

**PETROVIETNAM OIL CORPORATION –
JOINT STOCK COMPANY**

(Incorporated in the Socialist Republic of Vietnam)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
CONSOLIDATED BALANCE SHEET	5 - 7
CONSOLIDATED INCOME STATEMENT	8
CONSOLIDATED CASH FLOW STATEMENT	9 - 10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	11 - 51

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietnam Oil Corporation (the "Parent Company") and its subsidiaries (the Parent Company and the subsidiaries are referred to as the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2023.

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. Tran Hoai Nam	Member
Mr. Nguyen Dang Trinh	Member (appointed on 27 April 2023)
Mr. Nguyen Xuan Quyen	Member (appointed on 27 April 2023)
Mr. Hang Anh Minh	Member (resigned on 27 April 2023)
Mr. Le Ngoc Quang	Member (resigned on 27 April 2023)

Board of Management

Mr. Doan Van Nhuom	Chief Executive Officer
Mr. Vo Khanh Hung	Vice Chief Executive Officer
Mr. Nguyen Tuan Tu	Vice Chief Executive Officer
Mr. Nguyen Dang Trinh	Vice Chief Executive Officer
Ms. Le Thi Thu Huong	Vice Chief Executive Officer (appointed on 15 August 2023)
Mr. Hoang Dinh Tung	Vice Chief Executive Officer (appointed on 15 August 2023)
Mr. Vu Hoai Lam	Vice Chief Executive Officer (resigned on 8 August 2023)
Mr. Nguyen Anh Toan	Vice Chief Executive Officer (resigned on 1 July 2023)

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 2023, 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. 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.

STATEMENT OF THE BOARD OF MANGEMENT (Continued)

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

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

1 March 2024

No.: 0354/VN1A-HN-BC

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of PetroVietnam Oil Corporation (the "Parent Company") and its subsidiaries (the Parent Company and the subsidiaries are referred to as the "Corporation") prepared on 1 March 2024 as set out from page 5 to page 51 which comprise the consolidated balance sheet as at 31 December 2023, 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 presented in Note 18 of the Notes to the consolidated financial statements, as at 31 December 2023, the Corporation's investment in PetroVietnam Biofuels Joint Stock Company ("PVB"), an associate of the Corporation, under equity method in the consolidated financial statements was VND 271,593,756,068 (as at 31 December 2022: VND 272,716,534,896) based on PVB's unaudited financial statements for the financial year ended 31 December 2022, which was prepared on a going concern basis. At the date of this report, the Corporation has been still waiting for approvals from competent authorities to implement a bankruptcy plan for PVB. Based on the current available information, we were unable to obtain sufficient appropriate audit evidence in relation to the Corporation's investment in PVB being accounted for the equity method in the Corporation's consolidated financial statements for the financial year ended 31 December 2023. 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 2023, 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.

Emphasis of Matters

As presented in Note 01, Note 02 and Note 08 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 Petec Trading and Investment Corporation ("PETEC" – the Corporation's subsidiary) and the Corporation as the Holding company due to the fact that the competent authorities have not approved the final accounts of PETEC and the Corporation at the time of their equitization and official transformation into a joint stock company.

Our opinion is not qualified in respect of these matters.



Võ Thái Hòa

Deputy General Director

Audit Practising Registration Certificate

No. 0138-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

1 March 2024

Ho Chi Minh City, S.R Vietnam

Ton That Tien

Auditor

Audit Practising Registration Certificate

No. 4326-2023-001-1



CONSOLIDATED BALANCE SHEET

As at 31 December 2023

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		32,976,531,658,391	23,233,060,749,388
I. Cash and cash equivalents	110	5	5,377,029,776,926	4,081,852,242,021
1. Cash	111		4,278,603,473,270	2,638,123,341,287
2. Cash equivalents	112		1,098,426,303,656	1,443,728,900,734
II. Short-term financial investments	120		9,892,564,301,584	7,666,467,404,942
1. Trading securities	121		168,047	168,047
2. Provision for impairment of trading securities	122		(121,967)	(118,547)
3. Held-to-maturity investments	123	6	9,892,564,255,504	7,666,467,355,442
III. Short-term receivables	130		13,109,781,737,877	8,090,943,360,395
1. Short-term trade receivables	131	7	9,223,889,798,131	4,575,901,110,322
2. Short-term advances to suppliers	132		156,256,022,626	132,872,929,853
3. Other short-term receivables	136	8	4,551,330,075,728	4,201,127,497,883
4. Provision for short-term doubtful debts	137	9	(828,053,403,809)	(823,109,117,237)
5. Deficits in assets awaiting solution	139		6,359,245,201	4,150,939,574
IV. Inventories	140	10	4,171,177,245,517	2,941,456,384,799
1. Inventories	141		4,189,636,962,749	2,961,539,417,245
2. Provision for devaluation of inventories	149		(18,459,717,232)	(20,083,032,446)
V. Other short-term assets	150		425,978,596,487	452,341,357,231
1. Short-term prepayments	151	11	41,568,261,946	39,947,250,445
2. Value added tax deductibles	152	12	155,822,147,611	207,489,507,333
3. Taxes and other receivables from the State budget	153	13	228,588,186,930	204,904,599,453

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2023

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
B. NON-CURRENT ASSETS	200		5,862,640,909,323	5,577,117,315,740
I. Long-term receivables	210		37,094,740,084	22,609,346,501
1. Long-term trade receivables	211	7	20,449,094,473	19,718,254,473
2. Long-term advances to suppliers	212		89,100,000	-
3. Other long-term receivables	216	8	36,705,252,084	22,820,546,501
4. Provision for long-term doubtful debts	219	9	(20,148,706,473)	(19,929,454,473)
II. Fixed assets	220		3,432,809,427,312	3,651,453,863,973
1. Tangible fixed assets	221	14	1,970,445,660,393	2,017,864,050,619
- Cost	222		6,740,111,646,579	6,553,665,985,072
- Accumulated depreciation	223		(4,769,665,986,186)	(4,535,801,934,453)
2. Finance lease assets	224		7,106,939,951	4,277,717,118
- Cost	225		8,530,631,135	4,857,749,317
- Accumulated depreciation	226		(1,423,691,184)	(580,032,199)
3. Intangible assets	227	15	1,455,256,826,968	1,629,312,096,236
- Cost	228		1,783,460,878,632	1,924,392,953,676
- Accumulated amortisation	229		(328,204,051,664)	(295,080,857,440)
III. Investment property	230	16	101,487,699,255	104,913,549,923
- Cost	231		139,193,437,163	139,314,852,250
- Accumulated depreciation	232		(37,705,737,908)	(34,401,302,327)
IV. Long-term assets in progress	240		186,957,586,512	116,970,343,744
1. Long-term work in progress	241		-	585,993,545
2. Construction in progress	242	17	186,957,586,512	116,384,350,199
V. Long-term financial investments	250		709,602,391,419	762,803,468,765
1. Investments in joint-ventures, associates	252	18	642,590,776,373	689,714,063,531
2. Equity investments in other entities	253	19	108,911,654,132	108,911,654,132
3. Provision for impairment of long-term financial investments	254	19	(41,900,039,086)	(35,822,248,898)
VI. Other long-term assets	260		1,394,689,064,741	918,366,742,834
1. Long-term prepayments	261	11	1,394,007,466,235	916,961,827,207
2. Long-term reserved spare parts	263		21,363,636	21,363,636
3. Goodwill	269	20	660,234,870	1,383,551,991
TOTAL ASSETS (270=100+200)	270		38,839,172,567,714	28,810,178,065,128

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2023

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		27,446,112,930,499	17,482,969,684,097
I. Current liabilities	310		27,144,353,193,886	17,214,876,762,847
1. Short-term trade payables	311	21	13,630,705,436,026	9,264,285,413,714
2. Short-term advances from customers	312		51,257,265,531	71,644,441,481
3. Taxes and amounts payable to the State budget	313	13	747,765,561,352	355,827,312,509
4. Payables to employees	314		319,832,549,640	266,831,603,549
5. Short-term accrued expenses	315	22	196,260,844,651	216,193,333,461
6. Short-term unearned revenue	318		10,941,235,534	9,871,308,187
7. Other current payables	319	23	5,153,463,733,043	4,587,995,670,639
8. Short-term borrowings and obligations under finance leases	320	24	6,966,663,180,400	2,701,313,740,248
9. Short-term provisions	321		-	66,120,284,378
10. Bonus and welfare funds	322		211,791,788,198	188,192,597,380
11. Price stabilization fund	323	25	(144,328,400,489)	(513,398,942,699)
II. Long-term liabilities	330		301,759,736,613	268,092,921,250
1. Long-term unearned revenue	336		17,018,030,278	20,021,212,102
2. Other long-term payables	337		25,256,656,416	25,583,007,894
3. Long-term borrowings and obligations under finance leases	338	24	87,810,540,210	62,657,782,898
4. Deferred tax liabilities	341		170,277,647,967	156,900,774,086
5. Scientific and technological development fund	343		1,396,861,742	2,930,144,270
D. EQUITY	400		11,393,059,637,215	11,327,208,381,031
I. Owner's equity	410	26	11,393,059,637,215	11,327,208,381,031
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	23,612,446,327
3. Assets revaluation reserve	416		(163,981,446,150)	(163,981,446,150)
4. Foreign exchange reserve	417		(90,503,579,945)	(55,282,039,140)
5. Investment and development fund	418		237,911,815,985	228,667,036,228
6. Other reserves	420		20,536,409,008	20,494,008,664
7. Accumulated (losses)	421		(6,190,291,640)	(185,534,886,956)
- (Losses) accumulated to the prior year end	421a		(463,375,937,854)	(717,906,233,428)
- Retained earnings of the current year	421b		457,185,646,214	532,371,346,472
8. Non-controlling interests	429	27	1,029,379,283,630	1,116,938,262,058
TOTAL RESOURCES (440=300+400)	440		38,839,172,567,714	28,810,178,065,128

Phung To Van
Preparer

Nguyen Ngoc Ninh
Chief Accountant

Doan Van Nhuom
Chief Executive Officer

01 March 2024

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	30	102,672,062,635,968	104,220,729,403,371
2. Deductions	02	30	9,163,466,544	6,932,771,650
3. Net revenue from goods sold and services rendered (10=01-02)	10	30	102,662,899,169,424	104,213,796,631,721
4. Cost of goods sold and services rendered	11	31	98,809,408,624,268	100,146,857,289,738
5. Gross profit from goods sold and services rendered (20=10-11)	20		3,853,490,545,156	4,066,939,341,983
6. Financial income	21	33	864,619,513,234	567,132,645,135
7. Financial expenses	22	34	403,179,889,468	330,081,514,103
- In which: Interest expense	23		261,163,524,272	179,692,092,511
8. Share of net profit from joint-ventures, associates	24	18	10,470,110,673	3,038,860,143
9. Selling expenses	25	35	2,482,580,855,823	2,370,193,962,567
10. General and administration expenses	26	35	1,144,547,307,630	1,041,591,430,338
11. Operating profit (30=20+(21-22)+24-(25+26))	30		698,272,116,142	895,243,940,253
12. Other income	31	36	111,645,213,227	52,494,988,208
13. Other expenses	32	36	12,048,110,761	35,523,003,026
14. Profit from other activities (40=31-32)	40	36	99,597,102,466	16,971,985,182
15. Accounting profit before tax (50=30+40)	50		797,869,218,608	912,215,925,435
16. Current corporate income tax expense	51	37	176,873,163,608	162,463,829,922
17. Deferred corporate tax (income)/expense	52		(351,242,539)	26,554,268,588
18. Net profit after corporate income tax (60=50-51-52)	60		621,347,297,539	723,197,826,925
In which:				
18.1. Profit after tax attributable to Holding Company	61		562,630,233,292	651,194,275,895
18.2. Profit after tax attributable to non-controlling shareholders	62		58,717,064,247	72,003,551,030
19. Basic earnings per share	70	38		503



Phung To Van
Preparer



Nguyen Ngoc Ninh
Chief Accountant



Doan Van Nhuom
Chief Executive Officer

01 March 2024

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

CONSOLIDATED CASH FLOW STATEMENT*For the year ended 31 December 2023**(Under indirect method)*

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	797,869,218,608	912,215,925,435
2. <i>Adjustments for:</i>			
Depreciation and amortisation of fixed assets and investment properties	02	303,622,705,334	336,185,567,199
Provisions	03	(56,502,267,412)	64,837,152,250
Foreign exchange losses arising from translating foreign currency items	04	45,420,732,635	5,643,614,546
(Gain) from investing activities	05	(718,218,114,434)	(434,753,627,189)
Interest expense	06	261,163,524,272	179,692,092,511
Other adjustments (i)	07	369,070,542,210	263,291,235,556
3. <i>Operating profit before movements in working capital</i>	08	1,002,426,341,213	1,327,111,960,308
Increases in receivables	09	(4,905,723,196,502)	(471,597,849,237)
Increases in inventories	10	(1,228,097,545,504)	(382,174,779,252)
Increases in payables (excluding accrued borrowing interest and corporate income tax payable)	11	5,506,909,012,148	3,212,572,583,259
Increases in prepaid expenses	12	(478,666,650,529)	(74,557,876,365)
Decreases in trading securities	13	-	33,246,516
Interest paid	14	(263,319,142,887)	(181,349,487,318)
Corporate income tax paid	15	(150,374,220,480)	(189,854,635,137)
Other cash outflows	17	(120,655,042,255)	(63,966,241,562)
<i>Net cash (used in)/generated by operating activities</i>	20	(637,500,444,796)	3,176,216,921,212
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(418,981,814,129)	(399,801,532,580)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	12,836,755,454	5,713,152,383
3. Cash outflow for lending, buying debt instruments of other entities	23	(10,404,456,792,459)	(7,681,585,144,417)
4. Cash recovered from lending, selling debt instruments of other entities	24	8,178,423,764,697	7,940,748,164,697
5. Equity investments in other entities	25	-	(23,460,140,000)
6. Cash recovered from investments in other entities	26	33,139,404,640	13,271,000,000
7. Interest earned, dividends and profits received	27	553,227,443,825	414,075,497,129
<i>Net cash (used in)/generated by investing activities</i>	30	(2,045,811,237,972)	268,960,997,212

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

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2023
(Under indirect method)

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from borrowings	33	27,751,766,732,944	20,855,220,371,519
2. Repayment of borrowings	34	(23,462,907,365,897)	(22,740,964,770,411)
3. Repayment of obligations under finance leases	35	(1,970,051,401)	(719,234,184)
4. Dividends and profits paid	36	(221,231,579,160)	(384,052,050,191)
Net cash generated by/(used in) financing activities	40	4,065,657,736,486	(2,270,515,683,267)
Net increases in cash (50=20+30+40)	50	1,382,346,053,718	1,174,662,235,157
Cash and cash equivalents at the beginning of the year	60	4,081,852,242,021	2,990,894,028,577
Effects of changes in foreign exchange rates	61	(45,680,498,673)	(2,541,579,847)
Exchange rate difference due to conversion of financial statement	62	(41,488,020,140)	(81,162,441,866)
Cash and cash equivalents at the end of the year (70=50+60+61+62)	70	5,377,029,776,926	4,081,852,242,021

- (i) Include the adjustments for appropriation and use of the Price Stabilization Fund and interest on the negative balance of the Fund with the amounts of VND 611,253,108,416, VND (238,373,781,530) and VND (3,808,784,676) respectively.


Phung To Van
Preparer


Nguyen Ngoc Ninh
Chief Accountant




Doan Van Nuom
Chief Executive Officer

01 March 2024

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 "Parent Company") and its subsidiaries (the Parent Company and the subsidiaries are referred to as 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 16th 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.

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 17th amended Business Registration Certificate dated 01 August 2018 and its 19th amendment of Business Registration Certificate dated 13 December 2022. The charter capital of the Parent Company after equitization is VND 10,342,295,000,000.

The Parent Company'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 2023 was 683 (as at 31 December 2022: 700).

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 trading of oil products; Trade of materials/equipment/chemicals for production of oil products; Trade of fertilizers and petrochemical products

- Services: Warehouse rental; Cars rental, 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.

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

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 Thanh Hoa One Member Co. Ltd (i)	Thanh Hoa	100.00%	100.00%	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 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.
PetroVietnam Oil Bac Lieu One Member Co. Ltd	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 Transportation One Member Co. Ltd	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 Tra Vinh One Member Co. Ltd	Tra Vinh	100.00%	100.00%	Trade petrol and oil, and consumer goods.
One Member Co. Ltd	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.
PETEC Trading and Investment Corporation (ii)	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.
Me Kong Petroleum 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 Cai Lan 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 Binh Thuan 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 domestic 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 domestic waterway.
Hai Phong PVOIL Petroleum JSC	Hai Phong	72.00%	72.00%	Wholesale solid & liquid fuels and gas and relevant products. Wholesale machines, equipments and other spare parts. Transport goods by domestic waterway.
PetroVietnam Oil Hanoi JSC	Hanoi	71.84%	71.84%	Trade petrol and oil and relevant products. Provide warehouse and port services. Transport goods.
Phu Tho PetroVietnam Oil JSC	Phu Tho	71.68%	71.68%	Wholesale solid & liquid fuels and relevant products. Transport products of oil and gas.

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

FORM B 09-DN/HN

Name of Subsidiary	Place of incorporation & operation	Proportion of ownership interest (%)	Proportion of voting power held (%)	Principal Activity
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.
PetroVietnam Oil Lube JSC	Ho Chi Minh City	62.66%	62.66%	Exploit, manufacture, transport, wholesale and retail products related to petrol, oil, and gas.
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 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 Nam Dinh JSC	Nam Dinh	56.75%	56.75%	Trade petroleum products. Agents that trade petrol and oil. Trade biofuels.
Vung Ang Petroleum JSC	Ha Tinh	56.50%	56.50%	Wholesale solid, liquid fuels and gas and relevant products. Store goods. Transport by domestic 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.
PVOIL Singapore Pte 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) During the year, the Corporation successfully received the transfer of shares from other shareholders of PetroVietnam Oil Thanh Hoa JSC, thereby increasing the Corporation's ownership rate in this subsidiary to 100%, and at the same time converting the business type of this subsidiary from a joint stock company to a one-member company limited.

(ii) As at 31 December 2023, 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 ("PVN") issued Resolution No. 1474/NQ-DKVN approving the policy on the PetroVietnam Gas Joint Stock Corporation ("PVGAS") receiving the transfer of all shares of the Corporation in PETEC Trading and Investment Corporation ("PETEC") from the Corporation. On 31 March 2021, PVN issued the Official Letter No. 1574/DKVN-KTDT requesting the Representative of the Group's capital at PVGAS and the Corporation to report to the Prime Minister and advise to implement the next steps to ensure the interests of the Corporation and PVGAS. Due to various obstacles in the finalization of PETEC's equitization, the Corporation is working on with PVGAS to finalize and report to PVN on stopping the transfer of the Corporation's shares at PETEC to PVGAS.

List of joint ventures:

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	44.99%	44.99%	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 equipment, spare parts, materials and petrochemicals.
Ninh Binh PetroVietnam JSC	Ninh Binh	20.26%	66.66%	Wholesale solid & liquid fuels and gas and relevant products. Prepare premises. Warehouse and goods storage. Transport goods along coastline and by ocean-going.

List of associates:

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

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 2022.

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 2023 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 APPLY IN THIS YEAR

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 regulating on implementation of the Law on Environmental Protection. Accordingly, the balance of the provision fund for environmental risks and damage compensation that has been made but not utilized since the effective date of Circular 08 is recorded in other income of the financial year in 2023 (details stated in Note 36). The Circular 08 takes effect from 24 March 2023 and applies to the financial year in 2023.

The Corporation has applied Circular 08 on the consolidated financial statements of the Corporation for the year ended 31 December 2023.

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 consolidated 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. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties. 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 comprise prepaid office rental, land rental, asset rental, brand name and geographical location advantages and other types of prepayments.

Land rental, office rental, asset rental represents 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 and geographical location advantages from renting land that do not meet the conditions to be recognised as intangible assets and are charged to the consolidated income statement using the straight-line method over the remaining land lease period or the useful life of fixed assets on the land.

Other types of prepayments comprise ground leveling costs, costs of tools and supplies issued for consumption, repair and maintenance expenses awaiting allocation and other expenses which are expected to provide future economic benefits to the Corporation. These expenditures are charged to the consolidated income statement using the straight-line method over the estimated useful life and in accordance with the current prevailing accounting 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 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 the Official Letter No. 4360/DKVN-TCKT dated 30 June 2015 and the 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 2023. 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 2023.

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 consolidated balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the "Foreign exchange difference" item. Such translation differences are recognised in profit or loss in the year in which the foreign operation is disposed of.

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

Borrowing costs

Borrowing costs are recognised in the consolidated income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs 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	Opening balance
	VND	VND
Cash on hand	72,621,067,792	55,656,848,688
Bank demand deposits (i)	4,201,143,839,926	2,574,868,084,789
<i>In which:</i>		
<i>Price Stabilization Fund Balance (ii)</i>	-	-
Cash in transit	4,838,565,552	7,598,407,810
Cash equivalents (i)	1,098,426,303,656	1,443,728,900,734
	5,377,029,776,926	4,081,852,242,021

- (i) As at 31 December 2023, cash equivalents represent term deposits in Vietnam Dong with original terms of less than 3 months at banks and have interest rates ranging from 0.50% p.a. to 3.95% p.a. (as at 31 December 2022: from 1.00% p.a. to 6% p.a.).

As at 31 December 2023, cash and cash equivalents include demand deposits of VND 2,603,571,374 and USD 3,776,074 (as at 31 December 2022: VND 3,237,076,131 and USD 3,776,074) and deposits of VND 1,014,000,000 (as at 31 December 2022: VND 1,014,000,000) with original maturity of less than 03 months ("cash equivalents"); held-to-maturity investments include time deposits in the amount of VND 275,033,236,997 (as at 31 December 2022: 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 HELD-TO-MATURITY FINANCIAL INVESTMENTS

The held-to-maturity investments represent the amounts of time deposits at banks in VND with original terms of more than 3 months and less than 12 months and have interest rate ranging from 3.5% p.a. to 9.0% p.a. (as at 31 December 2022: from 3.5% p.a. to 8.0% p.a.).

7. TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
a. Short-term trade receivables		
Binh Son Refining and Petrochemical JSC (i)	4,242,042,358,563	23,825,807,585
Vitol Asia Pte Ltd	630,008,252,994	662,440,823,040
BCP Trading Pte Ltd	609,579,724,449	673,701,299,680
Ninh Binh Petroleum JSC	460,013,128,406	278,849,547,063
PTT (Lao) Co., Ltd	245,629,689,398	241,219,979,408
Mining Industry Construction Company - Dong Bac Corporation Branch	132,417,693,756	136,407,035,228
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
Viet Nam International Petrol Corporation	69,438,325,811	69,438,325,811
Vu Anh Petroleum Trading JSC	43,257,741,001	43,257,741,001
Branch of Vietnam Railway Corporation - Saigon Locomotive Enterprise	41,842,423,416	16,945,910,883
TKV - Materials Trading JSC - Hon Gai Materials Enterprise	35,510,456,395	124,364,484,210
PetroVietnam Exploration Production Corporation	27,923,549,334	26,916,080,480
Saigon Passenger Transport JSC	26,315,846,746	28,887,525,624
VietsovPetro Joint Venture	21,473,789,127	17,832,514,001
Others	2,229,935,915,459	1,823,313,133,032
	9,223,889,798,131	4,575,901,110,322
b. Long-term trade receivables		
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
Others	1,294,394,868	563,554,868
	20,449,094,473	19,718,254,473
<i>In which: Trade receivables from related parties (Details stated in Note 40)</i>	4,809,534,311,544	538,886,994,347

- (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

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Other short-term receivables		
Collection and payment on-behalf-of relating to entrusted crude oil exports	2,941,509,140,160	3,091,244,397,289
Collection and payment on-behalf-of relating to entrusted crude oil imports	492,819,769,000	5,824,487,025
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)	110,692,217,362	69,999,994,102
Receivables related to equitization (iii)	6,253,479,545	6,253,479,545
BCC Contract No. 13/2021/PVGAS/TT-PVOIL/D4 (iv)	305,514,166,317	500,530,344,425
Other short-term receivables	522,409,508,075	355,143,000,228
	<u>4,551,330,075,728</u>	<u>4,201,127,497,883</u>
b. Other long-term receivables		
Receivables related to transfer of Petroland project	14,335,482,200	14,758,071,200
Long-term deposits	17,885,233,800	3,449,780,000
Ba Tri - Ben Tre Fishing Port	4,098,839,219	4,189,672,916
Other long-term receivables	385,696,865	423,022,385
	<u>36,705,252,084</u>	<u>22,820,546,501</u>

*In which: Other receivables from related parties
(Details stated in Note 40)*

3,056,532,564,106 3,302,535,799,338

- (i) Other receivables from Vietnam Oil and Gas Group include an accumulated loss of VND 169,785,513,359 from 30 June 2010 to 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 the equitization settlement by the Vietnam Oil and Gas Group and competent authorities.
- (ii) Represents deductible special consumption taxes on condensate materials, and environmental protection tax and special preferential import tariffs which are refundable from the State budget.
- (iii) Represents expenses related to equitization. Such value may be subject to adjustment upon the final approval of competent authorities.
- (iv) Represents 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 ("PVGAS") 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 PVGAS at the rate of 65% and 35%, respectively. Details of other short-term receivables relating to BCC are as follows:

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Other receivables related to operation of BCC	298,128,407,135	500,530,344,425
Profit sharing after tax from business results of BCC (*)	7,385,759,182	-
	<u>305,514,166,317</u>	<u>500,530,344,425</u>

(*) During the year, the profit after tax corresponding to the proportion that the Corporation benefits from BCC is VND 35,778,036,715 (in 2022: VND 121,849,319,576), in which the outstanding balance related to the profit sharing after tax from business results of BCC as at 31 December 2023 is VND 7,385,759,182 (as at 31 December 2022: nil).

9. BAD DEBTS

Items	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
		VND		VND
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	-	69,438,325,811	-
Vu Anh Petroleum Trading JSC	43,257,741,001	-	43,257,741,001	-
Song Phat JSC	26,371,285,621	-	26,371,285,621	-
Orient Oil and Gas Joint Stock Company	20,056,024,362	8,765,142,821	20,065,312,035	14,950,507,466
Cam Giang Investment and Development JSC	20,010,740,366	-	20,010,740,366	-
Cai Lan Ship Industry Co., Ltd	19,576,761,700	-	19,576,761,700	-
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	-	9,996,785,688	-
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	-
Thanh Phat Transportation JSC	4,270,513,122	-	4,270,513,122	-
Kien Giang Petroleum JSC	3,312,890,390	-	4,412,890,390	-
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
Others	178,901,414,096	17,683,560,257	181,471,535,210	11,444,711,969
	871,289,895,274	32,830,107,457	874,969,304,061	32,776,623,814

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 2023, 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	
	VND		VND	
	Cost	Provision	Cost	Provision
Goods in transit	645,153,007,290	-	229,861,314,947	-
Raw materials	420,816,460,295	-	576,460,705,712	(1,014,618,341)
Tools and supplies	13,421,993,904	-	14,272,495,197	-
Work in progress	75,615,847	-	199,987,532	-
Finished goods	110,478,034,254	-	230,377,319,447	-
Merchandise	2,999,691,851,159	(18,459,717,232)	1,907,590,996,324	(19,068,414,105)
Goods on consignment	-	-	2,776,598,086	-
	4,189,636,962,749	(18,459,717,232)	2,961,539,417,245	(20,083,032,446)

As at 31 December 2023, the Board of Management assessed net realizable value of inventories and made provision with amount of VND 18,459,717,232 (as at 31 December 2022: VND 20,083,032,446) 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 20,083,032,446 (for the year ended 31 December 2022: VND 78,361,150).

11. PREPAYMENTS

	Closing balance	Opening balance
	VND	VND
a. Current		
Fixed assets operating leases	15,369,350,647	3,741,061,509
Tools and supplies	6,522,478,246	5,380,848,778
Other current prepayments	19,676,433,053	30,825,340,158
	41,568,261,946	39,947,250,445
b. Non-current		
Operating leases	653,328,157,789	437,300,064,723
Brand name and geographical location advantages (i)	434,343,655,420	306,906,076,019
Ground leveling costs	16,720,064,038	17,328,066,370
Tools and supplies awaiting allocation	48,413,163,942	32,139,761,774
Repair and maintenance expenses awaiting allocation	51,974,389,091	26,954,818,752
Other non-current prepayments	189,228,035,955	96,333,039,569
	1,394,007,466,235	916,961,827,207

- (i) Includes the value of brand name and land-lease-related geographical location advantages totaling VND 142,558,494,871 as at 31 December 2023 (as at 31 December 2022: VND 162,640,683,830) 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. PETEC allocates brand name and land-lease-related geographical location advantages according to the guidance of Decree No. 140/2020/ND-CP dated 30 November 2020 amending and supplementing a number of articles of Decree No. 126/2017/ND-CP dated 16 November 2017 on converting state-owned enterprises and limited liability companies with 100% charter capital invested by state-owned enterprises into joint stock companies.

12. VALUE ADDED TAX DEDUCTIBLES

Value added tax deductibles of the Corporation as at 31 December 2023 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.

Closing balance	VND
	228,588,186,930
	225,414,490
	199,847,125,642
	25,510,259,664
	590,926,190
	1,759,156,629
	655,304,315
	228,588,186,930
	747,100,061,477
	80,010,154,541
	-
	27,602,069,930
	10,530,101,707
	32,010,000
	-
	-
	628,925,725,299
	665,499,875
	665,499,875
	747,765,561,352
	-
	19,338,143,365

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

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
COST						
Opening balance	4,520,743,151,431	1,394,838,648,973	483,616,851,621	112,200,472,698	42,266,860,349	6,553,665,985,072
Additions	45,809,026,486	41,344,612,932	57,404,234,594	18,655,745,598	880,151,295	164,093,770,905
Transfer from construction in progress	43,822,954,022	12,808,042,994	-	34,500,000	-	56,665,497,016
Reclassification	(4,735,056,406)	4,735,056,406	-	-	-	-
Disposals	(13,675,320,472)	(1,145,765,611)	(1,121,809,355)	(1,009,342,990)	-	(16,952,238,428)
Difference due to financial statements conversion	(7,994,268,808)	(5,565,585,261)	(1,492,610,581)	(725,346,403)	(499,339,623)	(16,277,150,676)
Others	2,984,863,751	(489,232,485)	(1,011,678,998)	(861,813,995)	(1,706,355,583)	(1,084,217,310)
Closing balance	4,586,955,350,004	1,446,525,777,948	537,394,987,281	128,294,214,908	40,941,316,438	6,740,111,646,579
ACCUMULATED DEPRECIATION						
Opening balance	2,962,715,788,996	1,084,440,195,962	364,072,520,431	87,135,497,602	37,437,931,462	4,535,801,934,453
Charge for the year	175,431,169,604	52,206,364,540	25,536,671,985	8,672,731,259	1,372,822,727	263,219,760,115
Reclassification	(288,609,805)	288,609,805	-	-	-	-
Disposals	(11,128,937,488)	(912,798,838)	(1,121,809,355)	(1,009,342,990)	-	(14,172,888,671)
Difference due to financial statements conversion	(6,619,994,773)	(5,500,774,816)	(1,486,096,542)	(752,834,773)	(476,135,367)	(14,835,836,271)
Others	596,965,802	(637,200,225)	195,133,692	(913,347,509)	411,464,800	(346,983,440)
Closing balance	3,120,706,382,336	1,129,884,396,428	387,196,420,211	93,132,703,589	38,746,083,622	4,769,665,986,186
NET BOOK VALUE						
Opening 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
Closing balance	1,466,248,967,668	316,641,381,520	150,198,567,070	35,161,511,319	2,195,232,816	1,970,445,660,393

The cost of the Corporation's tangible fixed assets as at 31 December 2023 includes about VND 1,452,608,385,514 (as at 31 December 2022: VND 1,146,085,353,148) of assets that have been fully depreciated but are still in use.

As stated in Notes 24, the carrying amount of assets used as collateral for borrowings as at 31 December 2023 was VND 222,467,919,350 (as at 31 December 2022: VND 191,538,564,195).

15. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights	Computer software	Others	Total
	VND	VND	VND	VND
COST				
Opening balance	1,807,555,389,994	115,463,827,931	1,373,735,751	1,924,392,953,676
Additions	88,555,690,602	4,963,310,000	599,935,717	94,118,936,319
Reclassification to prepaid expenses	(213,220,863,197)	-	-	(213,220,863,197)
Disposals	(5,501,531,934)	-	-	(5,501,531,934)
Difference due to financial statements conversion	(2,751,164,128)	-	-	(2,751,164,128)
Others	(13,314,465,646)	(262,986,458)	-	(13,577,452,104)
Closing balance	1,661,323,055,691	120,164,151,473	1,973,671,468	1,783,460,878,632
ACCUMULATED AMORTISATION				
Opening balance	221,011,917,534	72,910,909,785	1,158,030,121	295,080,857,440
Charge for the year	26,253,297,437	9,086,044,408	70,776,600	35,410,118,445
Reclassification to prepaid expenses	(1,961,623,089)	-	-	(1,961,623,089)
Others	(73,894,584)	(251,406,548)	-	(325,301,132)
Closing balance	245,229,697,298	81,745,547,645	1,228,806,721	328,204,051,664
NET BOOK VALUE				
Opening balance	1,586,543,472,460	42,552,918,146	215,705,630	1,629,312,096,236
Closing balance	1,416,093,358,393	38,418,603,828	744,864,747	1,455,256,826,968

The cost of the Corporation's intangible fixed assets as at 31 December 2023 includes about VND 19,327,502,663 (as at 31 December 2022: VND 18,603,785,027) of assets that have been fully amortised but are still in use.

As stated in Note 24, as at 31 December 2023, the Corporation and subsidiaries' land use rights whose net book value amounted to VND 246,860,787,146 are used to secure bank borrowings (as at 31 December 2022: VND 227,828,730,937).

16. INCREASES, DECREASES IN INVESTMENT PROPERTIES

INVESTMENT PROPERTY HELD TO EARN RENTALS

	Buildings and structures	Others	Total
	VND	VND	VND
COST			
Opening balance	138,543,596,361	771,255,889	139,314,852,250
Additions	-	(121,415,087)	(121,415,087)
Closing balance	138,543,596,361	649,840,802	139,193,437,163
ACCUMULATED DEPRECIATION			
Opening balance	33,630,046,438	771,255,889	34,401,302,327
Charge for the year	3,425,850,668	-	3,425,850,668
Disposals	-	(121,415,087)	(121,415,087)
Closing balance	37,055,897,106	649,840,802	37,705,737,908
NET BOOK VALUE			
Opening balance	104,913,549,923	-	104,913,549,923
Closing balance	101,487,699,255	-	101,487,699,255

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 37,133,970,116 (for the year ended 31 December 2022: VND 34,110,232,681). Directly attributable cost of operating activities arising from investment properties in the year was VND 13,816,571,310 (for the year ended 31 December 2022: VND 13,587,307,589).

The cost of the investment properties as at 31 December 2023 includes properties that have been fully depreciated but are still under leases with an amount of VND 8,808,617,423 (as at 31 December 2022: VND 8,808,617,423).

According to Vietnamese Accounting Standard No. 05 - Investment Properties, the fair value of the investment property as at 31 December 2023 should be disclosed. However, the Corporation has not determined this fair value so the investment property's fair value as at 31 December 2023 is not presented in the notes to the consolidated financial statements. To determine this investment property's 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	Opening balance
	VND	VND
Cai Mep Petroleum Terminal in Ba Ria-Vung Tau Province (i)	56,164,171,321	56,164,171,321
Expanding Vung Ro petroleum warehouse	37,930,989,339	1,316,892,173
Construction of petrol stations	33,547,865,730	36,154,243,623
Office building at Cau Tre Petroleum Station	8,419,527,928	55,555,556
Hop Thinh - Ky Son Petrol entrepot, Hoa Binh province (ii)	5,683,769,124	5,683,769,124
Project to repair, maintain and renovate Nghi Son petroleum warehouse	5,647,026,944	-
Pipeline connector for exporting oil to PETEC Cai Mep wharf	3,675,088,394	-
Other constructions	35,889,147,732	17,009,718,402
	186,957,586,512	116,384,350,199

- (i) Represent the ground leveling value of phase 02 of Cai Mep Petroleum Terminal in Ba Ria - Vung Tau Province. 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) Phu Tho PetroVietnam Oil JSC ("PVOIL 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. As at 31 December 2023, PVOIL Phu Tho is completing the procedures for handing over land in the field and applying for a new project investment certificate for Petro Binh Minh Co., Ltd., and received the corresponding supportive amount.

18. INVESTMENTS IN ASSOCIATES, JOINT VENTURES

a. Investments in associates

	Current period VND	Prior period VND
Opening balance	608,440,531,993	624,998,871,670
Profit incurred in the year	20,873,454,375	5,198,503,895
Dividend received in the year	(11,289,832,860)	(15,909,695,000)
Fund distribution and other adjustments in the year	(4,418,919,162)	(5,847,148,572)
Associate disposal in the year (i)	(20,898,570,259)	-
Closing balance (ii)	592,706,664,087	608,440,531,993

- (i) During the year, PETEC Trading and Investment Corporation ("PETEC" - a subsidiary of the Corporation) liquidated its investment in an associate which is Petec Binh Dinh JSC.
- (ii) Including the Corporation's investment in PetroVietnam Biofuels Joint Stock Company ("PVB" - an associate of the Corporation) was reported in the consolidated financial statements using the equity method of accounting with the amount of VND 271,593,756,068 as at 31 December 2023 (as at 31 December 2022: VND 272,716,534,896). The amount of the investment in PVB is calculated based on PVB's unaudited financial statements for the financial year ended 31 December 2022, which was prepared on a going concern basis. According to Notice No. 385/TB-VPCP dated 02 October 2018 of the Government Office, the Phu Tho Biofuel Plant Project invested by PVB is proposed to consider dissolution and bankruptcy plans according to legal regulations. On 24 October 2018, the Board of Directors of the Corporation sent a document to the Vietnam Oil and Gas Group ("PVN") to implement the bankruptcy plan of PVB. On 10 December 2018, the Corporation sent Official Letter No. 211/DVN-TCKT to the PVN to propose the redetermination of this investment to nil (VND 0) when finalizing equitization, and that in the course of implementing the bankruptcy procedure, any recovery from assets liquidation at Phu Tho Biofuel Plant will be fully transferred to the Enterprise Support and Arrangement Fund. This matter has been submitted by the PVN to the Committee for Management of State Capital at Enterprises under Official Letter No. 3540/DKVN-HDTV dated 01 July 2019 on rearrangement, handling of houses and land, and solution for difficulties in equitization of the Corporation. At the date of these consolidated financial statements, the Corporation is working on it with the remaining shareholders of PVB and relevant competent authorities to review and decide on the appropriate methods in accordance with their right and obligation as well as legal regulations.

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Total assets	5,422,770,813,871	5,050,680,381,979
Total liabilities	4,710,957,006,572	4,117,462,415,261
Net assets	711,813,807,299	933,217,966,718
The Corporation's share of net assets of associates	592,706,664,087	608,440,531,993
	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Revenue	13,107,229,963,179	11,581,477,741,821
(Loss) after tax	(135,388,304,063)	(177,902,394,768)
The Corporation's share of profit after tax of associates	20,873,454,375	5,198,503,895

b. Investments in joint ventures

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	81,273,531,538	83,440,461,516
(Loss) incurred in the year	(10,403,343,702)	(2,159,643,752)
Dividend received in the year	(24,254,640,000)	-
Fund distribution and other adjustments in the year	3,268,564,450	(7,286,226)
Closing balance	49,884,112,286	81,273,531,538

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Total assets	2,203,753,936,938	2,397,927,606,474
Total liabilities	3,263,318,770,257	3,318,192,286,187
Net assets	(1,059,564,833,319)	(920,264,679,713)
The Corporation's share of net assets of joint ventures	49,884,112,286	81,273,531,538
	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Revenue	3,029,526,123,505	3,573,862,981,645
(Loss) after tax	(150,172,711,101)	(210,295,525,761)
The Corporation's share of loss after tax of joint ventures	(10,403,343,702)	(2,159,643,752)

19. EQUITY INVESTMENTS IN OTHER ENTITIES

	Closing balance	Opening balance
	VND	VND
Ca Mau Trading JSC	47,241,749,605	47,241,749,605
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
Other long-term investments	5,638,738,529	5,638,738,529
	108,911,654,132	108,911,654,132
Provision for impairment of long-term investments	(41,900,039,086)	(35,822,248,898)
	67,011,615,046	73,089,405,234

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 2023 has not been presented in the Notes to the consolidated financial statements.

20. GOODWILL

	Amount
	VND
COST	
Opening balance	223,644,147,290
Closing balance	223,644,147,290
ACCUMULATED AMORTISATION	
Opening balance	222,260,595,299
Charge for the year	723,317,121
Closing balance	222,983,912,420
CARRYING AMOUNT	
Opening balance	1,383,551,991
Closing balance	660,234,870

21. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
	VND		VND	
Binh Son Refining and Petrochemical JSC	3,821,535,268,385	3,821,535,268,385	4,428,096,708,696	4,428,096,708,696
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	3,239,269,501,635	3,239,269,501,635	2,627,601,138,308	2,627,601,138,308
BCP Trading Pte. Ltd.	2,802,809,507,566	2,802,809,507,566	-	-
PetroChina International - HongKong	2,096,936,003,428	2,096,936,003,428	-	-
PetroVietnam Exploration Production Corporation	617,447,033,590	617,447,033,590	-	-
BCC Contract No. 13/2021/PVGAS/TT-PVOIL/D4 (i)	387,412,090,473	387,412,090,473	497,537,359,621	497,537,359,621
Brunei Shell Petroleum Company Sdn Bhd	-	-	669,361,981,680	669,361,981,680
Glencore Singapore Pte Ltd	-	-	212,124,525,471	212,124,525,471
Elico Oil Pte. Ltd.	-	-	230,028,905,253	230,028,905,253
Others	665,296,030,949	665,296,030,949	599,534,794,685	599,534,794,685
	13,630,705,436,026	13,630,705,436,026	9,264,285,413,714	9,264,285,413,714

*In which: Short-term trade payables to related parties
(Details stated in Note 40)*

7,741,675,818,717	7,741,675,818,717	7,125,844,415,522	7,125,844,415,522
-------------------	-------------------	-------------------	-------------------

- (i) Represents the payables for purchasing base gasoline RON91 and diesel fuel bottom according to Business Cooperation Contract no. 13/2021/PVGAS/TT-PVOIL/D4 between the Corporation and PetroVietnam Gas Joint Stock Corporation ("PVGAS").

22. SHORT-TERM ACCRUED EXPENSES

	Closing balance	Opening balance
	VND	VND
Accruals for purchasing goods, fixed assets	160,205,180,825	173,599,775,578
Accruals for transportation	10,785,758,825	-
Interest expense	3,537,519,425	5,693,138,040
Accruals for oil products	3,061,044,455	1,510,511,604
Other accruals	18,671,341,121	35,389,908,239
	196,260,844,651	216,193,333,461
<i>In which: Short-term accrued expenses to related parties (Details stated in Note 40)</i>	<i>67,660,207,768</i>	<i>50,127,079,768</i>

23. OTHER CURRENT PAYABLES

	Closing balance	Opening balance
	VND	VND
Collection and payment on behalf relating to entrusted crude oil exports	4,444,538,603,794	4,396,993,671,925
Collection and payment on behalf relating to entrusted oil import	447,511,212,070	-
Collection and payment on behalf relating to crude oil export duty	70,828,163,731	46,229,366,244
Payables for proceeds from sale of shares (i)	6,508,956,732	6,508,956,732
BCC Contract No. 13/2021/PVGAS/TT-PVOIL/D4 (ii)	6,390,597,832	-
Payables on equitization (iii)	5,078,241,760	5,078,241,760
Cash received from the transfer of shares in advance	-	33,139,404,640
Other payables	172,607,957,124	100,046,029,338
	5,153,463,733,043	4,587,995,670,639
<i>In which: Other current payables to related parties (Details stated in Note 40)</i>	<i>2,035,448,576,197</i>	<i>2,153,423,050,232</i>

- (i) 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.
- (ii) Reflects the amount payable related to transfer costs and profit after tax distribution of Business Cooperation Contract No. 13/2021/PVGAS/TT-PVOIL/D4 between the Corporation and the PetroVietnam Gas Joint Stock Corporation.
- (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.

24. BORROWINGS AND OBLIGATIONS UNDER FINANCE LEASES

a) Short-term borrowings and obligations under finance leases

	Opening balance		During the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	Decreases	Amount	VND Amount able to be paid off
Short-term borrowings	2,680,177,178,922	2,680,177,178,922	27,703,689,564,128	23,441,223,532,846	6,942,643,210,204	6,942,643,210,204
Current portion of long-term borrowings (Note 24b)	20,554,288,602	20,554,288,602	23,989,180,825	21,683,833,051	22,859,636,376	22,859,636,376
Current portion of long-term obligations under finance leases (Note 24b)	582,272,724	582,272,724	2,548,112,497	1,970,051,401	1,160,333,820	1,160,333,820
	2,701,313,740,248	2,701,313,740,248	27,730,226,857,450	23,464,877,417,298	6,966,663,180,400	6,966,663,180,400

Short-term borrowings and obligations under finance leases represent facilities obtained from banks and individuals to supplement working capital of the Corporation and its subsidiaries. Bank borrowings might be withdrawn in United States Dollar, Laotian Kip or Vietnamese Dong based on each credit limit as contracted with banks. Such borrowings bear fixed interest rates that are stated in each borrowing acknowledgement ranging from 3.2% p.a. to 6.1% p.a. (as at 31 December 2022: from 2.6% p.a. to 6.9% p.a.) as for the United States dollar, ranging from 7.9% p.a. to 8.5% p.a. (as at 31 December 2022: from 8% p.a. to 9.5% p.a.) as for Laotian Kip and ranging from 1.7% p.a. to 7.7% p.a. (as at 31 December 2022: from 6.1% p.a. to 9.5% p.a.) as for Vietnam Dong.

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

	Closing balance	Opening balance
	VND	VND
Borrowings in VND	5,682,894,069,612	2,443,327,162,670
Borrowings in LAK	135,866,424,993	141,461,180,657
Borrowings in USD	1,123,882,715,599	95,388,835,595
	6,942,643,210,204	2,680,177,178,922

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

	Closing balance	Opening balance
	VND	VND
Unsecured borrowings	5,178,637,393,090	2,307,404,273,910
Secured borrowings	1,764,005,817,114	372,772,905,012
	6,942,643,210,204	2,680,177,178,922

b) Long-term borrowings and obligations under finance leases

	Opening balance	In the year	Closing balance
	VND	VND	VND
	Amount	Increases	Decreases
	Amount able to be paid off		Amount able to be paid off
a. Long-term borrowings (i)	81,154,504,657	72,066,349,641	45,673,013,876
b. Long-term obligations under finance leases (ii)	2,639,839,567	6,160,994,315	4,518,163,898
	83,794,344,224	78,227,343,956	50,191,177,774
In which:			
- Amount due for settlement within 12 months (see Note 24a)	21,136,561,326	26,537,293,322	23,653,884,452
- Amount due for settlement after 12 months	62,657,782,898	51,690,050,634	26,537,293,322

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

- (i) The long-term borrowings to finance petroleum storage extension projects implemented by the Corporation and its subsidiaries. The long-term borrowings bear interest rates ranging from 7.00% p.a. to 12.75% p.a. (as at 31 December 2022: from 6.50% p.a. to 12.00% p.a.) for borrowings in Vietnam Dong. These borrowings are secured by land use rights and assets on land at petrol stations and other fixed assets of the Corporation and its subsidiaries.
- (ii) Long-term finance leases include the debts with terms of more than 12 months of Sai Gon PetroVietnam Oil JSC and PETEC Trading and Investment Corporation from Vietcombank Financial Leasing Co., Ltd, interest rates as agreed in the the financial lease contract.

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

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Unsecured borrowings	3,500,000,000	2,902,000,000
Secured borrowings	108,330,510,406	80,892,344,224
	111,830,510,406	83,794,344,224

Long-term borrowings and obligation under finance leases are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
On demand or within one year	24,019,970,196	21,136,561,326
In the second year	17,773,628,775	20,921,272,277
In the third to fifth year inclusive	34,047,559,027	31,392,504,055
After five years	35,989,352,408	10,344,006,566
	111,830,510,406	83,794,344,224
Less: Amount due for settlement within 12 months (shown under Note 24a)	(24,019,970,196)	(21,136,561,326)
Amount due for settlement after 12 months	87,810,540,210	62,657,782,898

25. PRICE STABILISATION FUND

	<u>Current year</u>	<u>Prior year</u>
	VND	VND
Opening balance	(513,398,942,699)	(776,690,178,255)
Appropriation to the fund	611,253,108,416	759,352,582,961
Utilization in the year	(238,373,781,530)	(493,802,375,690)
Interest on negative balance of Price Stabilisation Fund	(3,808,784,676)	(2,258,971,715)
Closing balance	(144,328,400,489)	(513,398,942,699)

In which:

Amount transferred to the bank deposits	-	-
Amount remained outstanding	(144,328,400,489)	(513,398,942,699)

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

26. OWNERS' EQUITY

Movement in owners' equity:

For the year ended 31 December 2022

	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
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
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)	-	(4,124,081,749)	17,027,708,865	-	-	-	7,211,099,889
Difference due to financial statements conversion	-	-	-	-	(43,473,841,571)	-	-	-	4,124,081,749	(39,349,759,822)
Adjustment due to changes in the proportion of ownership in subsidiaries	-	-	-	-	-	17,316,822,175	-	-	(17,316,822,175)	-
Increase the capital of the subsidiaries by dividends	-	-	-	-	-	-	-	4,644,644,548	-	4,644,644,548
Dividend distribution	-	-	-	-	-	(361,980,325,000)	-	-	(31,651,461,098)	(393,631,786,098)
Others	-	-	1,052,956,042	688,011,191	-	2,374,803,021	-	-	1,730,506,181	5,846,276,435
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)	-	23,612,446,327	1,116,938,262,058	11,327,208,381,031

For the year ended 31 December 2023

Opening 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)	-	23,612,446,327	1,116,938,262,058	11,327,208,381,031
Profit for the year	-	-	-	-	-	621,347,297,539	-	-	-	621,347,297,539
Funds distribution is not under of owner's equity	-	-	-	-	-	(132,761,307,987)	-	-	(11,640,899,046)	(144,402,207,033)
Funds distribution is under of owner's equity	-	-	5,051,356,057	42,400,344	-	(5,093,756,401)	-	-	-	-
Profit attributable to non-controlling shareholders	-	-	-	-	-	(58,717,064,247)	-	-	58,717,064,247	-
Difference due to financial statements conversion	-	-	-	-	(35,221,540,805)	-	-	-	(29,077,962,891)	(64,299,503,696)
Adjustment due to changes in the proportion of ownership in subsidiaries	-	-	4,193,423,700	-	-	(31,977,683,629)	-	-	(61,613,080,200)	(89,397,340,129)
Dividend distribution	-	-	-	-	-	(206,845,900,000)	-	-	(41,599,891,783)	(248,445,791,783)
Others	-	-	-	-	-	(6,606,989,959)	-	-	(2,344,208,755)	(8,951,198,714)
Closing balance	10,342,295,000,000	(163,981,446,150)	237,911,815,985	20,536,409,008	(90,503,579,945)	(6,190,291,640)	-	23,612,446,327	1,029,379,283,630	11,393,059,637,215

- (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.

Shares

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

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

Charter capital

According to the 19th 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 2023, the charter capital was fully contributed by shareholders as follows:

	Quantity Share	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
	1,034,229,500	100%	10,342,295,000,000

Profits distribution

According to Resolution No. 15/NQ-DHDCD dated 27 April 2023, the General Meeting of Shareholders of the Parent Company - the Corporation has approved the plan to distribute profit after tax in 2022 as follows:

- Appropriation of bonus and welfare fund of employees and manager bonus fund with the amount of VND 119,515,000,000. In 2022, the Parent Company - the Corporation has temporarily distributed VND 117,744,000,000, accordingly, the Parent Company - the Corporation has additionally distributed for bonus and welfare fund during the year with the amount of VND 1,771,000,000.
- Dividend distribution in 2022 at the rate of 2% of charter capital, equivalent to the amount of VND 206,845,900,000. Implementing Resolution 15/NQ-DHDCD, the Board of Directors of Parent Company - the Corporation has issued Resolution No. 60/NQ-DVN dated 9 August 2023 about the payment of dividends in 2022 of the Parent Company - the Corporation.

In addition, based on the completion level of the planned profit target in 2023, the Parent Company - the Corporation has temporarily appropriated the bonus and welfare fund of employees and manager bonus fund of the Parent Company - the Corporation from the profit after tax of 2023 in the amount of 105,444,587,078 VND according to current regulations. Final amount related to the appropriation for the bonus and welfare fund of employees and manager bonus fund will be submitted to the General Meeting of Shareholders for approval.

27. NON-CONTROLLING INTERESTS

	Closing balance	Opening balance
	VND	VND
Owners' contributed capital	1,011,204,442,336	1,062,856,004,465
Share premium	22,444,504,530	22,444,504,530
Foreign exchange differences	(33,685,156,494)	(4,607,193,602)
Investment and development fund	132,423,197,690	132,936,335,644
Accumulated losses	(103,007,704,432)	(96,691,388,979)
	1,029,379,283,630	1,116,938,262,058

28. 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 3,459.11m² at No. 1-5 Le Duan, District 1, Ho Chi Minh City with rental price of VND 70,622,316/m²/50 years (Note 11). The office lease was signed for periods of 50 years from 10 January 2010 for area of 2,952.67 m² and 48 years from 24 July 2012 for area of 506.44 m². The entire office rentals excluding VAT that have been paid was VND 244,290,357,799.

Inventories held under trust

	Unit	Closing balance	Opening balance
- Petroleum M95	Litter	2,716,690	36,117,785
- Petroleum M92	Litter	22,769,414	28,712,031
- Petroleum E5	Litter	2,173,841	3,743,861
- Petroleum DO 0.05%	Litter	70,308,109	63,922,497
- Petroleum FO	Kg	534,749	9,432,718
- Petroleum E100	Litter	595	320,053
- Naptha	Litter	1,795,533	6,527,331
- Condensate	Litter	-	5,299,429
- DO bottom	Litter	-	554,302
- Solvent	Litter	173,003	118,352

Foreign currencies

	Unit	Closing balance	Opening balance
- US Dollars (USD)	USD	34,756,458	22,588,818
- Euro (EUR)	EUR	310	320
- Singapore Dollars (SGD)	SGD	103,270	536,780
- Lao KIP (KIP)	KIP	173,065,601,836	16,989,485,187
- Thai Bath (THB)	THB	42,366,027	32,693,611

29. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

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

Geographical segments

The Corporation is operating in both domestic and international regions. Below is an analysis of the Corporation's revenue by geographical segment regardless of country of origin of goods and services.

	Current year VND	Prior year VND
Domestic	87,817,398,242,246	80,591,035,055,606
International	14,845,500,927,178	23,622,761,576,115
	102,662,899,169,424	104,213,796,631,721

Below is an analysis of the net book value and increases in tangible fixed assets and intangible assets by geographical location of such assets (Note 14 and Note 15).

	Net book value of segment assets		Increase in fixed assets	
	Closing balance VND	Opening balance VND	Current year VND	Prior year VND
Domestic	3,391,383,054,294	3,606,492,213,429	310,862,063,354	308,000,989,569
International	34,319,433,067	40,683,933,426	4,016,140,886	288,348,770
	3,425,702,487,361	3,647,176,146,855	314,878,204,240	308,289,338,339

30. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
Sales of goods sold and service rendered	102,672,062,635,968	104,220,729,403,371
- Sales of goods sold	101,995,109,738,647	103,619,460,275,058
- Sales of services rendered and other activities	572,390,220,410	493,615,384,225
- Sales of entrusted crude oil exports	104,562,676,911	107,653,744,088
Deductions	(9,163,466,544)	(6,932,771,650)
- Sales discount	(9,163,466,544)	(6,932,771,650)
Net sales of goods sold and service rendered	102,662,899,169,424	104,213,796,631,721

In which: Revenue from related parties
(Details stated in Note 40)

14,610,266,680,436 15,540,557,767,486

31. COST OF GOODS SOLD AND SERVICES RENDERED

	Current year VND	Prior year VND
Cost of goods sold	98,626,861,293,644	99,984,014,607,702
Cost of services rendered	182,547,330,624	162,842,682,036
	98,809,408,624,268	100,146,857,289,738

32. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	10,231,081,209,246	10,364,554,197,098
Labour	1,550,575,728,600	1,222,395,970,409
Depreciation and amortisation of fixed assets and investment properties	302,899,388,213	336,185,567,199
Out-sourced services	1,203,173,407,254	1,044,224,901,454
Other monetary expenses	961,646,947,050	836,510,869,321
	14,249,376,680,363	13,803,871,505,481

33. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	695,108,829,866	417,778,258,963
Foreign exchange gain	141,796,904,504	134,363,223,241
Dividends received	4,654,051,100	5,080,150,600
Interest on credit sales	1,797,196,408	2,193,520
Gain on disposal of financial investments	12,240,834,381	3,517,858,237
Other financial income	9,021,696,975	6,390,960,574
	864,619,513,234	567,132,645,135

34. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	261,163,524,272	179,692,092,511
Foreign exchange loss	117,317,537,765	132,102,526,944
Provision for impairment of financial investments	6,077,793,608	9,733,982,018
Other financial expenses	18,621,033,823	8,552,912,630
	403,179,889,468	330,081,514,103

35. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Selling expenses	2,482,580,855,823	2,370,193,962,567
Labour	955,717,279,769	802,901,506,813
Office appliances, furniture and materials	181,277,973,093	193,168,533,399
Transportation	167,955,381,856	200,574,891,131
Out-sourced services	711,053,566,028	537,995,005,950
Depreciation and amortisation	215,917,734,592	236,518,316,074
Provisions	-	21,342,647,279
Others	250,658,920,485	377,693,061,921
General and administration expenses	1,144,547,307,630	1,041,591,430,338
Labour	463,776,300,039	392,375,602,719
Office appliances, furniture and materials	51,007,619,063	34,691,190,937
Depreciation and amortization	37,133,428,486	33,182,571,171
Provisions	5,163,538,572	23,669,301,711
Out-sourced services	149,864,812,502	151,176,778,311
Others	437,601,608,968	406,495,985,489
	3,627,128,163,453	3,411,785,392,905

36. PROFIT FROM OTHER ACTIVITIES

	Current year VND	Prior year VND
Other income	111,645,213,227	52,494,988,208
Reversal of fund for environmental risks and damage compensation (i)	66,120,284,378	-
Indemnification received	12,489,134,202	13,550,877,396
Income from excess inventory	12,377,569,388	11,597,952,840
Proceeds from disposals of fixed assets	4,025,170,105	5,338,499,246
Income from personnel transfer	-	5,126,578,695
Other income	16,633,055,154	16,881,080,031
Other expenses	12,048,110,761	35,523,003,026
Penalties	1,306,791,769	8,652,591,071
Loss in transportation	772,125,170	364,017,118
Project cancellation/withdrawal fees	-	11,926,593,168
Other expenses	9,969,193,822	14,579,801,669
Profit from other activities	99,597,102,466	16,971,985,182

(i) During the year, the Corporation reversed the fund for environmental risks and damage compensation according to the guidance of Circular No. 08/2023/TT-BTC of the Ministry of Finance as presented in Note 03.

37. CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
Current corporate income tax expense		
- Current corporate income tax expense based on taxable profit in the current year	176,873,163,608	162,463,829,922
Total current corporate income tax expense	176,873,163,608	162,463,829,922

The corporate income tax expense reported for the year ended 31 December 2023 is estimated. The final amount of corporate income tax to be paid will depend on the results of settlement with the tax authorities.

38. BASIC EARNINGS PER SHARE

	Current year	Prior year (Restated)
Accounting profit after corporate income tax of Parent Company (VND)	562,630,233,292	651,194,275,895
- Allocate to funds which is not under of owner's equity from the profits (VND) (i)	(129,652,932,885)	(131,155,899,046)
Profit for the purposes of calculating basic earnings per share (VND)	432,977,300,407	520,038,376,849
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
Basic earnings per share (VND)	419	503

- (i) For the purpose of presenting basic earnings per share for the year ended 31 December 2023, 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 2023 is estimated based on the Corporation's 2023 business plan and profit distribution approved by the Vietnam Oil and Gas Group and the Resolutions of the General Meeting of Shareholders/Resolutions of the Members' Council of the subsidiaries.

The Corporation recalculated the basic earnings per share of the previous year to reflect the actual appropriation of funds not under owners' equity from undistributed profits after tax in 2022 according to Resolution No. 15/NQ-DHDCD dated 27 April 2023 of the General Meeting of Shareholders of the Corporation and Resolutions of the General Meeting of Shareholders/Resolutions of the Board of Members of subsidiaries, details as follows:

	Prior year VND	Prior year (Restated) VND
Accounting profit after corporate income tax of Parent Company (VND)	651,194,275,895	651,194,275,895
- Allocate to funds which is not under of owner's equity from the profits (VND)	(141,608,608,637)	(131,155,899,046)
Profit for the purposes of calculating basic earnings per share (VND)	509,585,667,258	520,038,376,849
Weighted average number of ordinary shares in circulation (share)	1,034,229,500	1,034,229,500
Basic earnings per share (VND)	493	503

39. CAPITAL COMMITMENTS

According to Resolution No. 15/NQ-DHDCD ("Resolution No. 15") dated 27 April 2023, the General Meeting of Shareholders of the Corporation approved the production and business plan in 2023, in which the approved capital for construction investment, property procurement is VND 638 billion. During the year ended 31 December 2023, the Corporation has disbursed capital construction investment and purchased assets with a total value of about VND 494 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. 15.

40. 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
Sales of goods and service rendered	14,610,266,680,436	15,540,557,767,486
Ninh Binh Petroleum JSC	6,997,359,866,113	4,851,797,885,166
Binh Son Refining & Petrochemical JSC	4,285,802,412,002	7,934,166,265,804
Materials - Petroleum JSC	1,918,571,853,951	2,115,358,936,361
PetroVietnam Power Corporation	667,830,222,141	-
PetroVietnam Exploration Production Corporation	282,080,053,409	148,495,117,625
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	118,851,959,732	3,068,297,182
PetroVietnam Technical Services Corporation	80,406,449,508	24,746,478,399
Pacific Petroleum Transportation JSC	79,078,493,673	176,796,831,483
VietsovPetro Joint Venture	56,833,403,449	80,284,235,136
Song Hau 1 Power Project Management Board	37,217,765,064	108,589,153,679
PTSC Quang Ngai JSC	36,763,775,654	46,265,549,497
PTSC Mechanical and Construction Limited Company	10,121,053,760	4,359,156,908
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	6,750,000,000	6,750,000,000
Petroleum Equipment Assembly and Metal Structure JSC	4,834,418,725	6,323,295,447
Vietnam Gas Corporation - JSC	4,621,323,592	6,991,338,944
PTSC Geos and Subsea Services Co., Ltd	4,186,989,515	5,124,575,079
PetroVietnam International Gas Shipping JSC	2,533,208,182	5,294,425,545
Petro Vietnam Building and Commercial JSC	2,835,721,823	3,115,232,656
Others	13,587,710,143	13,030,992,575
Purchase goods and use services	62,682,992,988,304	63,866,933,056,104
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	32,054,519,406,772	30,905,023,052,679
Binh Son Refining & Petrochemical JSC	28,955,420,113,284	29,234,897,234,227
PetroVietnam Exploration Production Corporation	622,593,963,335	2,612,598,378,813
PetroVietnam Transportation Joint Stock Corporation	522,260,104,060	612,115,321,354
PetroVietnam's Branch - Bien Dong Petroleum Operating Company	358,056,098,418	288,201,758,739
PVI Insurance Corporation	57,737,017,831	51,194,766,783
Vietnam Oil and Gas Group	29,020,668,792	68,923,064,132
Vietnam Energy Inspection JSC	23,540,481,170	19,768,586,276
Vietnam Gas Corporation - JSC	17,645,475,229	33,155,117,777
Petroleum Offshore Trading and Services JSC	10,348,982,883	9,159,325,654
PetroVietnam Technical Services Corporation	9,124,080,001	-
VietsovPetro Joint Venture	7,848,802,535	7,555,817,374
PetroVietnam Gas Vung Tau Processing Company	3,307,863,200	3,013,076,833
PVD Offshore Services Limited Company	2,040,000,000	2,049,981,060
PTSC Quang Ngai JSC	343,432,321	10,112,961,696
Others	9,186,498,473	9,164,612,707

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
Salary, allowance and remuneration of the Board of Directors/Board of Management (including Chief Executive Officer)	8,110,914,250	8,732,051,767
Mr. Cao Hoai Duong	1,571,622,735	1,417,358,885
Mr. Doan Van Nhuom	1,571,622,735	1,417,358,885
Mr. Le Van Nghia	1,255,275,034	1,132,145,346
Mr. Nguyen Dang Trinh	1,255,275,034	1,132,145,346
Mr. Nguyen Mau Dung	1,318,268,690	1,188,752,613
Mr. Hang Anh Minh	418,425,011	1,132,145,346
Mr. Le Ngoc Quang	418,425,011	1,132,145,346
Mr. Tran Hoai Nam	180,000,000	180,000,000
Mr. Nguyen Xuan Quyen	122,000,000	-
Salary of the Board of Supervisors	3,321,679,769	3,143,880,538
Mr. Nguyen Duc Ken	1,255,275,034	1,132,145,346
Mr. Pham Thanh Son	1,115,493,492	1,005,867,596
Mr. Le Vinh Van	579,080,079	-
Ms. Tran Thi Phuong	371,831,164	1,005,867,596
Salary of the Executive Officers and Chief Accountant	6,140,739,314	5,800,067,695

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

	Closing balance VND	Opening balance VND
Short-term trade receivables	4,809,534,311,544	538,886,994,347
Binh Son Refining & Petrochemical JSC	4,242,042,358,563	23,825,807,585
Ninh Binh Petroleum JSC	460,013,128,406	278,849,547,063
PetroVietnam Exploration Production Corporation	27,923,549,334	26,916,080,480
VietsovPetro Joint Venture	21,473,789,127	17,832,514,001
Bien Dong Petroleum Operating Company	14,275,423,888	15,886,940,146
Pacific Petroleum Transportation JSC	13,941,073,250	29,381,135,000
PetroVietnam Technical Services Corporation	12,008,006,130	3,931,142,623
PTSC Quang Ngai JSC	2,834,939,259	2,603,970,025
Orient Bio-fuels Co., Ltd	2,543,770,086	2,543,770,086
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	2,430,000,000	-
PTSC Marine Mechanical Service One Member Co., Ltd	2,349,154,460	1,695,314,920
Petroleum Equipment Assembly and Metal Structure JSC	2,201,342,830	2,437,766,930
Dung Quat Oil Refinery Project Management Board	1,362,230,984	1,362,230,984
Dinh Vu Petroleum Service Port JSC	879,581,090	914,117,180
PetroVietnam Power Corporation	663,403,870	11,966,516,086
PTSC Geos and Subsea Services Co., Ltd	316,422,100	2,072,896,390
Song Hau 1 Petroleum Power Project Management Board	-	72,338,010,316
Materials - Petroleum JSC	-	30,553,040,000
PTSC Thanh Hoa Technical Service JSC	-	7,045,330,439
PetroVietnam International Gas Shipping JSC	-	4,439,568,400
Others	2,276,138,167	2,291,295,693

	Closing balance VND	Opening balance VND
Other short-term receivables	3,056,532,564,106	3,302,535,799,338
Binh Son Refining & Petrochemical JSC	2,346,895,416,008	3,092,519,548,663
VietsovPetro Joint Venture	455,507,382,262	8,545,468,176
Vietnam Oil and Gas Group	172,629,795,269	172,131,795,269
Petroleum Trading JSC	22,987,935,799	23,134,972,605
PetroVietnam Exploration Production Corporation	43,434,218,463	7,121,381
Vietnam Public Commercial Joint Stock Bank	12,583,561,645	3,931,506,847
Others	2,494,254,660	2,265,386,397
Short-term trade payables	7,741,675,818,717	7,125,844,415,522
Binh Son Refining & Petrochemical JSC	3,821,535,268,385	4,428,096,708,696
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	3,239,269,501,635	2,627,601,138,308
PetroVietnam Exploration Production Corporation	617,447,033,590	-
PetroVietnam Transportation Joint Stock Corporation	44,943,337,114	55,308,480,038
Ninh Binh Petroleum JSC	4,800,000,000	4,801,068,120
PetroVietnam Technical Services Corporation	3,687,260,908	-
Vietnam Energy Inspection JSC	3,090,780,856	3,469,834,229
Vietnam Gas Corporation - JSC	2,150,498,977	3,362,687,487
Dung Quat Oil Refinery Project Management Board	1,954,237,323	1,954,237,323
Others	2,797,899,929	1,250,261,321
Other current payables	2,035,448,576,197	2,153,423,050,232
VietsovPetro Joint Venture	1,745,537,815,133	1,819,686,460,776
PetroVietnam Exploration Production Corporation	286,811,871,118	327,015,456,822
Binh Son Refining & Petrochemical JSC	2,123,115,499	5,742,593,422
Ninh Binh Petroleum JSC	437,246,000	155,100,000
Vietnam Oil and Gas Group	224,387,802	724,387,802
Materials - Petroleum JSC	184,140,645	99,051,410
Vietnam Petrochemical and Fiber Joint Stock Company	130,000,000	-
Borrowing	9,463,440,282	11,829,300,352
Vietnam Public Commercial Joint Stock Bank	9,463,440,282	11,829,300,352
Short-term accrued expenses	67,660,207,768	50,127,079,768
Bien Dong Petroleum Operating Company	45,344,487,340	48,694,214,435
Nghi Son Oil Refinery Distribution Branch - PetroVietnam	7,544,179,440	-
PetroVietnam Exploration Production Corporation	6,860,240,358	-
PetroVietnam Transportation Joint Stock Corporation	6,658,558,180	-
PVI Insurance Corporation	1,016,787,339	931,602,514
Vietnam Oil and Gas Group	-	246,340,000
Others	235,955,111	254,922,819

41. SUPPLEMENTARY INFORMATION FOR ITEMS PRESENTED IN THE STATEMENT OF CASH FLOWS

Supplementary information for non-monetary items


Interest earned, dividends and profits received in the year excluding the amount of VND 399,868,061,708 which is the value of the profit from investment activities in the year not yet received (prior year: VND 211,952,050,415). Therefore, a corresponding amount has been adjusted on the increase and decrease in accounts receivable.



Phung To Van
Preparer



Nguyen Ngoc Ninh
Chief Accountant



Doan Van Nhuom
Chief Executive Officer

01 March 2024

