

**PETROVIETNAM OIL CORPORATION**

*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 31 December 2022**

**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 - 53

**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 2022.

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

The members of the Board of Directors and Board of Management of the Corporation 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
Mr. Nguyen Mau Dung	Member
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	Vice Chief Executive Officer
Mr. Vu Hoai Lam	Vice Chief Executive Officer
Mr. Nguyen Tuan Tu	Vice Chief Executive Officer
Mr. Nguyen Anh Toan	Vice Chief Executive Officer
Mr. Nguyen Dang Trinh	Vice Chief Executive Officer

**THE 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 2022, 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)**

**THE 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,



**Doan Van Nhuom**  
**Chief Executive Officer**

7 March 2023



## 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 7 March 2023 as set out from page 06 to page 53 which comprise the consolidated balance sheet as at 31 December 2022, 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 08 of the Notes to the consolidated financial statements, as at 31 December 2022, the Corporation recorded the other receivable of VND 169,785,513,359 (as at 31 December 2021: VND 169,785,513,359) from Vietnam Oil and Gas Group, this other receivables related to the recovery of the accumulated losses incurred by Petec Trading and Investment Corporation ("PETEC" – a subsidiary of the Corporation) until 18 May 2011, when PETEC officially changed its ownership into a joint stock company. Such receivable amount represents the State-owned capital contribution to PETEC as at 18 May 2011, nevertheless, has not been approved and finalized by the Vietnam Oil and Gas Group and competent authorities. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence about the carrying amount of the above other receivables amount as at 31 December 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As stated in Note 15 of the Notes to the consolidated financial statements, the cost of intangible assets as at 31 December 2022 included an amount of VND 29,702,935,030 (as at 31 December 2021: VND 29,702,935,030), representing the value of land lots of Sai Gon PetroVietnam Oil JSC ("PVOIL Saigon" – a subsidiary of the Corporation). However, the land use rights have not yet been granted, transferred or expired but not yet renewed for PVOIL Saigon. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence of the rights and term to use such land plots as at 31 December 2022. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

As presented in Note 18 of the Notes to the consolidated financial statements, as at 31 December 2022, the Corporation's investment in PetroVietnam Biofuels JSC (associate of the Corporation) was reported in the consolidated financial statements using the equity method of accounting with the amounts of VND 272,716,534,896 (as at 31 December 2021: VND 272,915,527,557). PetroVietnam Biofuels JSC has been being requested for dissolution and bankruptcy in accordance with prevailing regulations by Notice No. 385/TB-VPCP dated 2 October 2018 of the Government Office. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence of post-acquisition changes in the Corporation's shares of net assets of PetroVietnam Biofuels JSC as at 31 December 2022. 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 2022, 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 2022, 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 Thai Hoa**

**Audit Partner cum Branch Director**

Audit Practising Registration Certificate

No. 0138-2023-001-1

**DELOITTE VIETNAM AUDIT COMPANY LIMITED**

7 March 2023

*Ho Chi Minh City, S.R Vietnam*

**Ton That Tien**

**Auditor**

Audit Practising Registration Certificate

No. 4326-2023-001-1

**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 2022*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>23,233,060,749,388</b>	<b>21,549,982,060,668</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>5</b>	<b>4,081,852,242,021</b>	<b>2,990,894,028,577</b>
1. Cash	111		2,638,123,341,287	2,731,437,695,084
2. Cash equivalents	112		1,443,728,900,734	259,456,333,493
<b>II. Short-term financial investments</b>	<b>120</b>	<b>6</b>	<b>7,666,467,404,942</b>	<b>7,925,663,754,088</b>
1. Trading securities	121		168,047	33,414,563
2. Provision for impairment of trading securities	122		(118,547)	(36,197)
3. Held-to-maturity investments	123		7,666,467,355,442	7,925,630,375,722
<b>III. Short-term receivables</b>	<b>130</b>		<b>8,090,943,360,395</b>	<b>7,761,018,081,791</b>
1. Short-term trade receivables	131	7	4,575,901,110,322	4,277,619,452,540
2. Short-term advances to suppliers	132		132,872,929,853	88,002,386,699
3. Other short-term receivables	136	8	4,201,127,497,883	4,195,391,436,352
4. Provision for short-term doubtful debts	137	9	(823,109,117,237)	(804,492,677,302)
5. Deficits in assets awaiting solution	139		4,150,939,574	4,497,483,502
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>2,941,456,384,799</b>	<b>2,578,271,658,502</b>
1. Inventories	141		2,961,539,417,245	2,579,364,637,993
2. Provision for devaluation of inventories	149		(20,083,032,446)	(1,092,979,491)
<b>V. Other short-term assets</b>	<b>150</b>		<b>452,341,357,231</b>	<b>294,134,537,710</b>
1. Short-term prepayments	151	11	39,947,250,445	33,108,480,349
2. Value added tax deductibles	152	12	207,489,507,333	155,956,761,188
3. Taxes and other receivables from the State budget	153	13	204,904,599,453	105,069,296,173

*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 2022*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>5,577,117,315,740</b>	<b>5,647,581,826,801</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>22,609,346,501</b>	<b>24,812,466,496</b>
1. Long-term trade receivables	211	7	19,718,254,473	21,888,407,938
2. Other long-term receivables	216	8	22,820,546,501	25,023,666,496
3. Provision for long-term doubtful debts	219	9	(19,929,454,473)	(22,099,607,938)
<b>II. Fixed assets</b>	<b>220</b>		<b>3,651,453,863,973</b>	<b>3,747,949,930,914</b>
1. Tangible fixed assets	221	14	2,017,864,050,619	2,153,041,993,983
- Cost	222		6,553,665,985,072	6,468,508,878,504
- Accumulated depreciation	223		(4,535,801,934,453)	(4,315,466,884,521)
2. Finance lease assets	224		4,277,717,118	2,268,507,172
- Cost	225		4,857,749,317	2,424,911,135
- Accumulated depreciation	226		(580,032,199)	(156,403,963)
3. Intangible assets	227	15	1,629,312,096,236	1,592,639,429,759
- Cost	228		1,924,392,953,676	1,861,746,293,589
- Accumulated amortisation	229		(295,080,857,440)	(269,106,863,830)
<b>III. Investment property</b>	<b>230</b>	<b>16</b>	<b>104,913,549,923</b>	<b>108,543,572,613</b>
- Cost	231		139,314,852,250	139,314,852,250
- Accumulated depreciation	232		(34,401,302,327)	(30,771,279,637)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>116,970,343,744</b>	<b>109,572,796,582</b>
1. Long-term work in progress	241		585,993,545	585,993,545
2. Construction in progress	242	17	116,384,350,199	108,986,803,037
<b>V. Long-term financial investments</b>	<b>250</b>		<b>762,803,468,765</b>	<b>801,330,548,617</b>
1. Investments in joint-ventures, associates	252	18	689,714,063,531	708,439,333,186
2. Equity investments in other entities	253	19	108,911,654,132	118,979,564,661
3. Provision for impairment of long-term financial investments	254	19	(35,822,248,898)	(26,088,349,230)
<b>VI. Other long-term assets</b>	<b>260</b>		<b>918,366,742,834</b>	<b>855,372,511,579</b>
1. Long-term prepayments	261	11	916,961,827,207	849,242,720,938
2. Long-term reserved spare parts	263		21,363,636	21,363,636
3. Goodwill	269	20	1,383,551,991	6,108,427,005
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>28,810,178,065,128</b>	<b>27,197,563,887,469</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 2022*

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>17,482,969,684,097</b>	<b>16,012,422,052,620</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>17,214,876,762,847</b>	<b>15,724,500,056,614</b>
1. Short-term trade payables	311	21	9,264,285,413,714	6,399,024,107,514
2. Short-term advances from customers	312		71,644,441,481	76,230,816,531
3. Taxes and amounts payable to the State budget	313	13	355,827,312,509	1,074,337,936,651
4. Payables to employees	314		266,831,603,549	191,836,089,512
5. Short-term accrued expenses	315	22	216,193,333,461	48,689,699,837
6. Short-term unearned revenue	318		9,871,308,187	6,477,136,557
7. Other current payables	319	23	4,587,995,670,639	3,917,626,254,876
8. Short-term loans and obligations under finance leases	320	24	2,701,313,740,248	4,633,571,013,891
9. Short-term provisions	321	25	66,120,284,378	46,453,453,571
10. Bonus and welfare funds	322		188,192,597,380	106,943,725,929
11. Price stabilization fund	323	26	(513,398,942,699)	(776,690,178,255)
<b>II. Long-term liabilities</b>	<b>330</b>		<b>268,092,921,250</b>	<b>287,921,996,006</b>
1. Long-term unearned revenue	336		20,021,212,102	23,677,570,475
2. Other long-term payables	337		25,583,007,894	26,302,334,547
3. Long-term loans and obligations under finance leases	338	27	62,657,782,898	104,319,315,734
4. Deferred tax liabilities	341	28	156,900,774,086	130,346,505,498
5. Scientific and technological development fund	343		2,930,144,270	3,276,269,752

*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 2022*


Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>D. EQUITY</b>	<b>400</b>		<b>11,327,208,381,031</b>	<b>11,185,141,834,849</b>
<b>I. Owner's equity</b>	<b>410</b>	<b>29</b>	<b>11,327,208,381,031</b>	<b>11,185,141,834,849</b>
1. Owner's contributed capital	411		10,342,295,000,000	10,342,295,000,000
2. Other owner's capital	414		23,612,446,327	18,967,801,779
3. Assets revaluation reserve	416		(163,981,446,150)	(163,981,446,150)
4. Foreign exchange reserve	417		(55,282,039,140)	(21,113,618,263)
5. Investment and development fund	418		228,667,036,228	211,457,940,243
6. Other reserves	420		20,494,008,664	19,805,997,473
7. Accumulated (losses)	421		(185,534,886,956)	(401,912,043,108)
- (Losses) accumulated to the prior year end	421a		(717,906,233,428)	(926,446,535,288)
- Retained earnings of the current year	421b		532,371,346,472	524,534,492,180
8. Construction investment fund	422		-	5,326,859,943
9. Non-controlling interests	429	30	1,116,938,262,058	1,174,295,342,932
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>28,810,178,065,128</b>	<b>27,197,563,887,469</b>

  
Phung To Van  
Preparer

  
Nguyen Ngoc Ninh  
Chief Accountant



  
Doan Van Nhuom  
Chief Executive Officer

7 March 2023

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 2022


Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	33	104,220,729,403,371	57,848,309,273,527
2. Deductions	02	33	6,932,771,650	12,331,415,165
3. Net revenue from goods sold and services rendered (10=01-02)	10	33	104,213,796,631,721	57,835,977,858,362
4. Cost of goods sold and services rendered	11	34	100,146,857,289,738	54,657,677,585,567
5. Gross profit from goods sold and services rendered (20=10-11)	20		4,066,939,341,983	3,178,300,272,795
6. Financial income	21	36	567,132,645,135	412,733,591,573
7. Financial expenses	22	37	330,081,514,103	201,054,954,166
- In which: Interest expense	23		179,692,092,511	144,565,099,296
8. Share of net profit from joint-ventures, associates	24	18	3,038,860,143	71,038,203,622
9. Selling expenses	25	38	2,370,193,962,567	1,833,758,314,419
10. General and administration expenses	26	38	1,041,591,430,338	728,224,901,968
11. Operating profit (30=20+(21-22)+24-(25+26))	30		895,243,940,253	899,033,897,437
12. Other income	31	39	52,494,988,208	49,849,048,626
13. Other expenses	32	39	35,523,003,026	21,037,786,992
14. Profit from other activities (40=31-32)	40	39	16,971,985,182	28,811,261,634
15. Accounting profit before tax (50=30+40)	50		912,215,925,435	927,845,159,071
16. Current corporate income tax expense	51	40	162,463,829,922	164,841,585,527
17. Deferred corporate tax expense/(income)	52	28	26,554,268,588	(9,859,793,510)
18. Net profit after corporate income tax (60=50-51-52)	60		723,197,826,925	772,863,367,054
In which:				
18.1. Profit after tax attributable to Holding Company	61		651,194,275,895	604,820,984,180
18.2. Profit after tax attributable to non-controlling shareholders	62		72,003,551,030	168,042,382,874
19. Basic earnings per share	70	41	493	477

  
Phung To Van  
Preparer

  
Nguyen Ngoc Ninh  
Chief Accountant



  
Doan Van Nhuom  
Chief Executive Officer

7 March 2023

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 2022*

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. <i>Profit before tax</i>	01	912,215,925,435	927,845,159,071
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment properties	02	336,185,567,199	346,471,338,897
Provisions	03	64,837,152,250	(27,102,874,081)
Foreign exchange losses arising from translating foreign currency items	04	5,643,614,546	22,196,102,434
(Gain) from investing activities	05	(434,753,627,189)	(459,537,989,046)
Interest expense	06	179,692,092,511	144,565,099,296
Other adjustments (i)	07	263,291,235,556	(1,215,802,131,109)
3. <i>Operating profit/(loss) before movements in working capital</i>	08	1,327,111,960,308	(261,365,294,538)
Increases in receivables	09	(471,597,849,237)	(2,941,667,607,364)
Increases in inventories	10	(382,174,779,252)	(750,117,732,281)
Increases in payables (excluding accrued loan interest and corporate income tax payable)	11	3,212,572,583,259	5,109,494,414,161
Increases in prepaid expenses	12	(74,557,876,365)	(11,301,269,532)
Decreases in trading securities	13	33,246,516	764,224,764
Interest paid	14	(181,349,487,318)	(141,240,244,916)
Corporate income tax paid	15	(189,854,635,137)	(112,882,729,112)
Other cash inflows	16	-	149,653,418
Other cash outflows	17	(63,966,241,562)	(168,582,775,148)
<i>Net cash generated by operating activities</i>	20	3,176,216,921,212	723,250,639,452
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(399,801,532,580)	(268,110,299,455)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	5,713,152,383	16,564,342,962
3. Cash outflow for lending, buying debt instruments of other entities	23	(7,681,585,144,417)	(9,255,083,844,529)
4. Cash recovered from lending, selling debt instruments of other entities	24	7,940,748,164,697	7,251,032,201,694
5. Equity investments in other entities	25	(23,460,140,000)	-
6. Cash recovered from investments in other entities	26	13,271,000,000	2,445,480,000
7. Interest earned, dividends and profits received	27	414,075,497,129	370,536,839,331
<i>Net cash generated by/(used in) investing activities</i>	30	268,960,997,212	(1,882,615,279,997)

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



**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

For the year ended 31 December 2022

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	20,855,220,371,519	22,375,464,298,697
2. Repayment of borrowings	34	(22,740,964,770,411)	(21,731,239,596,360)
3. Repayment of obligations under finance leases	35	(719,234,184)	(1,003,914,430)
4. Dividends and profits paid	36	(384,052,050,191)	-
<b>Net cash (used in)/generated by financing activities</b>	<b>40</b>	<b>(2,270,515,683,267)</b>	<b>643,220,787,907</b>
<b>Net increase/(decrease) in cash (50=20+30+40)</b>	<b>50</b>	<b>1,174,662,235,157</b>	<b>(516,143,852,638)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>	<b>2,990,894,028,577</b>	<b>3,533,617,033,987</b>
Effects of changes in foreign exchange rates	61	(2,541,579,847)	(26,579,152,772)
Exchange rate difference due to conversion of financial statement	62	(81,162,441,866)	-
<b>Cash and cash equivalents at the end of the year (70=50+60+61+62)</b>	<b>70</b>	<b>4,081,852,242,021</b>	<b>2,990,894,028,577</b>

- (i) Include the adjustments for appropriation and use of the Price Stabilization Fund and interest expense on the negative balance of the Fund with the amounts of VND 759,352,582,961, VND 493,802,375,690 and VND 2,258,971,715 respectively.

Phung To Van  
Preparer

Nguyen Ngoc Ninh  
Chief Accountant

Doan Van Nhuom  
Chief Executive Officer

7 March 2023

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



**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"), 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 2022 was 700 (as at 31 December 2021: 699).

**Principal activities**

The principal activities of the Corporation:

- Trading of petroleum products: Trade and import/export of Ethanol products; Trade of oil products and crude oil domestically and overseas; Distribution and trading of oil products; Production of Ethanol products and oil products; Trade of jet fuel; Import/export of oil products and products made from oil/chemicals; Trade and import/export materials/equipment supporting processing and trade of oil products; Trade of materials/equipment/chemicals for production of oil products; Trading of fertilizers and petrochemical products.

- Services: Warehouse rental; Renting cars, other motor vehicles, oil depots, petrol stations, oil blending equipment system; Shipping agent; Ship brokerage and supply, transportation of crude oil and oil products; Operation of seaports and inland waterway ports; Supporting activities related to coastal, ocean transport and inland waterway transport; Operation of bus stations and car parks; Hotel business and tourism; Maintenance and repair of automobiles and other motor vehicles, motorcycles and motorbikes; Bidding consultation; Building of oil products storage tank system; Petroleum sampling, analysis and testing services; Advertise in oil depots, petrol stations and tank trucks.

### 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:

Name of Subsidiary	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
PetroVietnam Oil Lao Petroleum Domestic Trading Sole Co., Ltd	Laos	100.00%	100.00%	Retail oil and petrol and relevant products.
PetroVietnam Oil Lao Co., Ltd	Laos	100.00%	100.00%	Wholesale oil and petrol and relevant products.
Vietnam Petroleum Oil Transport One Member Co., Ltd (ii)	Ho Chi Minh City	100.00%	100.00%	Transport goods by road. Wholesale solid & liquid fuels and gas. Retail engine fuels for specialized shops.
PetroVietnam Oil Bac Lieu One Member Co., Ltd (ii)	Bac Lieu	100.00%	100.00%	Wholesale food. Wholesale materials and others installation equipments for construction. Buy and sell petrol, oil and relevant products.
PetroVietnam Oil Tra Vinh One Member Co., Ltd (ii)	Tra Vinh	100.00%	100.00%	Trade petrol and oil, and consuming goods.
PETEC Trading and Investment Corporation ("PETEC") (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.
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.
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 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 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.
PVOil Mien Trung JSC	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.



Name of Subsidiary	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
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.
PetroVietnam Oil Hanoi JSC	Hanoi	71.84%	71.84%	Trade petrol and oil and relevant products. Provide warehouse and port services. 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.
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.
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.
PetroVietnam Oil Phu Yen JSC	Phu Yen	67.13%	67.13%	Trade petrol and oil and other relevant products; trade gas. Transport goods.
Sai Gon PetroVietnam Oil 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 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 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 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 Nam Dinh JSC	Nam Dinh	56.75%	56,75%	Trade petroleum products. Agents that trade petrol and oil. Trade biofuels.
Vung Ang Petroleum Ha Tinh JSC	Ha Tinh	56.50%	56.50%	Wholesale solid, liquid fuels and gas and relevant products. Store goods. Transport by interior waterway.
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.
Singapore International Oil Trading Co., Ltd	Singapore	51.00%	51.00%	Trade crude oil and other international oil products. Participate in trading and providing crude oil in Vietnam.
Thai Binh Petroleum Services JSC	Thai Binh	51.00%	51.00%	Wholesale trade of mineral water.
PetroVietnam Oil Cambodia Public Limited Company	Cambodia	51.00%	51.00%	Under establishment

- (i) As at 31 December 2022, 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.

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 ("PVGAS") 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 PV GAS and the Corporation to report to the Prime Minister and advise to implement the next steps to ensure the interests of the Corporation and PV GAS. The Corporation is closely coordinating with PV GAS to carry out the procedures related to the above capital transfer.

- (ii) In 2022, the Corporation has successfully received the transfer of shares from shareholders at PetroVietnam Oil Tra Vinh JSC, PetroVietnam Oil Bac Lieu JSC and Vietnam Petroleum Oil Transport JSC, thereby increasing the Corporation's ownership rate in these subsidiaries to 100% and converting the business type of these subsidiaries from joint stock company to one member limited company.

**List of joint ventures:**

Name of Joint Venture	Place of incorporation & operation	Proportion of ownership interest (%)	Principal Activity
Orient Biofuels Co., Ltd	Binh Phuoc	30.20%	Manufacturing and trading chemical bio fuels
PetroVietnam Oil Stockpile Co., Ltd	Ba Ria - Vung Tau	19.00%	Investment in building underground oil storage
VINA Plasticizers Chemical Co., Ltd	Dong Nai	15.00%	Manufacturing and trading plastic oil DOP

**List of associates:**

Name of Associate	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
Phu Yen Cashew JSC	Phu Yen	47.79%	47.79%	Produce and process agricultural products for exporting.
Thach Han Trading JSC	Quang Tri	45.00%	45.00%	Trade petrol and oil, technological products, agricultural goods and food.
Materials - Petroleum JSC	Ho Chi Minh City	44.87%	44.94%	Export and import petrol and oil. Transport goods.
PetroVietnam Biofuels JSC	Hanoi	39.76%	39.76%	Produce and trade biofuels.
PetroVietnam Central Biofuels JSC	Quang Ngai	34.28%	34.28%	Produce and trade biofuels.
Petroleum Trading JSC	Ho Chi Minh City	29.00%	29.00%	Buy and sell equipments, spare parts, materials and petrochemicals.
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.



**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 2021.

**2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

**Accounting convention**

The accompanying 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 accompanying 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**

The consolidated financial statements for the year ended 31 December 2022 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. NEW GUIDANCE ISSUED BUT NOT APPLY**

On 07 February 2023, the Ministry of Finance issued Circular No. 08/2023/TT-BTC ("Circular 08") to annul the entire Circular No. 86/2016/TT-BTC dated 20 June 2016 of the Ministry of Finance on guiding a number of contents on the provision fund for environmental risks and damage compensation according to the Decree No. 19/2015/ND-CP dated 14 February 2015 of Government regulated on implementation of the Law on Environmental Protection. Accordingly, the balance of the provision fund for environmental risks and damage compensation (Details stated in Note 25) that has been made but has not been used since the effective date of Circular 08 is recorded in other income of financial year in 2023. The Circular 08 takes effect from 24 March 2023 and applies to financial year in 2023.

The Board of Management of the Corporation is assessing the impact of the application of Circular 08 on the future consolidated financial statements of the Corporation.

**4. 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 balance sheet date and the reported amounts of revenues and expenses during the financial 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 Corporation (its subsidiaries) up to 31 December each year. 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 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 (see below) 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 (with or without a legal entity) in which each venturer has an interest are referred to as jointly controlled entities.

The Corporation reports its interests in jointly controlled entities with a legal entity using the equity method of accounting. Interests in joint ventures 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 joint venture. Losses of an joint venture in excess of the Corporation's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the joint venture) are not recognised.

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 and jointly controlled entities is included in the carrying amount of the associates and jointly controlled entities. 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, cash in transit and short-term, highly liquid investments (not exceeding 3 months) 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 when there has been evidenced that their market prices are lower than their costs 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.

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 consolidated income statement on accrual basis.

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.

***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. The Corporation applies perpetual method to account for inventories. 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 - 7

Tangible fixed assets of the Corporation were 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.

#### The Corporation as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Corporation as lessee

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 fixed assets and amortisation**

Intangible fixed assets represent land use rights, computer software and other intangible fixed 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 fixed 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.

#### **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.

#### **Construction in progress**

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost includes any costs that are necessary to form the asset including construction cost, equipment cost, 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.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

#### **Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods. Prepayment comprise land rental, office rental, brand name and geographical location advantages and other prepayments.

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.

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.

Other prepayments comprise ground leveling costs, cost of tools and supplies awaiting allocation, repair and maintenance expenses awaiting allocation and other prepayments which will be generated future economic benefits that are charged to the consolidated income statement using the straight-line method over the estimated useful lives in accordance with current regulations.

#### **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 as at the balance sheet date.



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

The petroleum price stabilization fund is appropriated and used following current fuel trading regulations.

The petroleum price stabilization fund is appropriated by a particular amount which is fixed in the base price of each litre of petroleum sold and determined as a cost item in the base price structure in accordance with prevailing regulations.

#### **Unearned revenue**

Unearned revenue is the amounts received in advance relating to results of operations of for multiple accounting periods for services or products that have been yet provided or delivered. The Corporation recognizes unearned revenue in proportion to its obligations that the Corporation will have to perform in the future. When the revenue recognition conditions are satisfied, unearned revenue will be recognized in the consolidated income statement for the year corresponding to the portion that meets the revenue recognition conditions.

#### **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.

#### **Sales deductions**

Sales deductions include trade discounts, sales allowances and sales returns.

Sales deductions incurred in the same year of the related revenue from sales of products, goods and rendering of services are recorded as a deduction from the revenue of that year. In case that sales deductions for sales of products, goods or rendering of services sold in the year incurred after the balance sheet date but before the issuance of the consolidated financial statements, the Corporation recorded as revenue deductions for the year.



### 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 2022. 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 2022.

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 the consolidated income statement in the year in which the Corporation's 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 are 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.

### 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 is realised. Deferred tax is charged or credited to the consolidated income statement, 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 Corporation's 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.

## 5. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	55,656,848,688	27,883,342,955
Bank demand deposits (i)	2,574,868,084,789	2,703,326,926,079
<i>In which:</i>		
<i>Price Stabilization Fund Balance</i>	-	-
Cash in transit	7,598,407,810	227,426,050
Cash equivalents (i)	1,443,728,900,734	259,456,333,493
	<b><u>4,081,852,242,021</u></b>	<b><u>2,990,894,028,577</u></b>

- (i) As at 31 December 2022, cash equivalents represent term deposits in Vietnam Dong with original terms of less than 3 months at banks and with interest rates ranging from 1% p.a to 6% p.a (as at 31 December 2021: from 0.2% p.a to 3.5% p.a).

As at 31 December 2022, cash and cash equivalents include demand deposits of VND 3,237,076,131, USD 3,776,074 (as at 31 December 2021: VND 5,200,417,367 and USD 3,776,074) and deposits of VND 1,014,000,000 (as at 31 December 2021: VND 1,040,000,000) with original maturity of less than 03 months ("cash equivalents"); held-to-maturity investments include time deposits in the amount of VND 274,849,364,697 (as at 31 December 2021: VND 274,312,164,697) with original maturity from 6 to 12 months (as presented in Note 06) 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 of the Corporation has assessed and believes that these deposits will be unfrozen in the coming time depending on the decision of the State Bank of Vietnam.

6. SHORT-TERM FINANCIAL INVESTMENTS

a. Trading securities	Closing balance			Opening balance		
	VND Cost	VND Fair value	VND Provision	VND Cost	VND Fair value	VND Provision
<b>Total</b>	<b>168,047</b>	<b>49,500</b>	<b>(118,547)</b>	<b>33,414,563</b>	<b>93,331,850</b>	<b>(36,197)</b>
Pomina Steel JSC (i)	168,047	49,500	(118,547)	168,047	131,850	(36,197)
Phong Phu Corporation (i)	-	-	-	1,128,000	2,640,000	-
Viet Thang Textile Corporation (i)	-	-	-	32,118,516	90,560,000	-
b. Held-to-maturity investments	Closing balance			Opening balance		
	VND Cost	VND Carrying amount	VND Carrying amount	VND Cost	VND Carrying amount	VND Carrying amount
Term deposits (ii)	7,666,467,355,442	7,666,467,355,442	7,666,467,355,442	7,925,630,375,722	7,925,630,375,722	7,925,630,375,722

(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 more than 3 months and a remaining maturity no more than 12 months and interest rate from 3.5% p.a to 8% p.a (as at 31 December 2021: from 3.5% p.a to 6.0% p.a).



7. TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Short-term trade receivables</b>		
BCP Trading Pte Ltd	673,701,299,680	-
Vitol Asia Pte Ltd	662,440,823,040	872,496,099,678
Ninh Binh Petroleum JSC	278,849,547,063	300,322,010,800
PTT (Lao) Co., Ltd	241,219,979,408	115,789,128,818
Mining Industry Construction Company - Dong Bac Corporation Branch	136,407,035,228	69,187,967,254
TKV - Materials Trading JSC - Hon Gai Materials Enterprise	124,364,484,210	122,107,366,506
Northern Petroleum and Gas JSC	124,164,578,894	124,164,578,894
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
Song Hau 1 Power Project Management Board	72,338,010,316	-
Viet Nam International Petrol Corporation	69,438,325,811	69,638,325,811
Vu Anh Petroleum Trading JSC	43,257,741,001	43,257,741,001
Materials - Petroleum JSC	30,553,040,000	7,772,460,000
Pacific Petroleum Transport JSC	29,381,135,000	13,004,944,000
Saigon Passenger Transport JSC	28,887,525,624	55,835,953,922
PetroVietnam Exploration Production Corporation	26,916,080,480	10,155,652,621
Binh Son Refining and Petrochemical JSC (i)	23,825,807,585	26,633,159,847
VietsovPetro Joint Venture	17,832,514,001	15,245,629,544
Branch of Vietnam Railway Corporation - Saigon Locomotive Enterprise	16,945,910,883	31,472,425,045
Chevron U.S.A Inc Singapore Branch	-	511,900,518,721
Others	1,691,040,947,716	1,604,299,165,696
	<b>4,575,901,110,322</b>	<b>4,277,619,452,540</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
Others	563,554,868	564,554,868
	<b>19,718,254,473</b>	<b>21,888,407,938</b>
<i>In which: Trade receivables from related parties (details stated in Note 43)</i>	538,886,994,347	438,525,634,364

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

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Other short-term receivables</b>		
Collection and payment on-behalf-of relating to entrusted crude oil exports	3,091,244,397,289	3,305,468,257,964
Collection and payment on-behalf-of relating to entrusted crude oil imports	5,824,487,025	24,509,682,717
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)	69,999,994,102	7,687,919,694
Receivables related to equitization (iii)	6,253,479,545	6,253,479,545
BCC Contract No. 13/2021/PVGAS/TT-PVOIL/D4 (iv)	456,849,917,501	387,558,110,831
Crude oil export duties collected, paid on-behalf-of	36,325,894	37,469,894
Other short-term receivables	398,787,101,258	292,242,720,438
	<b>4,201,127,497,883</b>	<b>4,195,889,436,352</b>

**b. Other long-term receivables**

Receivables related to transfer of Petroland project	14,758,071,200	15,458,071,200
Long-term deposits	1,127,438,000	2,722,438,000
Depreciable cost of assets used for business cooperation	423,022,385	460,347,905
Ba Tri - Ben Tre Fishing Port	4,189,672,916	4,260,918,637
Other long-term receivables	2,322,342,000	2,121,890,754
	<b>22,820,546,501</b>	<b>25,023,666,496</b>

*In which: Other receivables from related parties* 3,302,535,799,338 3,537,162,337,312  
*(Details stated in Note 43)*

- (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, blending products waiting to be deducted 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 the receivable related to Business Cooperation Contract No. 13/2021/PVGAS/TT-PVOIL/D4 ("Business Cooperation Contract" or "BCC") dated 21 January 2021 between the Corporation and PetroVietnam Gas Joint Stock Corporation ("PV GAS") to carry out economic activities together but do not form an independent legal entity. This activity is jointly controlled by the parties under the agreement of the BCC in the form of profit sharing after tax. According to the agreement between the parties, the Corporation is authorized to manage and operate the project as well as to record business results of the BCC and distribute profit after tax to the Corporation and PV GAS at the rate of 65% and 35%, respectively. Details of other short-term receivables relating to BCC are as follows:



	Closing balance	Opening balance
	VND	VND
Other receivables related to the implementation of BCC	456,849,917,501	348,526,382,332
Profit sharing after tax from business results of BCC	-	39,031,728,499
	<b>456,849,917,501</b>	<b>387,558,110,831</b>

9. 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	69,438,325,811	-	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	-
Orient Oil and Gas Joint Stock Company	20,065,312,035	14,950,507,466	1,753,496,221	-
Cai Lan Ship Industry Co., Ltd	19,576,761,700	-	19,576,761,700	-
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	9,996,785,688	-	10,206,785,688	-
Ninh Binh Petroleum Service and Trading Co., Ltd	8,906,024,795	-	8,906,024,795	-
Nam Song Hau Petrochemical Trading 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
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
Mr. Do Van Truc	2,066,082,640	-	2,066,082,640	-
Mr. Vo Huu Thuyen	1,104,148,576	-	1,104,148,576	-
Phu Yen Cashew JSC	-	-	16,604,952,041	-
Clients of Me Kong Petroleum JSC - Kien Giang Branch	-	-	7,839,154,020	-
Itasco Lam Dong JSC	-	-	2,169,153,465	-
Kumho Samco Buslines Co., Ltd	-	-	1,712,601,433	1,712,601,433
Others	173,529,985,694	10,608,711,969	135,718,888,385	13,590,763,630
	<b>874,969,304,061</b>	<b>32,776,623,814</b>	<b>847,482,251,897</b>	<b>28,835,769,442</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 2022, the Board of Management of the Corporation 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.

#### 10. INVENTORIES

	Closing balance		Opening balance	
	Cost	Provision	Cost	Provision
	VND	VND	VND	VND
Goods in transit	229,861,314,947	-	122,371,537,818	-
Raw materials	576,460,705,712	(1,014,618,341)	452,687,455,503	(1,014,618,341)
Tools and supplies	14,272,495,197	-	12,824,858,645	-
Work in progress	199,987,532	-	-	-
Finished goods	230,377,319,447	-	156,837,458,917	-
Merchandise	1,907,590,996,324	(19,068,414,105)	1,831,080,811,128	(78,361,150)
Goods on consignment	2,776,598,086	-	3,562,515,982	-
	<b>2,961,539,417,245</b>	<b>(20,083,032,446)</b>	<b>2,579,364,637,993</b>	<b>(1,092,979,491)</b>

As at 31 December 2022, the Board of Management assessed net realizable value of inventories and made provision with amount of VND 20,083,032,446 (as at 31 December 2021: VND 1,092,979,491) for inventories whose realizable value is lower than cost as at the consolidated reporting date. During the year, the Company reversed the provision for devaluation of inventories with the amount of VND 78,361,150 (for the year ended 31 December 2021: VND 734,206,893).

#### 11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
<b>a. Current</b>		
Fixed assets operating leases	3,741,061,509	4,977,219,523
Tools and supplies	5,380,848,778	1,012,470,632
Other current prepayments	30,825,340,158	27,118,790,194
	<b>39,947,250,445</b>	<b>33,108,480,349</b>
<b>b. Non-current</b>		
Operating leases	437,300,064,723	423,172,265,521
Brand name and geographical location advantages (i)	306,906,076,019	263,497,684,069
Ground leveling costs	17,328,066,370	17,936,068,702
Tools and supplies awaiting allocation	32,139,761,774	23,897,816,566
Repair and maintenance expenses awaiting allocation	26,954,818,752	28,567,182,145
Other non-current prepayments	96,333,039,569	92,171,703,935
	<b>916,961,827,207</b>	<b>849,242,720,938</b>



- (i) Includes the value of brand name and land-lease-related geographical location advantages totaling VND 162,640,683,830 as at 31 December 2022 (as at 31 December 2021: VND 198,162,166,312) 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.

**12. VALUE ADDED TAX DEDUCTIBLES**

Value added tax deductibles of the Corporation as at 31 December 2022 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.

**13. TAXES AND OTHER (RECEIVABLES FROM)/PAYABLES TO THE STATE BUDGET**

	Opening balance	Payable during the year	Deductible amount/Paid during the year	Closing balance
	VND	VND	VND	VND
<b>Tax receivables from the State budget</b>	<b>105,069,296,173</b>	<b>36,407,381,881</b>	<b>136,242,685,161</b>	<b>204,904,599,453</b>
Value added tax on domestic goods	249,547,293	249,547,293	-	-
Special consumption tax	88,804,812,029	-	66,267,679,199	155,072,491,228
Corporate income tax	14,132,291,752	243,505,451	35,221,098,888	49,109,885,189
Personal income tax	483,099,004	495,085,439	54,083,935	42,097,500
Land & housing tax, land rental	1,398,546,047	35,400,243,698	34,681,823,139	680,125,488
Other taxes	1,000,048	19,000,000	18,000,000	48
	<b>105,069,296,173</b>	<b>36,407,381,881</b>	<b>136,242,685,161</b>	<b>204,904,599,453</b>
<b>Tax payables to the State budget</b>	<b>1,073,927,390,784</b>	<b>8,175,939,046,574</b>	<b>8,894,449,724,715</b>	<b>355,416,712,643</b>
Value added tax on domestic goods	103,471,084,964	868,910,990,019	921,580,280,385	50,801,794,598
Value added tax on imported goods	-	503,661,968,255	503,661,968,255	-
Export and import duties	-	1,566,149,422,646	1,566,149,422,646	-
Corporate income tax	54,452,435,316	131,893,378,788	154,633,536,249	31,712,277,855
Personal income tax	5,039,042,747	37,730,931,931	35,771,764,328	6,998,210,350
Natural resource tax	41,250,000	628,540,000	626,560,000	43,230,000
Land & housing tax, land rental	78,000,000	86,123,931,149	86,201,931,149	-
Business license tax	-	861,345,409	860,845,409	500,000
Other taxes	910,845,577,757	4,979,978,538,377	5,624,963,416,294	265,860,699,840
<b>Other payables</b>	<b>410,545,867</b>	<b>10,785,041,779</b>	<b>10,784,987,780</b>	<b>410,599,866</b>
Charges and fees	410,545,867	10,785,041,779	10,784,987,780	410,599,866
	<b>1,074,337,936,651</b>	<b>8,186,724,088,353</b>	<b>8,905,234,712,495</b>	<b>355,827,312,509</b>

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

<i>Tax receivables</i>	-	-	-	-
<i>Tax payables</i>	4,775,761,858	1,517,395,689,809	1,497,611,790,060	24,559,661,607

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

FORM B 09-DN/HN

**14. 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	4,470,182,448,810	1,387,458,263,865	462,708,406,765	105,785,739,856	42,374,019,208	6,468,508,878,504
Additions	39,481,161,635	30,712,439,047	30,844,386,744	9,578,796,251	1,163,629,311	111,780,412,988
Transfer from construction in progress	53,059,736,007	4,330,687,110	2,788,589,630	48,602,819	1,308,423,296	61,536,038,862
Reclassification	-	1,505,000,000	(1,505,000,000)	-	-	-
Disposals	(9,731,175,718)	(5,938,520,377)	(5,332,584,726)	(73,239,396)	-	(21,075,520,217)
Difference due to financial statements conversion	(31,529,881,734)	(25,408,749,284)	(5,886,946,792)	(3,259,684,002)	(1,969,409,786)	(68,054,671,598)
Others	(719,137,569)	2,179,528,612	-	120,257,170	(609,801,680)	970,846,533
<b>Closing balance</b>	<b>4,520,743,151,431</b>	<b>1,394,838,648,973</b>	<b>483,616,851,621</b>	<b>112,200,472,698</b>	<b>42,266,860,349</b>	<b>6,553,665,985,072</b>
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	2,797,401,742,420	1,040,723,583,487	355,681,989,909	83,735,923,631	37,923,645,074	4,315,466,884,521
Charge for the year	196,109,761,793	71,185,408,320	20,948,789,877	6,747,900,286	1,405,267,194	296,397,127,470
Reclassification	-	1,505,000,000	(1,505,000,000)	-	-	-
Disposals	(4,841,107,261)	(5,902,103,550)	(5,192,004,275)	(73,239,396)	-	(16,008,454,482)
Difference due to financial statements conversion	(25,585,611,124)	(22,744,041,411)	(5,861,255,025)	(3,328,876,126)	(1,890,980,797)	(59,410,764,483)
Others	(368,996,832)	(327,650,884)	(55)	53,789,207	(9)	(642,858,573)
<b>Closing balance</b>	<b>2,962,715,788,996</b>	<b>1,084,440,195,962</b>	<b>364,072,520,431</b>	<b>87,135,497,602</b>	<b>37,437,931,462</b>	<b>4,535,801,934,453</b>
<b>NET BOOK VALUE</b>						
Opening balance	1,672,780,706,390	346,734,680,378	107,026,416,856	22,049,816,225	4,450,374,134	2,153,041,993,983
Closing balance	1,558,027,362,435	310,398,453,011	119,544,331,190	25,064,975,096	4,828,928,887	2,017,864,050,619



The cost of the Corporation's tangible fixed assets as at 31 December 2022 includes about VND 1,146,085,353,148 (as at 31 December 2021: VND 776,788,291,181) of assets that have been fully depreciated but are still in use.

As stated in Notes 24 and Note 27, the carrying amount of assets used as collateral for loans as at 31 December 2022 was VND 191,538,564,195 (as at 31 December 2021: VND 341,775,722,390).

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Others	Total
	VND	VND	VND	VND
<b>COST</b>				
Opening balance	1,756,898,120,276	103,474,437,562	1,373,735,751	1,861,746,293,589
Additions	123,052,043,222	11,878,115,994	-	134,930,159,216
Transfer from construction in progress	-	42,727,273	-	42,727,273
Reclassification	(49,993,069,960)	-	-	(49,993,069,960)
Disposals	(125,819,914)	-	-	(125,819,914)
Difference due to financial statements conversion	(10,850,758,421)	-	-	(10,850,758,421)
Others	(11,425,125,209)	68,547,102	-	(11,356,578,107)
<b>Closing balance</b>	<b>1,807,555,389,994</b>	<b>115,463,827,931</b>	<b>1,373,735,751</b>	<b>1,924,392,953,676</b>
<b>ACCUMULATED AMORTISATION</b>				
Opening balance	202,128,465,473	65,847,601,115	1,130,797,242	269,106,863,830
Charge for the year	27,216,321,273	7,040,459,637	27,232,879	34,284,013,789
Reclassification	(7,423,293,700)	-	-	(7,423,293,700)
Disposals	(23,704,980)	-	-	(23,704,980)
Others	(885,870,532)	22,849,033	-	(863,021,499)
<b>Closing balance</b>	<b>221,011,917,534</b>	<b>72,910,909,785</b>	<b>1,158,030,121</b>	<b>295,080,857,440</b>
<b>NET BOOK VALUE</b>				
Opening balance	1,554,769,654,803	37,626,836,447	242,938,509	1,592,639,429,759
<b>Closing balance</b>	<b>1,586,543,472,460</b>	<b>42,552,918,146</b>	<b>215,705,630</b>	<b>1,629,312,096,236</b>

The cost of the Corporation's intangible fixed assets as at 31 December 2022 includes about VND 20,442,371,084 (as at 31 December 2021: VND 17,324,093,385) of assets that have been fully amortised but are still in use.

As stated in Note 24 and Note 27, as at 31 December 2022, the Corporation and subsidiaries' land use rights whose net book value amounted to VND 227,828,730,937 are used to secure bank loans (as at 31 December 2021: VND 105,148,890,701).

As at 31 December 2022, below are the land lots whose land use rights either have not been granted/transferred to Sai Gon PetroVietnam Oil JSC (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 31/12/2022	Note
				VND	
1	Petrol Station 5	Tan Binh 1, Long Phu, Long My, Hau Land use right not yet granted Giang Province		334,915,334	The total area of the lots is 1,154.5m <sup>2</sup> . PVOIL Saigon has filed for land use right certificate for the area of 854.5m <sup>2</sup> , the remaining area of 300m <sup>2</sup> is within the scope of the waterway safety corridor for which no land use rights shall be granted and 30.4m <sup>2</sup> is the land for perennial crops.
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 1,632m <sup>2</sup> , of which only 300m <sup>2</sup> of residential land and 200m <sup>2</sup> of paddy land have not been transferred to PVOIL Saigon. Petro station operates on 1,132m <sup>2</sup> of business land whose use right has been transferred to PVOIL Saigon.
4	Land plot in Can Gio District	Ho Chi Minh City	Sai Gon Petroleum Enterprise	14,950,957,950	Currently, land use rights are under the name of Saigon Petroleum Enterprise (the predecessor unit of PVOIL Saigon). PVOIL Saigon has filed for renewal of such land use right and is waiting for the certificate to be issued.
5	Land plot in Ba Lang District	Can Tho	Ms. Hoang Hai Ha	10,592,491,299	PVOIL Saigon has not completed the procedures to change land use purpose. The total area of the plot is 2,011.8m <sup>2</sup> . Of which, 618.3m <sup>2</sup> including 300m <sup>2</sup> of residential land and 318.3m <sup>2</sup> of business land has been registered under PVOIL Saigon's name in the land use right certificate.
6	Petrol Station 31	Highway 38, Thao Lang Hamlet, 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>	



16. INCREASES, DECREASES IN INVESTMENT PROPERTIES

INVESTMENT PROPERTY HELD TO EARN RENTALS

	Buildings and structures	Others	Total
	VND	VND	VND
<b>COST</b>			
Opening balance	138,543,596,361	771,255,889	139,314,852,250
Closing balance	138,543,596,361	771,255,889	139,314,852,250
<b>ACCUMULATED DEPRECIATION</b>			
Opening balance	30,000,023,748	771,255,889	30,771,279,637
Charge for the year	3,630,022,690	-	3,630,022,690
Closing balance	33,630,046,438	771,255,889	34,401,302,327
<b>NET BOOK VALUE</b>			
Opening balance	108,543,572,613	-	108,543,572,613
Closing balance	104,913,549,923	-	104,913,549,923

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 34,110,232,681 (for the year ended 31 December 2021: VND 27,452,506,572). Directly attributable cost of operating activities arising from investment properties in the year was VND 21,093,446,346 (for the year ended 31 December 2021: VND 14,978,587,035).

The cost of the investment properties as at 31 December 2022 includes properties that have been fully depreciated but are still under leases with an amount of VND 886,142,245 (as at 31 December 2021: VND 886,142,245).

According to Vietnamese Accounting Standard No. 05 - Investment Properties, the fair value of the investment property as at 31 December 2022 should be disclosed. However, the Corporation has not determined this fair value so the investment property' fair value as at 31 December 2022 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 a suitable consulting company to carry out this work.

17. CONSTRUCTION IN PROGRESS

	Closing balance VND	Opening balance VND
Cai Mep Petroleum Terminal in Ba Ria - Vung Tau Province (i)	56,164,171,321	56,164,171,321
Construction of petrol stations	37,471,135,796	29,282,481,081
Hop Thinh - Ky Son Petrol entrepot, Hoa Binh province (ii)	5,683,769,124	5,683,769,124
Other constructions	17,065,273,958	17,856,381,511
	<b>116,384,350,199</b>	<b>108,986,803,037</b>

- (i) Represent the ground leveling value of phase 02 of Cai Mep Petroleum Terminal in Ba Ria - Vung Tau Province. As at 31 December 2022, Petec Trading and Investment Corporation ("PETEC" – a subsidiary of the Corporation) has suspended the implementation of this project since 2012 and is awaiting Vietnam Oil and Gas Group's decision on whether or not to continue to implement this project in the coming time.

- (ii) As at 31 December 2022, PetroVietnam Oil Phu Tho JSC ("PV Oil Phu Tho" - a subsidiary of the Corporation) has ended the continued implementation of this project according to Decision No. 46/QĐ-SKHDT dated 23 April 2021 of Hoa Binh Department of Planning and Investment and 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.

## 18. INVESTMENTS IN ASSOCIATES, JOINT VENTURES

### a. Investments in associates

	Current year	Prior year
	VND	VND
Opening balance	624,998,871,670	668,958,734,421
Profit incurred in the year	5,198,503,895	22,818,354,615
Dividends received in the year	(15,909,695,000)	(6,075,606,000)
Reserves distribution and other adjustments in the year	(5,847,148,572)	(4,492,640,653)
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 (*)	608,440,531,993	624,998,871,670

- (\*) As at 31 December 2022, the Corporation's investment in PetroVietnam Biofuels JSC (an associate of the Corporation) was reported in the consolidated financial statements using the equity method of accounting with the amounts of VND 272,716,534,896 (as at 31 December 2021: VND 272,915,527,557). According to Notice No. 385/TB-VPCP dated 02 October 2018 of the Government Office, the dissolution and bankruptcy plan for PetroVietnam Biofuels JSC 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 JSC. On 10 December 2018, the Corporation sent Official Letter No. 211/DVN-TCKT to the Vietnam Oil and Gas Group 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 Vietnam Oil and Gas Group to the Commission for Management of State Capital at Enterprises under 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, Commission for Management of State Capital at Enterprises or any other competent authorities on the implementation of the bankruptcy plan for PetroVietnam Biofuels JSC.

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

	Closing balance	Opening balance
	VND	VND
Total assets	5,050,680,381,979	5,148,338,862,279
Total liabilities	4,117,462,415,261	3,973,252,402,563
Net assets	933,217,966,718	1,175,086,459,716
The Corporation's share of net assets of associates	608,440,531,993	624,998,871,670



	Current year	Prior year
	VND	VND
Revenue	11,581,477,741,821	7,270,964,815,886
(Loss) after tax	(177,902,394,768)	(73,168,707,412)
<b>The Corporation's share of profit after tax of associates</b>	<b>5,198,503,895</b>	<b>22,818,354,615</b>

**b. Investments in joint ventures**

	Current year	Prior year
	VND	VND
<b>Opening balance</b>	<b>83,440,461,516</b>	<b>38,639,257,647</b>
(Loss)/profit incurred in the year	(2,159,643,752)	48,219,849,007
Dividend received in the year	-	(1,971,202,500)
Fund distribution and other adjustments in the year	(7,286,226)	(1,447,442,638)
<b>Closing balance</b>	<b>81,273,531,538</b>	<b>83,440,461,516</b>

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

	Closing balance	Opening balance
	VND	VND
Total assets	2,397,927,606,474	2,322,976,531,396
Total liabilities	3,318,192,286,187	2,883,019,018,307
Net assets	(920,264,679,713)	(560,042,486,911)
<b>The Corporation's share of net assets of joint ventures</b>	<b>81,273,531,538</b>	<b>83,440,461,516</b>

	Current year	Prior year
	VND	VND
Revenue	3,573,862,981,645	3,709,624,507,738
(Loss)/profit after tax	(210,295,525,761)	172,962,092,487
<b>The Corporation's share of (loss)/profit after tax of joint ventures</b>	<b>(2,159,643,752)</b>	<b>48,219,849,007</b>

**19. EQUITY INVESTMENTS IN OTHER ENTITIES**

	Closing balance	Opening balance
	VND	VND
Ca Mau Trading JSC	47,241,749,605	47,556,518,371
Au Lac JSC	26,482,144,914	26,482,144,914
Lam Kinh Hotel JSC	10,549,395,047	10,549,395,047
Green Indochina Development JSC	7,263,016,037	7,263,016,037
Viet Tin Transportation JSC	7,000,000,000	7,000,000,000
Sai Gon Fuel JSC	4,736,610,000	4,736,610,000
Indochina Petroleum Transportation JSC (i)	-	9,753,141,763
Other long-term investments	5,638,738,529	5,638,738,529
	<b>108,911,654,132</b>	<b>118,979,564,661</b>
Provision for impairment of long-term investments	(35,822,248,898)	(26,088,349,230)
	<b>73,089,405,234</b>	<b>92,891,215,431</b>

- (i) During the year, the Corporation made a public offering of all 1,000,000 shares in Indochina Petroleum Transport JSC according to the Registration Certificate of Offering No. 122/GCN-UBCK issued by the Chairman of the State Securities Commission on 11 May 2022. According to Notice No. 1166/SGDHCM-NY dated 05 July 2022 of the Ho Chi Minh City Stock Exchange (HOSE), the Corporation has successfully offered and transferred all of the above shares.

As at the date of consolidated financial statements, the Corporation's 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 2022 has not been presented in the Notes to the consolidated financial statements.

**20. GOODWILL**

	Amount VND
<b>COST</b>	
Opening balance	226,918,247,290
Reclassification	(3,274,100,000)
Closing balance	223,644,147,290
<b>ACCUMULATED AMORTISATION</b>	
Opening balance	220,809,820,285
Charge for the year	1,450,775,014
Closing balance	222,260,595,299
<b>CARRYING AMOUNT</b>	
Opening balance	6,108,427,005
Closing balance	1,383,551,991

**21. SHORT-TERM TRADE PAYABLES**

	Amount	Closing balance Amount able to be paid off	Amount	Opening balance Amount able to be paid off
	VND	VND	VND	VND
Binh Son Refining and Petrochemical JSC	4,428,096,708,696	4,428,096,708,696	2,365,350,973,092	2,365,350,973,092
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	2,627,601,138,308	2,627,601,138,308	1,806,200,083,832	1,806,200,083,832
Brunei Shell Petroleum Company Sdn Bhd	669,361,981,680	669,361,981,680	495,227,255,954	495,227,255,954
BCC Contract No. 13/2021/PVGAS/TT- PVOIL/D4 (i)	497,537,359,621	497,537,359,621	365,782,587,556	365,782,587,556
Elico Oil Pte Ltd	230,028,905,253	230,028,905,253	64,033,107,747	64,033,107,747
Glencore Singapore Pte Ltd	212,124,525,471	212,124,525,471	-	-
PetroVietnam Transportation Joint Stock Corporation	55,308,480,038	55,308,480,038	47,420,381,577	47,420,381,577
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
Gazprom EP International B.V	-	-	83,374,458,284	83,374,458,284
Others	544,226,314,647	544,226,314,647	638,324,191,110	638,324,191,110
	<b>9,264,285,413,714</b>	<b>9,264,285,413,714</b>	<b>6,399,024,107,514</b>	<b>6,399,024,107,514</b>

*In which: Short-term trade payables to related parties (Details stated in Note 43)*

	7,125,844,415,522	7,125,844,415,522	4,347,989,498,078	4,347,989,498,078
--	-------------------	-------------------	-------------------	-------------------



- (i) Represents the payable for purchase base gasoline RON91 related to Business Cooperation Contract No. 13/2021/PVGAS/TT-PVOIL/D4 dated 21 January 2021 between the Corporation and PetroVietnam Gas Joint Stock Corporation ("PVGAS").

**22. SHORT-TERM ACCRUED EXPENSES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Accruals for purchasing goods, assets	173,599,775,578	8,296,731,600
Accruals for oil products	1,510,511,604	1,687,418,143
Interest expense	5,693,138,040	7,345,113,135
Other accruals	35,389,908,239	31,360,436,959
	<u>216,193,333,461</u>	<u>48,689,699,837</u>
<i>In which: Short-term accrued expenses to related parties (details stated in Note 43)</i>	50,127,079,768	9,253,261,611

**23. OTHER CURRENT PAYABLES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Collection and payment on behalf relating to entrusted crude oil exports	4,396,993,671,925	3,816,547,115,093
Collection and payment on behalf relating to entrusted oil import	-	228,409,628
Collection and payment on behalf relating to crude oil export duty	46,229,366,244	54,774,371,679
Cash received from the transfer of shares in advance (i)	33,139,404,640	-
Payable for proceeds from sale of shares (ii)	6,508,956,732	6,508,956,732
Payables on equitization (iii)	5,078,241,760	5,078,241,760
Other payables	100,046,029,338	34,489,159,984
	<u>4,587,995,670,639</u>	<u>3,917,626,254,876</u>
<i>In which: Other current payables to related parties (details stated in Note 43)</i>	2,153,423,050,232	1,836,876,517,104

- (i) Represents cash receipt in advance from the transfer of shares of Petec Binh Dinh JSC (Indirect associate company of the Corporation).
- (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.
- (iii) 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.

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

24. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		During the year		Closing balance	
	Amount	Amount able to be paid off	Increases	Decreases	Decreased due to financial statements conversion	Amount able to be paid off
	VND	VND	VND	VND	VND	VND
Short-term loans	4,606,439,015,665	4,606,439,015,665	20,832,714,494,690	22,669,610,772,576	89,365,558,857	2,680,177,178,922
Current portion of long-term loans (Note 27)	27,131,998,226	27,131,998,226	64,776,288,211	71,353,997,835	-	20,554,288,602
Current portion of long-term obligations under finance leases (Note 27)	-	-	1,301,506,908	719,234,184	-	582,272,724
	<u>4,633,571,013,891</u>	<u>4,633,571,013,891</u>	<u>20,898,792,289,809</u>	<u>22,741,684,004,595</u>	<u>89,365,558,857</u>	<u>2,701,313,740,248</u>

Short-term loans and obligations under finance leases represent facilities obtained from banks 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 as at 31 December 2022 ranging from 2.6% p.a to 6.9% p.a (as at 31 December 2021: from 2.6% p.a to 3% p.a) as for the US dollar, ranging from 6.1% p.a to 9.5% p.a (as at 31 December 2021: from 1.75% p.a. to 9.5% p.a) as for Vietnam Dong and ranging from 8% p.a to 9.5% p.a as for Laotian Kip (as at 31 December 2021: from 7.2% p.a to 8% p.a).



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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Loans in VND	2,443,327,162,670	4,293,539,371,743
Loans in LAK	141,461,180,657	292,713,309,922
Loans in USD	95,388,835,595	20,186,334,000
	<u><b>2,680,177,178,922</b></u>	<u><b>4,606,439,015,665</b></u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Unsecured loans	2,307,404,273,910	4,248,244,554,436
Secured loans	372,772,905,012	358,194,461,229
	<u><b>2,680,177,178,922</b></u>	<u><b>4,606,439,015,665</b></u>

**25. SHORT-TERM PROVISIONS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Provision for environmental risks and damage compensation	66,120,284,378	44,737,637,099
Other current provisions	-	1,715,816,472
	<u><b>66,120,284,378</b></u>	<u><b>46,453,453,571</b></u>

**26. PRICE STABILISATION FUND**

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	(776,690,178,255)	438,962,299,436
Appropriation to the fund	759,352,582,961	119,681,213,700
Interest incurred	-	149,653,418
Utilization in the year	(493,802,375,690)	(1,335,483,344,809)
Interest on negative balance of Price Stabilisation Fund	(2,258,971,715)	-
Closing balance	<u><b>(513,398,942,699)</b></u>	<u><b>(776,690,178,255)</b></u>

*In which:*

Amount transferred to the bank deposits	-	-
Amount remained outstanding	(513,398,942,699)	(776,690,178,255)

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 4 - 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 in the coming time.

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

FORM B 09-DN/HN

27. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		During 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>						
130,002,625,663	130,002,625,663		87,282,165,040	136,130,286,046	81,154,504,657	81,154,504,657
In which:						
Amount due for settlement within 12 months (see Note 24)	27,131,998,226	27,131,998,226	64,776,288,211	71,353,997,835	20,554,288,602	20,554,288,602
Amount due for settlement after 12 months	102,870,627,437	102,870,627,437	22,505,876,829	64,776,288,211	60,600,216,055	60,600,216,055
<b>b. Long-term obligations under finance leases (ii)</b>						
1,448,688,297	1,448,688,297		3,211,892,362	2,020,741,092	2,639,839,567	2,639,839,567
In which:						
Amount due for settlement within 12 months (see Note 24)	-	-	1,301,506,908	719,234,184	582,272,724	582,272,724
Amount due for settlement after 12 months	1,448,688,297	1,448,688,297	1,910,385,454	1,301,506,908	2,057,566,843	2,057,566,843
<b>Long-term loans and obligation under finance leases</b>						
104,319,315,734	104,319,315,734	104,319,315,734	24,416,262,283	66,077,795,119	62,657,782,898	62,657,782,898
<b>Amount due for settlement within 12 months (see Note 24)</b>						
27,131,998,226	27,131,998,226	27,131,998,226	66,077,795,119	72,073,232,019	21,136,561,326	21,136,561,326
	<b>131,451,313,960</b>	<b>131,451,313,960</b>	<b>90,494,057,402</b>	<b>138,151,027,138</b>	<b>83,794,344,224</b>	<b>83,794,344,224</b>

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

- (i) The long-term loans to finance petroleum storage extension projects implemented by the Corporation and its subsidiaries. The long-term loans bear interest rates ranging from 6.5% p.a to 12% p.a (2021: from 6% p.a to 11% p.a) for loans in Vietnam Dong. These loans are secured by land use rights, assets on land at petrol stations and other fixed assets of the Corporation and its subsidiaries.
- (ii) Long-term financial leasing debts include a loan with term of 36 months of Sai Gon PetroVietnam Oil JSC and a loan with term of 48 months of PETEC Trading and Investment Corporation from Vietcombank Financial Leasing Co., Ltd, interest rates as agreed in the financial lease contract.



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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Unsecured loans	2,902,000,000	7,897,000,000
Secured loans	80,892,344,224	123,554,313,960
	<u>83,794,344,224</u>	<u>131,451,313,960</u>

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	21,136,561,326	27,131,998,226
In the second year	20,921,272,277	34,592,838,649
In the third to fifth year inclusive	31,392,504,055	56,440,734,014
After five years	10,344,006,566	13,285,743,071
	<u>83,794,344,224</u>	<u>131,451,313,960</u>
Less: Amount due for settlement within 12 months (shown under Current portion of long-term loans and obligations under finance leases - Note 24)	21,136,561,326	27,131,998,226
<b>Amount due for settlement after 12 months</b>	<u><b>62,657,782,898</b></u>	<u><b>104,319,315,734</b></u>

## 28. 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 value of deferred tax liabilities	20%	20%
Deferred tax liabilities arising from taxable temporary differences	156,900,774,086	130,346,505,498
<b>Deferred tax liabilities</b>	<u><b>156,900,774,086</b></u>	<u><b>130,346,505,498</b></u>
<b>Transfer into current year's profit and loss</b>	<b>26,554,268,588</b>	<b>(9,859,793,510)</b>

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

FORM B 09-DN/HN

29. OWNERS' EQUITY

Movement in owners' equity:

	Owners' contributed capital		Assets 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	VND	VND	VND	VND	VND	VND	VND	VND	VND	VND
<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 for the year	-	-	-	-	-	772,863,367,054	-	-	-	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Profit attributable to non-controlling shareholders	-	-	-	-	-	(168,042,382,874)	-	-	-	-	-	-	-	-	-	-	-	-	21,396,832,623	
Adjustment for non-controlling interests	-	-	(2,432,646,270)	-	-	28,851,455,264	-	-	-	-	-	-	-	-	-	-	-	-	36,155,240,938	
Difference due to financial statements conversion	-	-	-	-	-	(41,508,051,369)	-	-	-	-	-	-	-	-	-	-	-	-	(51,244,485,313)	
Increase the capital of the subsidiaries by dividends	-	-	-	-	-	-	-	-	-	-	(2,765,183,252)	-	-	-	-	-	-	-	-	
Dividends distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	-	3,035,904,464	(39,882,945)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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>For the year ended 31 December 2022</i>																				
Opening 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										
Profit for the year	-	-	-	-	-	723,197,826,925	-	-	-	723,197,826,925	-	-	-	-	-	-	-	-	723,197,826,925	
Funds distribution is not under of owner's equity	-	-	-	-	-	(154,516,574,057)	-	-	-	(11,335,181,638)	-	-	-	-	-	-	-	-	(165,851,755,695)	
Funds distribution is under of owner's equity	-	-	16,521,807,227	-	-	(16,521,807,227)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Reclassification between non-controlling shareholders and Holding company	-	-	-	-	-	74,911,754,923	-	-	-	(74,911,754,923)	-	-	-	-	-	-	-	-	-	
Reclassification between funds	-	-	5,326,859,943	-	13,429,502,443	(13,429,502,443)	(5,326,859,943)	-	-	-	-	-	-	-	-	-	-	-	-	
Profit attributable to non-controlling shareholders	-	-	-	-	-	(72,003,551,030)	-	-	-	72,003,551,030	-	-	-	-	-	-	-	-	-	
Adjustment for non-controlling interests	-	-	(5,692,527,227)	-	-	17,027,708,865	-	-	-	-	-	-	-	-	-	-	-	-	7,211,099,889	
Difference due to financial statements conversion	-	-	-	-	-	(43,473,841,571)	-	-	-	-	-	-	-	-	-	-	-	-	(39,349,759,822)	
Adjustment due to changes in the proportion of ownership in subsidiaries	-	-	-	-	-	-	-	-	-	-	17,316,822,175	-	-	-	-	-	-	-	-	
Increase the capital of the subsidiaries by dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Others	-	-	1,052,956,042	688,011,191	-	2,374,803,021	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing balance	10,342,295,000,000	(163,981,446,150)	228,667,036,228	20,494,008,664	(55,282,039,140)	(185,534,886,956)	5,326,859,943	23,612,446,327	1,116,938,262,058	11,327,208,381,031										



- (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 and has been 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.
- (ii) According to Resolution No. 12/NQ-DHDCD dated 28 April 2022, the General Meeting of Shareholders of the Corporation has approved the cash dividend payment plan at the rate of VND 350 per share from profit after tax in 2021. Implementing the above Resolution No. 12/NQ-DHDCD, the Board of Directors of the Corporation issued the Resolution No. 58/NQ-DVN dated 05 July 2022 on approving the dividend payment plan in 2021 in cash with the rate of VND 350 per share, accordingly to which the dividend payment date is 10 August 2022. During the year, the Corporation has paid dividends according to these resolutions.

According to the above Resolution No. 12 and the Resolutions of the General Meeting of Shareholders/Resolutions of the Members' Council of the subsidiaries, the Corporation and its subsidiaries have appropriated the Investment and development fund and the Bonus and welfare fund from the profit after tax of 2021 with the amount of VND 166,302,784,319. At the same time, based on the level of completion of the planned profit target in 2022, the Corporation and its subsidiaries have temporarily appropriated the Investment and development fund and the Bonus and welfare fund from the profit after tax in 2022 according to current regulations with the amount of VND 118,970,577,170, the finalized amount will be submitted to the General Meeting of Shareholders for approval.

#### Shares

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

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

#### Charter capital

According to the 19<sup>th</sup> Business Registration Certificate dated 13 December 2022, the charter capital of the Corporation after transformation into a joint stock company is VND 10,342,295,000,000. As at 31 December 2022, the charter capital was fully contributed by shareholders as follows:

	Quantity VND	Proportion %	Paid-in capital VND
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
	<b>1,034,229,500</b>	<b>100,00%</b>	<b>10,342,295,000,000</b>

30. NON-CONTROLLING INTERESTS

	Closing balance VND	Opening balance VND
Owners' contributed capital	1,062,856,004,465	1,077,895,869,664
Share premium	22,444,504,530	22,444,504,530
Foreign exchange differences	(4,607,193,602)	(8,731,275,350)
Investment and development fund	132,936,335,644	127,697,912,715
Accumulated (losses)	(96,691,388,979)	(47,099,382,003)
Construction investment fund	-	2,087,713,376
	<b>1,116,938,262,058</b>	<b>1,174,295,342,932</b>

31. OFF BALANCE SHEET ITEMS

Operating lease assets

At the consolidated balance sheet date, the Corporation, as a lessee, entered into an irrevocable operating lease with the total amount of office rental paid to Vietnam Oil and Gas Group for the total leased area of 3,459.11m<sup>2</sup> at No. 1-5 Le Duan, District 1, Ho Chi Minh City with rental price of VND 70,622,316/m<sup>2</sup>/50 years. The office lease contract was signed for periods of 50 years from 10 January 2010 for area of 2,952.67m<sup>2</sup> and 48 years from 24 July 2012 for area of 506.44m<sup>2</sup>. The entire office rentals excluding VAT that have been paid was VND 244,290,357,799.

	Unit	Closing balance	Opening balance
<b>1. Goods held under trust or for processing</b>			
- Petroleum M95	Litter	36,117,785	38,525,490
- Petroleum M92	Litter	28,712,031	20,790,629
- Petroleum E5	Litter	3,743,861	2,656,503
- Petroleum DO 0.05%	Litter	63,922,497	71,366,947
- Petroleum FO	Kg	9,432,718	365,520
- Jet A1	Kg	10,312,105	8,907,489
- Petroleum E100	Litter	320,053	135,025
- Naptha	Litter	6,527,331	-
- Condensate	Litter	5,299,429	-
- DO bottom	Litter	554,302	-
- Solvent	Litter	118,352	112,550
<b>2. Foreign currencies</b>			
- US Dollars (USD)	USD	22,588,818	34,903,215
- Euro (EUR)	EUR	320	331
- Singapore Dollars (SGD)	SGD	536,780	173,774
- Lao KIP (LAK)	KIP	16,989,485,187	26,089,044,869
- Thai Bath (THB)	THB	32,693,611	1,007,307

32. 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.

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Domestic	80,591,035,055,606	38,729,539,017,310
International	23,622,761,576,115	19,106,438,841,052
	<b>104,213,796,631,721</b>	<b>57,835,977,858,362</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.

	<u>Net book value of segment assets</u>		<u>Increase in fixed assets</u>	
	<u>Closing balance</u>	<u>Opening balance</u>	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>	<u>VND</u>
Domestic	3,606,492,213,429	3,676,187,701,932	308,000,989,569	390,391,518,379
International	40,683,933,426	69,493,721,810	288,348,770	1,947,411,922
	<b>3,647,176,146,855</b>	<b>3,745,681,423,742</b>	<b>308,289,338,339</b>	<b>392,338,930,301</b>

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

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
<b>Sales of goods sold and service rendered</b>	<b>104,220,729,403,371</b>	<b>57,848,309,273,527</b>
- Sales of goods sold	103,698,410,043,928	57,440,228,905,098
- Sales of services rendered and other activities	414,665,615,355	298,792,011,497
- Sales of entrusted crude oil exports	107,653,744,088	109,288,356,932
<b>Deductions</b>	<b>(6,932,771,650)</b>	<b>(12,331,415,165)</b>
- Sales discount	(6,932,771,650)	(12,331,415,165)
<b>Net sales of goods sold and service rendered</b>	<b>104,213,796,631,721</b>	<b>57,835,977,858,362</b>
<i>In which: Revenue from related parties</i>	<i>15,540,557,767,486</i>	<i>4,614,389,092,944</i>
<i>(Details stated in Note 43)</i>		

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

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Cost of goods sold	99,835,650,334,116	54,484,679,623,418
Cost of services rendered	311,206,955,622	172,997,962,149
	<b>100,146,857,289,738</b>	<b>54,657,677,585,567</b>

35. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	10,364,554,197,098	4,231,751,456,434
Labour	1,222,395,970,409	1,065,817,831,915
Depreciation and amortisation of fixed assets and investment properties and goodwill allocation	336,185,567,199	346,471,338,897
Out-sourced services	1,044,224,901,454	816,937,114,147
Other monetary expenses	836,510,869,321	465,698,439,349
	<b>13,803,871,505,481</b>	<b>6,926,676,180,742</b>

36. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	417,778,258,963	381,782,147,908
Foreign exchange gain	134,363,223,241	18,734,026,038
Dividends received	5,080,150,600	4,035,215,678
Interest on credit sales	2,193,520	2,088,863,065
Gain on disposal of financial investments	3,517,858,237	2,405,480,000
Other financial income	6,390,960,574	3,687,858,884
	<b>567,132,645,135</b>	<b>412,733,591,573</b>

37. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	179,692,092,511	144,565,099,296
Foreign exchange loss	132,102,526,944	40,170,177,631
Provision for impairment of financial investments	9,733,982,018	988,128,960
Losses due to reduction in the proportion of ownership in subsidiaries and sales of trading securities	-	9,415,955,804
Other financial expenses	8,552,912,630	5,915,592,475
	<b>330,081,514,103</b>	<b>201,054,954,166</b>



38. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
<b>Selling expenses</b>	<b>2,370,193,962,567</b>	<b>1,833,758,314,419</b>
Labour	802,901,506,813	683,649,770,118
Office appliances, furniture and materials	193,168,533,399	76,626,992,876
Transportation	200,574,891,131	137,176,022,624
Out-sourced services	537,995,005,950	433,712,537,354
Depreciation and amortisation	236,518,316,074	246,373,119,216
Provisions	21,342,647,279	17,395,091,219
Others	377,693,061,921	238,824,781,012
<b>General and administration expenses</b>	<b>1,041,591,430,338</b>	<b>728,224,901,968</b>
Labour	392,375,602,719	343,132,441,582
Office appliances, furniture and materials	34,691,190,937	21,622,698,623
Depreciation and amortization	33,182,571,171	38,941,579,854
Provisions/(Reversal)	23,669,301,711	(44,894,213,923)
Out-sourced services	151,176,778,311	94,939,156,170
Others	406,495,985,489	274,483,239,662
	<b>3,411,785,392,905</b>	<b>2,561,983,216,387</b>

39. PROFIT FROM OTHER ACTIVITIES

	Current year VND	Prior year VND
<b>Other income</b>	<b>52,494,988,208</b>	<b>49,849,048,626</b>
Indemnification received	13,550,877,396	1,788,108,912
Income from excess inventory	11,597,952,840	5,498,458,629
Proceeds from disposals of fixed assets	5,338,499,246	9,692,897,642
Income from personnel transfer	5,126,578,695	10,308,960,378
Storage fees	-	6,230,726,288
Other income	16,881,080,031	16,329,896,777
<b>Other expenses</b>	<b>35,523,003,026</b>	<b>21,037,786,992</b>
Project cancellation/withdrawal fees	11,926,593,168	11,958,238,459
Penalties	8,652,591,071	643,087,989
Storage fees	3,443,471,527	-
Other expenses	11,500,347,260	8,436,460,544
<b>Profit from other activities</b>	<b>16,971,985,182</b>	<b>28,811,261,634</b>

40. 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	162,463,829,922	164,841,585,527
<b>Total current corporate income tax expense</b>	<b>162,463,829,922</b>	<b>164,841,585,527</b>

The corporate income tax expense reported for the year ended 31 December 2022 is estimated. The final amount of corporate income tax to be paid will depend on the results of settlement with the tax authorities.

**41. BASIC EARNINGS PER SHARE**

	Current year	Prior year (Restated)
Accounting profit after corporate income tax of Parent Company (VND)	651,194,275,895	604,820,984,180
- Allocate to funds which is not under of owner's equity from the profits (VND) (*)	(141,608,608,637)	(111,244,539,669)
<b>Profit for the purposes of calculating basic earnings per share (VND)</b>	<b>509,585,667,258</b>	<b>493,576,444,511</b>
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
<b>Basic earnings per share (VND)</b>	<b>493</b>	<b>477</b>

(\*) For the purpose of presenting basic earnings per share for the year ended 31 December 2022, the figures relating to the allocation of funds which is not under of owner's equity from the profits for the year ended 31 December 2022 is estimated based on the Corporation's 2022 business plan and profit distribution approved by the Vietnam Oil and Gas Group in accordance with Resolution No. 7292/NQ-DKVN dated 15 December 2021 and the Resolutions of the General Meeting of Shareholders/Resolutions of the Members' Council of the subsidiaries.

The Corporation has recalculated basic earnings per share of the prior year to reflect the actual deductions of funds which is not under of owner's equity from the 2021 retained earning according to Resolution No. 12/NQ-DHDCD dated 28 April 2022 of the General Meeting of Shareholders of the Corporation and the Resolutions of the General Meeting of Shareholders/Resolutions of the Members' Council of the subsidiaries, details as follows:

	Prior year VND	Prior year (Restated) VND
Accounting profit after corporate income tax of Parent Company (VND)	604,820,984,180	604,820,984,180
- Allocate to funds which is not under of owner's equity from the profits (VND)	(80,286,492,000)	(111,244,539,669)
<b>Profit for the purposes of calculating basic earnings per share (VND)</b>	<b>524,534,492,180</b>	<b>493,576,444,511</b>
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
<b>Basic earnings per share (VND)</b>	<b>507</b>	<b>477</b>

**42. CAPITAL COMMITMENTS**

According to Resolution No. 12/NQ-DHDCD ("Resolution No. 12") dated 28 April 2022, the General Meeting of Shareholders of the Corporation approved the 2022 production and business plan, in which, the investment value of capital construction investment, property purchases in 2022 with the amount of VND 540 billion. During the year ended 31 December 2022, the Corporation has disbursed capital construction investment and purchased assets with a total value of about VND 400 billion and are carrying out the necessary work to complete the investment in capital construction and purchase of assets in accordance with the above Resolution No. 12.



**43. 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>15,540,557,767,486</b>	<b>4,614,389,092,944</b>
Binh Son Refining & Petrochemical JSC	7,934,166,265,804	1,157,067,600,960
Ninh Binh Petroleum JSC	4,851,797,885,166	2,060,346,629,707
Materials - Petroleum JSC	2,115,358,936,361	925,089,681,820
Pacific Petroleum Transportation JSC	176,796,831,483	177,872,307,277
PetroVietnam Exploration Production Corporation	148,495,117,625	90,926,138,050
Song Hau 1 Power Project Management Board	108,589,153,679	-
VietsovPetro Joint Venture	80,284,235,136	57,850,717,742
PTSC Quang Ngai JSC	46,265,549,497	30,821,759,088
PetroVietnam Technical Services Corporation	24,746,478,399	11,656,990,067
Vietnam Gas Corporation - JSC	6,991,338,944	3,898,761,797
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	6,750,000,000	20,617,287,150
Petroleum Equipment Assembly and Metal Structure JSC	6,323,295,447	3,097,509,820
PetroVietnam International Gas Shipping JSC	5,294,425,545	2,056,363,636
PTSC Geos and Subsea Services Co., Ltd	5,124,575,079	8,106,880,094
PTSC Mechanical and Construction Limited Company	4,359,156,908	320,200,000
Petro Vietnam Building and Commercial JSC	3,115,232,656	1,670,781,935
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	3,068,297,182	3,067,133,185
PetroVietnam Power Corporation	-	49,039,443,205
Others	13,030,992,575	10,882,907,411
<b>Purchase goods and use services</b>	<b>63,866,933,056,104</b>	<b>34,155,310,160,396</b>
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	30,905,023,052,679	14,682,286,709,476
Binh Son Refining & Petrochemical JSC	29,234,897,234,227	16,069,038,029,231
PetroVietnam Exploration Production Corporation	2,612,598,378,813	2,833,742,244,899
PetroVietnam Transportation Joint Stock Corporation	612,115,321,354	432,972,029,564
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	288,201,758,739	-
Vietnam Oil and Gas Group	68,923,064,132	5,228,747,513
PVI Insurance Corporation	51,194,766,783	30,398,476,862
Vietnam Gas Corporation - JSC	33,155,117,777	14,849,260,894
Vietnam Energy Inspection JSC	19,768,586,276	15,631,234,322
PTSC Quang Ngai JSC	10,112,961,696	1,581,006,820
Petroleum Offshore Trading and Services JSC	9,159,325,654	9,105,457,782
VietsovPetro Joint Venture	7,555,817,374	6,189,884,094
PetroVietnam Gas Vung Tau Processing Company	3,013,076,833	1,384,284,853
PVD Offshore Services Limited Company	2,049,981,060	2,377,629,928
Ninh Binh Petroleum JSC	1,438,009	44,823,141,637
Others	9,163,174,698	5,702,022,521

*Salary, allowance and remuneration of the Board of Directors including the Chief Executive Officer; salary of the Board of Supervisors, Vice Chief 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
<b>Salary, allowance and remuneration of the Board of Directors (including Chief Executive Officer)</b>	<b>7,599,906,421</b>	<b>7,519,426,389</b>
Mr. Cao Hoai Duong	1,417,358,885	1,417,244,812
Mr. Doan Van Nhuom	1,417,358,885	1,417,244,812
Mr. Le Van Nghia	1,132,145,346	1,132,054,228
Mr. Nguyen Mau Dung	1,188,752,613	1,108,774,081
Mr. Hang Anh Minh	1,132,145,346	1,132,054,228
Mr. Le Ngoc Quang	1,132,145,346	1,132,054,228
Mr. Tran Hoai Nam	180,000,000	180,000,000
<b>Salary of the Board of Supervisors</b>	<b>3,143,880,538</b>	<b>3,143,627,510</b>
Mr. Nguyen Duc Ken	1,132,145,346	1,132,054,228
Ms. Tran Thi Phuong	1,005,867,596	1,005,786,641
Mr. Pham Thanh Son	1,005,867,596	1,005,786,641
<b>Salary of the Vice Chief Executive Officers and Chief Accountant</b>	<b>6,932,213,041</b>	<b>7,327,874,100</b>

*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>538,886,994,347</b>	<b>438,525,634,364</b>
Ninh Binh Petroleum JSC	278,849,547,063	300,322,010,800
Song Hau 1 Power Project Management Board	72,338,010,316	-
Materials - Petroleum JSC	30,553,040,000	7,772,460,000
Pacific Petroleum Transportation JSC	29,381,135,000	13,004,944,000
PetroVietnam Exploration Production Corporation	26,916,080,480	10,155,652,621
Binh Son Refining & Petrochemical JSC	23,825,807,585	26,633,159,847
VietsovPetro Joint Venture	17,832,514,001	15,245,629,544
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	15,886,940,146	9,785,831,739
PetroVietnam Power Corporation	11,966,516,086	25,497,452,652
PTSC Thanh Hoa Technical Services Company	7,045,330,439	2,847,776,720
PetroVietnam International Gas Shipping JSC	4,439,568,400	5,636,562,660
PetroVietnam Technical Services Corporation	3,931,142,623	1,194,271,997
PTSC Quang Ngai JSC	2,603,970,025	3,111,867,305
Orient Bio-fuels Co., Ltd	2,543,770,086	2,553,770,086
Petroleum Equipment Assembly and Metal Structure JSC	2,437,766,930	796,504,130
PTSC Geos and Subsea Services Co., Ltd	2,072,896,390	119,961,798
Dung Quat Oil Refinery Project Management Board	1,362,230,984	1,362,230,984
Dinh Vu Petroleum Service Port JSC	914,117,180	1,203,192,950
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	-	7,762,133,610
Others	3,986,610,613	3,520,220,921



	Closing balance VND	Opening balance VND
<b>Other short-term receivables</b>	<b>3,302,535,799,338</b>	<b>3,537,162,337,312</b>
Binh Son Refining & Petrochemical JSC	3,092,519,548,663	3,310,104,646,789
Vietnam Oil and Gas Group	172,131,795,269	172,287,240,951
Petroleum Trading JSC	23,134,972,605	22,978,080,279
VietsovPetro Joint Venture	8,545,468,176	17,927,132,472
PetroVietnam Exploration Production Corporation	7,121,381	10,239,032,046
Others	6,196,893,244	3,626,204,775
<b>Short-term trade payables</b>	<b>7,125,844,415,522</b>	<b>4,347,989,498,078</b>
Binh Son Refining & Petrochemical JSC	4,428,096,708,696	2,365,350,973,092
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	2,627,601,138,308	1,806,200,083,832
PetroVietnam Transportation Joint Stock Corporation	55,308,480,038	47,420,381,577
Ninh Binh Petroleum JSC	4,801,068,120	4,800,000,000
Vietnam Energy Inspection JSC	3,469,834,229	2,879,786,850
Vietnam Gas Corporation - JSC	3,362,687,487	4,127,817,392
Dung Quat Oil Refinery Project Management Board	1,954,237,323	1,954,237,323
PTSC Quang Ngai JSC	660,837,537	1,739,107,502
PetroVietnam Exploration Production Corporation	-	111,922,794,103
Others	589,423,784	1,594,316,407
<b>Other current payables</b>	<b>2,153,423,050,232</b>	<b>1,836,876,517,104</b>
VietsovPetro Joint Venture	1,819,686,460,776	1,640,353,495,391
PetroVietnam Exploration Production Corporation	327,015,456,822	195,594,690,666
Binh Son Refining & Petrochemical JSC	5,742,593,422	-
Vietnam Oil and Gas Group	724,387,802	724,387,802
Ninh Binh Petroleum JSC	155,100,000	-
Materials - Petroleum JSC	99,051,410	203,943,245
<b>Loan</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>50,127,079,768</b>	<b>9,253,261,611</b>
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	48,694,214,435	-
PVI Insurance Corporation	931,602,514	-
Vietnam Oil and Gas Group	246,340,000	2,616,728,119
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	-	4,431,885,502
PetroVietnam Transportation Joint Stock Corporation	-	1,916,419,330
Others	254,922,819	288,228,660

  
Phung To Van  
Preparer

  
Nguyen Ngoc Ninh  
Chief Accountant



  
Doan Van Nhuom  
Chief Executive Officer

7 March 2023