year	-	-	9,572,483,935	-	-	(33,749,800,081)	-	-	(9,158,757,908)	(33,336,074,054)
Profit attributable to non-controlling shareholders	-	-	-	-	-	53,926,715,718	-	-	(53,926,715,718)	-
Adjustment for non-controlling interest	-	-	(3,608,889,961)	-	(4,494,827,259)	12,767,647,869	-	-	-	4,663,930,649
Difference due to financial statements conversion	-	-	-	-	6,548,792,532	-	-	-	4,494,827,259	11,043,619,791
Changes due to moved PVOil Ninh Binh to associates	-	-	(136,738,101)	(92,603)	-	2,897,557,710	-	-	(44,952,124,567)	(42,191,397,561)
Dividends distribution	-	-	-	-	-	-	-	-	-	-
Others	-	-	1,287,548,664	-	-	(17,897,296,758)	-	-	(37,203,649,214)	(37,203,649,214)
Closing balance	10,342,295,000,000	(167,017,350,614)	206,532,733,644	(10,231,885,928)	10,658,454,084	(898,817,340,742)	5,959,092,576	(1,782,841,473)	1,078,259,173,369	10,565,855,034,916
<i>For the year ended 31 December 2021</i>										
Opening balance	10,342,295,000,000	(167,017,350,614)	206,532,733,644	(10,231,885,928)	10,658,454,084	(898,817,340,742)	5,959,092,576	(1,782,841,473)	1,078,259,173,369	10,565,855,034,916
Profit in the year	-	-	-	-	-	772,863,367,054	-	-	-	772,863,367,054
Funds distribution in the year	-	-	7,397,735,814	-	-	(126,675,539,817)	-	-	(26,418,808,994)	(145,696,612,997)
Reclassification between funds	-	-	-	8,641,050,778	-	(8,641,050,778)	-	-	-	-
Increase due to merge subsidiaries	-	-	-	21,396,832,623	-	-	-	-	-	21,396,832,623
Profit attributable to non-controlling shareholders	-	-	-	-	-	(168,042,382,874)	-	-	168,042,382,874	-
Adjustment for non-controlling interest	-	-	(2,432,646,270)	-	9,736,431,944	28,851,455,264	-	-	-	36,155,240,938
Difference due to financial statements conversion	-	-	-	-	(41,508,051,369)	-	-	-	(9,736,431,944)	(51,244,483,313)
Increase the capital of the subsidiaries by dividends	-	-	-	-	-	(2,765,183,252)	-	2,765,183,252	-	-
Dividends distribution	-	-	-	-	-	-	-	-	(30,474,486,541)	(30,474,486,541)
Others	-	3,035,904,464	(39,882,945)	-	(452,922)	1,314,632,037	(632,232,633)	17,985,460,000	(5,376,485,832)	16,286,942,169
Closing balance	10,342,295,000,000	(163,981,446,150)	211,457,940,243	19,805,997,473	(21,113,618,263)	(401,912,043,108)	5,326,859,943	18,967,801,779	1,174,295,342,932	11,185,141,834,849



- (i) The assets revaluation reserve represents the consolidated adjustments for the difference between the value of investments in subsidiaries and associates arising from adjusting the value of the former state-owned enterprises according to the results of the State Audit Office as approved by the competent authorities for the purpose of determining the enterprise value for equitization and the value of the Corporation's capital contributions in the investees.

**Shares**

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	200,445,036	200,445,036
<i>Ordinary shares</i>	200,445,036	200,445,036
<i>Preference shares</i>	-	-
Number of outstanding shares in circulation	1,034,229,500	1,034,229,500
<i>Ordinary shares</i>	1,034,229,500	1,034,229,500
<i>Preference shares</i>	-	-

Ordinary shares have par value of VND 10,000/share.

**Charter capital**

According to the 17<sup>th</sup> Business Registration Certificate dated 01 August 2018, the charter capital of the Corporation after transformation into a joint stock company is VND 10,342,295,000,000. As at 31 December 2021, the charter capital was fully contributed by shareholders as follows:

	<u>Quantity</u>	<u>Proportion</u>	<u>Paid-in capital</u>
	<u>VND</u>	<u>%</u>	<u>VND</u>
Vietnam Oil and Gas Group	832,803,564	80.52%	8,328,035,640,000
Other shareholders	201,425,936	19.48%	2,014,259,360,000
	<u>1,034,229,500</u>	<u>100%</u>	<u>10,342,295,000,000</u>

**29. NON-CONTROLLING INTERESTS**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Owners' contributed capital	1,077,895,869,664	1,083,485,480,080
Share premium	22,444,504,530	14,241,337,135
Foreign exchange differences	(8,731,275,350)	1,005,591,753
Investment and development fund	127,697,912,715	125,239,989,629
Accumulated losses	(47,099,382,003)	(147,168,705,971)
Construction investment fund	2,087,713,376	1,455,480,743
	<u>1,174,295,342,932</u>	<u>1,078,259,173,369</u>

30. OFF BALANCE SHEET ITEMS

	Unit	Closing balance	Opening balance
<b>Goods held under trust or for processing</b>			
- Petroleum M95	Litter	38,525,490	10,351,178
- Petroleum M92	Litter	20,790,629	36,808,647
- Petroleum E5	Litter	2,656,503	815,937
- Petroleum DO 0.05%	Litter	71,366,947	127,542,734
- Petroleum FO	Kg	365,520	5,224,178
- Jet A1	Kg	8,907,489	8,440,774
- Petroleum E100	Litter	135,025	56,051
- CN 120	Litter	-	166,027
- Solvent	Litter	112,550	-
<b>Foreign currencies</b>			
- US Dollars (USD)	USD	34,903,215	19,676,424
- Euro (EUR)	EUR	331	295
- Singapore Dollars (SGD)	SGD	173,774	279,905
- Lao KIP (LAK)	KIP	26,089,044,869	17,372,635,361
- Thai Bath (THB)	THB	1,007,307	367,076

31. BUSINESS AND GEOGRAPHICAL SEGMENTS

**Business segments**

The Corporation does not prepare a report by business segment since its activities mainly include import-export and trade of crude oil and petroleum activities.

**Geographical segments**

The Corporation is operating in both domestic and international regions.

Below is an analysis of the Corporation's revenue by geographical segment regardless of country of origin of goods and services.

	Current year VND	Prior year VND
Domestic	38,729,539,017,310	26,285,191,780,234
International	19,106,438,841,052	23,743,095,726,324
	<b>57,835,977,858,362</b>	<b>50,028,287,506,558</b>

Below is an analysis of the net book value and increases in tangible fixed assets and intangible assets by geographical location of such assets.

	Net book value of segment assets		Increase in fixed assets	
	Closing balance VND	Opening balance VND	Current year VND	Prior year VND
Domestic	3,676,187,701,932	3,643,264,819,301	390,391,518,379	150,789,004,262
International	69,493,721,810	93,933,504,484	1,947,411,922	8,861,740,451
	<b>3,745,681,423,742</b>	<b>3,737,198,323,785</b>	<b>392,338,930,301</b>	<b>159,650,744,713</b>



**32. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	Current year VND	Prior year VND
Sales of goods sold and service rendered	57,848,309,273,527	50,033,857,003,272
- Sales of goods sold	57,440,228,905,098	49,627,662,226,967
- Sales of services rendered and other activities	298,792,011,497	270,177,309,776
- Sales of entrusted crude oil exports	109,288,356,932	136,017,466,529
Deductions	(12,331,415,165)	(5,569,496,714)
- Sales discount	(12,331,415,165)	(5,569,496,714)
Net sales of goods sold and service rendered	<u>57,835,977,858,362</u>	<u>50,028,287,506,558</u>
<i>In which: Revenue from related parties (Details stated in Note 41)</i>	4,614,389,092,944	7,278,258,213,973

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

	Current year VND	Prior year VND
Cost of goods sold	54,484,679,623,418	47,941,770,460,819
Cost of services rendered	172,997,962,149	128,912,813,550
	<u>54,657,677,585,567</u>	<u>48,070,683,274,369</u>

**34. PRODUCTION COST BY NATURE**

	Current year VND	Prior year VND
Raw materials and consumables	4,231,751,456,434	4,263,767,013,615
Labour	1,065,817,831,915	870,076,302,805
Depreciation and amortisation of fixed assets and investment properties	346,471,338,897	377,936,450,533
Out-sourced services	816,937,114,147	656,233,030,827
Other monetary expenses	465,698,439,349	460,905,512,865
	<u>6,926,676,180,742</u>	<u>6,628,918,310,645</u>

35. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	381,782,147,908	361,033,236,880
Foreign exchange gain	18,734,026,038	16,727,186,052
Dividends received	4,035,215,678	1,569,314,581
Interest on credit sales	2,088,863,065	5,320,075,889
Gain on disposal of financial investments	2,405,480,000	59,123,642,760
Other financial income	3,687,858,884	7,926,849,290
	<b>412,733,591,573</b>	<b>451,700,305,452</b>

36. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	144,565,099,296	146,206,620,298
Foreign exchange loss	40,170,177,631	39,714,963,236
Provision/(Reversal) for impairment of financial investments	988,128,960	(1,980,124,682)
Losses due to merger of subsidiaries and liquidation of investments	9,415,955,804	1,187,658,318
Other financial expenses	5,915,592,475	25,643,236,181
	<b>201,054,954,166</b>	<b>210,772,353,351</b>

37. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
<b>Selling expenses</b>	<b>1,833,758,314,419</b>	<b>1,606,741,748,359</b>
Sales staff	683,649,770,118	551,069,086,842
Office appliances, furniture and materials	76,626,992,876	57,991,377,870
Transportation	137,176,022,624	136,333,497,204
Out-sourced services	433,712,537,354	293,476,788,833
Depreciation and amortisation	246,373,119,216	259,159,991,290
Provisions	17,395,091,219	3,098,623,633
Others	238,824,781,012	305,612,382,687
<b>General and administration expenses</b>	<b>728,224,901,968</b>	<b>721,381,472,971</b>
Labour	343,132,441,582	287,122,534,695
Office appliances, furniture and materials	21,622,698,623	46,694,972,495
Depreciation and amortization	38,941,579,854	45,684,391,598
(Reversal)/Provision	(44,894,213,923)	4,281,071,180
Outsourced services	94,939,156,170	96,421,609,938
Others	274,483,239,662	241,176,893,065
	<b>2,561,983,216,387</b>	<b>2,328,123,221,330</b>



38. PROFIT FROM OTHER ACTIVITIES

	Current year VND	Prior year VND
<b>Other income</b>	<b>49,849,048,626</b>	<b>60,899,648,340</b>
Proceeds from disposals of fixed assets	9,692,897,642	41,436,196,897
Indemnification received	1,788,108,912	3,752,797,007
Income from excess inventory	5,498,458,629	3,574,089,766
Income from personnel transfer	10,308,960,378	-
Storage fees	6,230,726,288	-
Other income	16,329,896,777	12,136,564,670
<b>Other expenses</b>	<b>21,037,786,992</b>	<b>34,417,619,860</b>
Storage fees	-	20,314,444,461
Penalties	643,087,989	776,102,403
Other expenses	20,394,699,003	13,327,072,996
<b>Other profit</b>	<b>28,811,261,634</b>	<b>26,482,028,480</b>

39. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
<b>Current corporate income tax expense</b>		
- Current corporate income tax expense based on taxable profit in the current year	164,841,585,527	23,390,818,229
<b>Total current corporate income tax expense</b>	<b>164,841,585,527</b>	<b>23,390,818,229</b>

The corporate income tax reported for the year ended 31 December 2021 is estimates. The final amount of corporate income tax to be paid will depend on the results of settlement with the tax authorities.

40. BASIC EARNINGS/(LOSSES) PER SHARE

	Current year	Prior year (Restated)
Accounting profit/(loss) after corporate income tax of Parent Company (VND)	604,820,984,180	(112,192,594,949)
- Allocate to funds from the profits (VND)	(80,286,492,000)	(19,970,238,823)
<b>Profit/(loss) for the purposes of calculating basic earnings/(losses) per share (VND)</b>	<b>524,534,492,180</b>	<b>(132,162,833,772)</b>
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
<b>Basic earnings/(losses) per share (VND)</b>	<b>507</b>	<b>(128)</b>

The Corporation has recalculated the basic (losses) per share of the previous year to reflect the actual deduction of funds from the retained earnings in 2020 according to the Resolutions of the General Meeting of Shareholders of the subsidiaries, details are as follows:

	Prior year	Prior year (Restated)
	VND	VND
Accounting (loss) after corporate income tax of Parent Company (VND)	(112,192,594,949)	(112,192,594,949)
- Allocate to funds from the profits (VND)	-	(19,970,238,823)
<b>(Loss) for the purposes of calculating basic (losses) per share (VND)</b>	<b>(112,192,594,949)</b>	<b>(132,162,833,772)</b>
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
<b>Basic (losses) per share (VND)</b>	<b>(108)</b>	<b>(128)</b>

**41. RELATED PARTY TRANSACTIONS AND BALANCES**

List of related parties with significant transactions and balances for the year:

Related parties	Relationship
Vietnam Oil and Gas Group	Owner
Other companies in the Group	Other entity in PVN
Associates	Other entity in PVN



During the year, the Corporation entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
<b>Sales of goods and service rendered</b>	<b>4,614,389,092,944</b>	<b>7,278,258,213,973</b>
Ninh Binh Petroleum JSC	2,060,346,629,707	621,297,542,901
Binh Son Refining & Petrochemical JSC	1,157,067,600,960	5,319,280,381,697
Materials - Petroleum JSC	925,089,681,820	704,197,134,593
Pacific Petroleum Transportation JSC	177,872,307,277	110,677,739,928
PetroVietnam Exploration Production Corporation	90,926,138,050	112,353,447,671
VietsovPetro Joint Venture	57,850,717,742	64,611,241,832
PetroVietnam Power Corporation	49,039,443,205	276,972,463,033
PTSC Quang Ngai JSC	30,821,759,088	20,714,240,905
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	20,617,287,150	-
PetroVietnam Technical Services Corporation	11,656,990,067	9,981,883,061
PTSC Geos and Subsea Services Company Limited	8,106,880,094	3,424,975,812
Vietnam Gas Corporation - JSC	3,898,761,797	3,813,825,571
Petroleum Equipment Assembly and Metal Structure JSC	3,097,509,820	3,298,900,188
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	3,067,133,185	-
PetroVietnam Fertilizer and Chemical Corporation - JSC	2,773,595,364	2,453,845,733
PetroVietnam Northern Gas JSC	2,274,872,375	1,393,652,675
PetroVietnam International Gas Shipping JSC	2,056,363,636	328,909,091
PetroVietnam Southern Gas JSC	-	17,989,442,544
Others	7,825,421,607	5,468,586,738

	Current year VND	Prior year VND
<b>Purchase goods and use service</b>	<b>34,110,245,265,231</b>	<b>21,596,549,894,376</b>
Binh Son Refining & Petrochemical JSC	16,069,038,029,231	8,295,798,853,241
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	14,682,286,709,476	8,148,471,206,652
PetroVietnam Exploration Production Corporation	2,833,742,244,899	4,453,834,170,250
PetroVietnam Transportation Joint Stock Corporation	432,972,029,564	393,152,211,949
Ninh Binh Petroleum JSC	44,823,141,637	827,745
Vietnam Energy Inspection JSC	15,631,234,322	13,625,382,494
Vietnam Gas Corporation - JSC	14,849,260,894	95,711,491,453
VietsovPetro Joint Venture	6,189,884,094	7,348,373,466
Vietnam Oil and Gas Group	5,228,747,513	52,957,945,355
PVD Offshore Services Limited Company	2,377,629,928	-
Vung Tau Gas Processing One Member Co., Ltd	1,384,284,853	-
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	-	130,863,380,478
Others	1,722,068,820	4,786,051,293

*Salary, allowance and remuneration of the Board of Directors including the Chief Executive Officer; salary of the Board of Supervisors, Executive Officers and the Chief Accountant of the Corporation as the Holding company for the year were as follows:*

	Current year VND	Prior year VND
Salary, allowance and remuneration of the Board of Directors/ Board of Management (including Chief Executive Officer)	7,519,426,390	4,649,461,759
Salary of the Board of Supervisors	3,143,627,510	2,184,732,138
Salary of the Executive Officers and Chief Accountant	7,327,874,100	5,617,306,103

*Significant related party balances as at the consolidated balance sheet date were as follows:*

	Closing balance VND	Opening balance VND
<b>Short-term trade receivables</b>	<b>435,677,857,644</b>	<b>380,958,950,473</b>
Ninh Binh Petroleum JSC	300,322,010,800	258,588,970,219
Binh Son Refining & Petrochemical JSC	26,633,159,847	14,563,295,218
PetroVietnam Power Corporation	25,497,452,652	215,556,260
VietsovPetro Joint Venture	15,245,629,544	14,036,116,892
Pacific Petroleum Transportation JSC	13,004,944,000	-
PetroVietnam Exploration Production Corporation	10,155,652,621	31,340,755,698
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	9,785,831,739	6,562,131,813
Materials - Petroleum JSC	7,772,460,000	-
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	7,762,133,610	-
PetroVietnam International Gas Shipping JSC	5,636,562,660	1,621,004,840
PTSC Quang Ngai JSC	3,111,867,305	2,836,847,245
Orient Bio-fuels Company Limited	2,553,770,086	2,160,324,960
Dzung Quat Oil Refinery Project Management Board	1,362,230,984	1,362,230,984
Dinh Vu Petroleum Service Port JSC	1,203,192,950	1,019,624,710
PetroVietnam Technical Services Corporation	1,194,271,997	1,379,454,399
Petroleum Equipment Assembly and Metal Structure JSC	796,504,130	1,975,811,850
Dong Duong Kien Giang Oil JSC	-	41,434,776,646
Others	3,640,182,719	1,862,048,739
<b>Other short-term receivables</b>	<b>3,536,644,622,072</b>	<b>1,867,288,900,463</b>
Binh Son Refining & Petrochemical JSC	3,310,104,646,789	1,626,201,945,080
Vietnam Oil and Gas Group	172,287,240,951	172,131,795,269
Petroleum Trading JSC	22,978,080,279	27,768,049,087
VietsovPetro Joint Venture	17,927,132,472	36,021,807,639
PetroVietnam Exploration Production Corporation	10,239,032,046	7,121,383
Others	3,108,489,535	5,158,182,005



	Closing balance VND	Opening balance VND
<b>Short-term trade payables</b>	<b>4,352,810,652,946</b>	<b>1,967,726,238,441</b>
Binh Son Refining & Petrochemical JSC	2,365,350,973,092	944,265,324,925
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	1,806,200,083,832	786,001,646,472
PetroVietnam Exploration Production Corporation	111,922,794,103	153,671,700,393
PetroVietnam Transportation Joint Stock Corporation	47,420,381,577	70,767,827,739
PetroVietnam Infrastructure and Urban Investment JSC	5,414,895,656	4,991,026,528
Ninh Binh Petroleum JSC	4,800,000,000	-
Vietnam Gas Corporation - JSC	4,127,817,392	2,224,215,174
Vietnam Energy Inspection JSC	2,879,786,850	2,465,929,786
Dzung Quat Oil Refinery Project Management Board	1,954,237,323	1,954,237,323
PTSC Quang Ngai JSC	1,739,107,502	-
Petroleum Equipment Assembly and Metal Structure JSC	-	220,714,963
Others	1,000,575,619	1,163,615,138
<b>Other current payables</b>	<b>1,836,172,573,859</b>	<b>1,731,578,882,702</b>
VietsovPetro Joint Venture	1,640,353,495,391	1,481,102,436,233
PetroVietnam Exploration Production Corporation	195,594,690,666	208,058,350,803
Vietnam Oil and Gas Group	224,387,802	224,387,802
Vietnam Gas Corporation - JSC	-	42,193,707,864
<b>Long-term loans</b>	<b>11,829,300,352</b>	<b>14,195,160,422</b>
Vietnam Public Commercial Joint Stock Bank	11,829,300,352	14,195,160,422
<b>Short-term accrued expenses</b>	<b>9,253,261,611</b>	<b>72,433,530,915</b>
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	4,431,885,502	2,103,834,577
Vietnam Oil and Gas Group	2,616,728,119	30,356,467,439
PetroVietnam Transportation Joint Stock Corporation	1,916,419,330	2,929,452,934
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	-	26,870,304,027
PetroVietnam Exploration Production Corporation	-	10,110,254,916
Others	288,228,660	63,217,022

#### 42. SIGNIFICANT EVENT IN THE YEAR

The pandemic caused by the new Corona virus ("Covid-19") has been affecting the global and domestic economy. The Corporation's business activities have been indirectly influenced by the happenings of the Covid-19 pandemic in Vietnam. The Board of Management has assessed the impact of Covid-19 pandemic on the financial situation and business activities, and followed the Government's supportive policies to implement all necessary measures to limit the pandemic's negative effects on the Corporation's activities during the year. The Board of Management also believes that Covid-19 pandemic does not affect the Corporation's ability to continue as a going concern.



Phung To Van  
Preparer



Nguyen Ngoc Ninh  
Chief Accountant



Doan Van Nhuom  
Chief Executive Officer

16 March 2022