



PTSC OFFSHORE SERVICES JOINT-STOCK COMPANY

(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2021



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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of PTSC Offshore Services Joint-stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2021.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Nguyen Tien Phong	Chairman
Mr. Duong Hung Van	Member
Mr. Vu Chi Vien	Member
Mr. Nguyen Tuan	Member
Mr. Nguyen The Hoang	Member

Board of Directors

Mr. Duong Hung Van	Director
Mr. Le Toan Thang	Deputy Director
Mr. Nguyen Van Duong	Deputy Director
Mr. Vu Dinh Cao Son	Deputy Director (Appointed on 15 April 2021)
Mr. Nguyen Van Diep	Deputy Director (Resigned on 16 March 2021)
Mr. Vu Chi Vien	Deputy Director (Resigned on 16 March 2021)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Directors 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 financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,



Duong Hung Van
Director
28 March 2022

No.: 0481 /VN1A-HC-BC

INDEPENDENT AUDITORS' REPORT

To: The Shareholders, The Boards of Management and Directors
PTSC Offshore Services Joint-stock Company

We have audited the accompanying financial statements of PTSC Offshore Services Joint-stock Company (the "Company"), prepared on 28 March 2022, as set out from page 3 to page 29, which comprise the balance sheet as at 31 December 2021, and the statement of income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' Responsibility for the Financial Statements

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.



Đào Thái Thịnh

Audit Partner

Audit Practising Registration Certificate

No. 1867-2018-001-1

BRANCH OF DELOITTE VIETNAM COMPANY LIMITED

28 March 2022

Ho Chi Minh City, S.R. Vietnam

Phan Thi Hong Nhung

Auditor

Audit Practising Registration Certificate

No. 4130-2018-001-1

BALANCE SHEET
As at 31 December 2021

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		1,432,312,418,373	2,178,315,984,634
I. Cash and cash equivalents	110	4	194,579,619,699	166,861,947,825
1. Cash	111		144,579,619,699	166,861,947,825
2. Cash equivalents	112		50,000,000,000	-
II. Short-term financial investments	120	5	257,470,000,000	343,670,000,000
1. Held-to-maturity investments	123		257,470,000,000	343,670,000,000
III. Short-term receivables	130		865,411,453,863	1,412,215,586,420
1. Short-term trade receivables	131	6	845,937,531,688	1,342,616,457,493
2. Short-term advances to suppliers	132	7	27,170,462,025	50,595,075,192
3. Other short-term receivables	136	8	17,734,199,853	26,098,908,123
4. Provision for short-term doubtful debts	137	6	(25,430,739,703)	(7,094,854,388)
IV. Inventories	140	9	106,903,105,331	254,641,950,170
1. Inventories	141		106,903,105,331	293,861,743,976
2. Provision for devaluation of inventories	149		-	(39,219,793,806)
V. Other short-term assets	150		7,948,239,480	926,500,219
1. Short-term prepayments	151	10	1,523,448,454	926,500,219
2. Value added tax deductibles	152		4,173,302,481	-
3. Taxes and other receivables from the State budget	153	16	2,251,488,545	-
B. NON-CURRENT ASSETS	200		107,511,194,864	147,694,382,333
I. Long-term receivables	210		95,000,000	2,095,000,000
1. Other long-term receivables	216	8	95,000,000	2,095,000,000
II. Fixed assets	220		61,154,128,528	72,877,692,122
1. Tangible fixed assets	221	11	59,333,859,617	69,009,904,889
- Cost	222		887,192,755,404	881,419,724,109
- Accumulated depreciation	223		(827,858,895,787)	(812,409,819,220)
2. Intangible assets	227	12	1,820,268,911	3,867,787,233
- Cost	228		18,624,745,000	18,230,685,000
- Accumulated amortisation	229		(16,804,476,089)	(14,362,897,767)
III. Other long-term assets	260		46,262,066,336	72,721,690,211
1. Long-term prepayments	261	10	36,999,245,278	55,872,883,186
2. Deferred tax assets	262	13	9,262,821,058	16,848,807,025
TOTAL ASSETS (270=100+200)	270		1,539,823,613,237	2,326,010,366,967

The accompanying notes are an integral part of these financial statements

BALANCE SHEET (Continued)
As at 31 December 2021

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		777,430,262,966	1,506,893,632,152
I. Current liabilities	310		750,616,336,970	1,485,501,286,962
1. Short-term trade payables	311	14	499,265,674,335	1,111,289,381,965
2. Short-term advances from customers	312	15	79,550,800,237	106,444,576,871
3. Taxes and amounts payable to the State budget	313	16	4,980,618,939	39,499,814,795
4. Payables to employees	314		18,957,828,897	41,086,866,697
5. Short-term accrued expenses	315	17	87,617,051,740	121,233,319,962
6. Short-term unearned revenue	318		19,692,329,300	2,091,875,000
7. Other current payables	319	18	30,537,761,439	43,702,484,239
8. Short-term provisions	321	19	-	16,978,235,930
9. Bonus and welfare funds	322		10,014,272,083	3,174,731,503
II. Long-term liabilities	330		26,813,925,996	21,392,345,190
1. Long-term provisions	342	19	26,621,775,996	21,069,345,190
2. Scientific and technological development fund	343		192,150,000	323,000,000
D. EQUITY	400		762,393,350,271	819,116,734,815
I. Owner's equity	410	20	762,393,350,271	819,116,734,815
1. Owner's contributed capital	411		400,000,000,000	400,000,000,000
2. Investment and development fund	418		308,742,964,235	308,742,964,235
3. Retained earnings	421		53,650,386,036	110,373,770,580
- Retained earnings accumulated to the prior year end	421a		28,000,000,000	8,826,289,822
- Retained earnings of the current year	421b		25,650,386,036	101,547,480,758
TOTAL RESOURCES (440=300+400)	440		1,539,823,613,237	2,326,010,366,967

Dinh Thi Thuy
Preparer

Hoang Van Duy
Chief Accountant

Duong Hung Van
Director
28 March 2022



INCOME STATEMENT
For the year ended 31 December 2021

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from services rendered	01		2,094,113,332,797	3,402,136,982,031
2. Net revenue from services rendered (10=01)	10	23	2,094,113,332,797	3,402,136,982,031
3. Cost of sales	11	24	1,981,935,559,933	3,160,025,720,704
4. Gross profit from services rendered (20=10-11)	20		112,177,772,864	242,111,261,327
5. Financial income	21	26	18,634,979,425	33,666,043,252
6. Financial expenses	22	27	2,392,123,438	952,169,496
- In which: Interest expense	23		1,111,154,015	332,901,046
7. Selling expenses	25	28	16,026,724,294	26,280,716,546
8. General and administration expenses	26	29	79,846,114,809	115,190,218,178
9. Operating profit (30=20+(21-22)-(25+26))	30		32,547,789,748	133,354,200,359
10. Other income	31		3,029,198,738	268,219,693
11. Other expenses	32		977,518,530	1,408,756,221
12. Profit/(loss) from other activities (40=31-32)	40		2,051,680,208	(1,140,536,528)
13. Accounting profit before tax (50=30+40)	50		34,599,469,956	132,213,663,831
14. Current corporate income tax expense	51	30	1,363,097,953	40,458,056,286
15. Deferred corporate tax expense/(income)	52	13	7,585,985,967	(9,791,873,213)
16. Net profit after corporate income tax (60=50-51-52)	60		25,650,386,036	101,547,480,758
17. Basic earnings per share	70	31	82	2,132

Dinh Thi Thuy
Preparer

Hoang Van Duy
Chief Accountant



Duong Hung Van
Director
28 March 2022

CASH FLOW STATEMENT
For the year ended 31 December 2021

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. <i>Profit before tax</i>	01	34,599,469,956	132,213,663,831
2. <i>Adjustments for:</i>			
Depreciation and amortization of fixed assets	02	20,133,159,964	16,209,290,509
Provisions	03	(32,309,713,615)	65,489,931,436
Foreign exchange loss/(gain) arising from translating foreign currency items	04	41,116,568	(427,805,670)
Gain from investing activities	05	(15,826,697,144)	(29,254,390,981)
Interest expense	06	1,111,154,015	332,901,046
3. <i>Operating profit before movements in working capital</i>	08	7,748,489,744	184,563,590,171
Changes in receivables	09	514,807,292,836	(1,046,385,626,625)
Changes in inventories	10	186,958,638,645	(238,947,013,063)
Changes in accounts payable	11	(696,002,096,367)	1,106,654,171,931
Changes in prepaid expenses	12	18,276,689,673	(46,738,635,776)
Interest paid	14	(1,111,154,015)	(332,901,046)
Corporate income tax paid	15	(22,992,423,767)	(25,139,008,614)
Other cash outflows	17	(15,665,080,000)	(10,172,874,000)
<i>Net cash used in operating activities</i>	20	(7,979,643,251)	(76,498,297,022)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets	21	(15,259,837,910)	(59,838,388,566)
2. Proceeds from sale, disposal of fixed assets	22	1,601,494,243	222,303,500
3. Cash recovered from term deposits	24	86,200,000,000	178,400,000,000
4. Interest earned	27	22,621,287,231	35,660,415,289
<i>Net cash generated by investing activities</i>	30	95,162,943,564	154,444,330,223
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Dividends paid	36	(59,376,422,566)	(28,087,180,000)
<i>Net cash used in financing activities</i>	40	(59,376,422,566)	(28,087,180,000)
<i>Net increases in cash (50=20+30+40)</i>	50	27,806,877,747	49,858,853,201
<i>Cash and cash equivalents at the beginning of the year</i>	60	166,861,947,825	117,005,468,356
<i>Effects of changes in foreign exchange rates</i>	61	(89,205,873)	(2,373,732)
<i>Cash and cash equivalents at the end of the year (70=50+60+61)</i>	70	194,579,619,699	166,861,947,825

Dinh Thi Thuy
Preparer

Hoang Van Duy
Chief Accountant

Duong Hung Van
Director
28 March 2022



The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

PTSC Offshore Services Joint-stock Company (the "Company") was established in Vietnam in accordance with Company Registration Certificate No. 3500818790 on 27 December 2010 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province and amendments. The major shareholder and parent company of the Company is PetroVietnam Technical Services Corporation ("PTSC").

Shares of the Company have traded on the Unlisted Public Company Market (UPCoM) since 25 November 2016, under the code of "POS".

The total number of employees of the Company as at 31 December 2021 was 549 (as at 31 December 2020: 581).

Principal activities

Main activities of the Company are to provide the below services:

- (i) Transportation, installation, hooking up, testing service of petroleum constructions;
- (ii) Removing and demobilization of wells after ending period of mining;
- (iii) Operating and maintenance service for petroleum constructions;
- (iv) Labour services for transportation, installation, hooking up, testing of petroleum constructions;
- (v) Bonded warehouse service for transportation, installation, hooking up, testing; machinery repair and maintenance service;
- (vi) Measurement, controlling service of petroleum, other industrial and residential constructions; trading of tools and equipment;
- (vii) Trading, installation, repair and maintenance services of anti-fire equipment, fire-alarm for petroleum, other industry and residence; and
- (viii) Managing operation, exploitation and services trading of housing barge and other floating means.

Normal production and business cycle

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

Significant event in the year

The spread of the disease caused by the new Corona virus strain ("Covid-19") has affected both the world's and domestic economy. The business activities of the Company are also directly and indirectly influenced by the uncertain developments of the Covid-19 epidemic belt in Vietnam. The Board of Directors assessed the impact of Covid-19 on the financial situation and production and business activities, and monitored the Government's supportive policies to take all appropriate measures to reduce the negative impact of the epidemic on the Company's operations throughout the fiscal year. The Board of Directors also believes that Covid-19 does not affect the Company's ability to continue to operate.

Disclosure of information comparability in the financial statements

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

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying 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 financial reporting.

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

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Directors 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 Directors' best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, held-to-maturity investments, trade and other receivables.

Financial liabilities: At the date of initial recognition financial liabilities are recognized at cost plus transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade payables, accrued expenses and provisions.

Subsequent measurement after initial recognition

Currently, there are no requirements for the subsequent measurement of the financial instruments after initial recognition.

Cash and cash equivalents

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

Held-to-maturity investments

Held-to-maturity investments represent time deposits which held to maturity to earn periodic interest.

Interest income from time deposits is recognized in the income statement on accrual basis.

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 from economic contracts, contractual commitments, or debt commitments that the Company has repeatedly spent time to collect but has not collected yet, 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 realizable 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. Cost is calculated using the weighted average method. Net realizable 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 realizable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	<u>Years</u>
Buildings and structures	6 - 25
Machinery and equipment	3 - 7
Motor vehicles	6 - 7
Office equipment	3

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 recognized in the income statement.

Leasing

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 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.

Intangible assets and amortisation

Intangible assets represent computer software which is stated at cost less accumulated amortization. The computer software is amortised using the straight-line method in three years.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple financial years. Long-term prepayments represent software license fee.

Short-term prepayments comprise insurance fee and other short-term prepayments. These expenditures are allocated to the income statement using the straight-line method over a periods less than 12 months.

Long-term prepayments comprise human insurance fee, costs of tools issued for consumption, rental fee and other long-term prepayments. These expenditures are allocated to the income statement using the straight-line method over a periods more than 12 months.

Payable provisions

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

In case the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. Expected losses from onerous contracts are recognized when the best estimate of total contract costs exceeds the economic benefits expected to be received under it.

Provision for periodic repair of fixed assets is gradually allocated to operation cost based on the estimate until the year when the asset repair is expected. At the year of the repair, if the actual repair cost is larger than the estimated amount or vice versa, the difference is recorded in the income statement of that financial year.

Scientific and technological development fund

Scientific and technological development fund shall be appropriated with the rate of maximum up to 10% of annual taxable income before corporate income tax. The appropriation and use of this fund is carried out in accordance with the Company's policy.

Revenue recognition

Revenue from service provided

Revenue of a transaction involving the rendering of services is recognized when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several periods, revenue is recognized in each period by reference to the percentage of completion of the transaction as at the balance sheet date of that period. 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 Company;
- (c) the percentage of completion of the transaction at the 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.

Revenue from construction contracts

Where a construction contract stipulates that the contractor is allowed to make payments according to the value of performed work volume, and when the contract performance result is reliably determined and certified by customers, the revenues and costs related to such contract shall be recognized by reference to the completed work volume certified by the customers in the period and reflected in the billed invoices.

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized by reference to the stage of completion of the contract activity at the balance sheet date as measured by the proportion that actual costs incurred for work performed to date relating to the estimated total costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that it is probable of recovery.

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 are recognized in the income statement.

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 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 recognized on significant differences between carrying amounts of assets and liabilities in the 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 recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

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

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

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

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

Distribution of profits, appropriation of funds

The Company distributes its profits and appropriates funds in accordance with the charter of the joint stock company and the Resolution of the annual Shareholders' Committee.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	351,287,912	592,307,901
Bank demand deposits	144,228,331,787	166,269,639,924
Cash equivalents	50,000,000,000	-
	<u>194,579,619,699</u>	<u>166,861,947,825</u>

Cash equivalents comprise the time deposits at the commercial banks with the maturity term no more than 3 months with an interest rate of 3.2% per annum.

The Company is using the demand deposits at the commercial banks with an amount of VND 1,429,857,666 as at 31 December 2021 as a guarantee for issuing advanced payment bond, tender guarantee and contract performance guarantee for projects the Company is implementing or for projects the Company are participating in bidding.

5. HELD-TO-MATURITY INVESTMENTS

Held-to-maturity investments comprise the time deposits at the commercial banks with the maturity term no more than 12 months with the interest rate of from 3.2% to 4.9% per annum (as at 31 December 2020: 4.6% to 6.5% per annum).

The Company is using the term deposits and demand deposits at the commercial banks with an amount of VND 173,000,000,000 as at 31 December 2021 as a guarantee for issuing advanced payment bond, tender guarantee and contract performance guarantee for projects the Company are implementing or for projects the Company is participating in bidding.

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Receivables from third parties		
Technip Geoproduction (M) SDN BHD	200,423,358	471,868,864,531
Japan VietNam Petroleum Company Limited	10,748,644,500	18,671,434,703
Chevron Thailand Exploration and Production., Ltd.	195,017,834,095	-
Others	124,385,001,092	276,586,836,853
b. Receivables from related parties (Note 34)	515,585,628,643	575,489,321,406
	<u>845,937,531,688</u>	<u>1,342,616,457,493</u>
Provision for short-term doubtful debts	<u>(25,430,739,703)</u>	<u>(7,094,854,388)</u>
	<u>820,506,791,985</u>	<u>1,335,521,603,105</u>

7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Advances to third parties		
Gulf Agency CO. Qatar W.L.L	175,052,054	22,869,818,022
BGI Group Joint Stock Company	13,812,212,195	19,972,677,529
Phuong Nam Trading PT Company Limited	3,100,000,000	-
Others	10,083,197,776	7,752,579,641
	<u>27,170,462,025</u>	<u>50,595,075,192</u>

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
a. Other short-term receivables		
Accrued interest income	8,373,846,574	16,769,930,904
Short-term deposits, mortgages	5,355,729,500	6,406,196,949
Value added tax not yet declared	2,356,122,449	819,066,637
Internal receivables from PetroVietnam Technical Services Corporation	148,885,456	148,885,456
Other short-term receivables	1,499,615,874	1,954,828,177
	17,734,199,853	26,098,908,123
b. Other long-term receivables		
Long-term deposits, mortgages	95,000,000	2,095,000,000

9. INVENTORIES

	Closing balance VND		Opening balance VND	
	Cost	Provision	Cost	Provision
Raw materials	6,697,638,805	-	6,805,084,832	-
Tools and supplies	18,455,923,961	-	21,190,356,564	-
Work in progress (*)	81,749,542,565	-	265,866,302,580	(39,219,793,806)
	106,903,105,331	-	293,861,743,976	(39,219,793,806)

(*) Work in progress comprises the expense related to materials, equipment and the out-sourced services of uncompleted projects as follows:

	Closing balance VND		Opening balance VND	
	Cost	Provision	Cost	Provision
Gallaf for Qatar Project	63,209,758,230	-	251,848,395,717	(39,219,793,806)
Nam Con Son 2 Project	16,293,961,216	-	9,512,028,099	-
Long Phu Project	1,808,541,726	-	1,804,998,171	-
TLIOC Project	437,281,393	-	-	-
HUC Sao Vang Dai	-	-	2,700,880,593	-
Nguyen (PMC) Project	-	-	-	-
	81,749,542,565	-	265,866,302,580	(39,219,793,806)

10. PREPAYMENTS

	Closing balance VND	Opening balance VND
a. Current		
Insurance fee	1,523,448,454	926,500,219
	1,523,448,454	926,500,219
b. Non-current		
Land rental fee	7,380,050,400	8,302,556,700
Expense related to Long Son project	6,141,995,026	13,431,991,051
Tools issued for consumption	18,401,266,533	33,812,065,500
Others	5,075,933,319	326,269,935
	36,999,245,278	55,872,883,186

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12. INTANGIBLE ASSETS

	<u>Computer software</u> VND
COST	
Opening balance	18,230,685,000
Additions	394,060,000
Closing balance	<u>18,624,745,000</u>
ACCUMULATED AMORTISATION	
Opening balance	14,362,897,767
Charge for the year	2,441,578,322
Closing balance	<u>16,804,476,089</u>
NET BOOK VALUE	
Opening balance	<u>3,867,787,233</u>
Closing balance	<u>1,820,268,911</u>

As at 31 December 2021, the cost of the Company's intangible assets includes an amount of VND 14,746,885,000 (as at 31 December 2020: VND 10,847,875,000) of assets which have been fully depreciated but are still in use.

13. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognized by the Company and the movements thereon during the current and prior year, as follows:

	<u>Accruals and other provisions</u> VND
Prior year's opening balance	7,056,933,812
Recognized to the income statement during the year	9,791,873,213
Current year's opening balance	<u>16,848,807,025</u>
Recognized to the income statement during the year	(7,585,985,967)
Current year's closing balance	<u>9,262,821,058</u>

14. SHORT-TERM TRADE PAYABLES

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
a. Payables to third parties		
Ultra Deep Van Gogh Pte. Ltd.	121,008,007,292	-
Thien Nam Offshore Services Joint Stock Company	1,160,318,995	275,069,040,213
Ocean Works Asia Pte. Ltd.	27,668,347,860	113,759,693,066
Shelf Subsea Solutions Pte. Ltd.	70,141,248,588	-
McDermott Asia Pacific SDN BHD	-	5,720,075,805
Others	217,210,860,565	613,772,919,472
b. Payables to related parties (Note 34)	<u>62,076,891,035</u>	<u>102,967,653,409</u>
	<u>499,265,674,335</u>	<u>1,111,289,381,965</u>

15. SHORT-TERM ADVANCES FROM CUSTOMERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
a. Advances from third parties		
Technip Geoproduction (M) SDN BHD	-	7,718,544,210
Thầu chính THCV TK CC TBCN và TC XDCT DA Nhà máy Điện gió Viên An	19,190,325,000	-
	<u>19,190,325,000</u>	<u>7,718,544,210</u>
b. Advances from related parties (Note 34)	60,360,475,237	98,726,032,661
	<u>79,550,800,237</u>	<u>106,444,576,871</u>

16. TAXES AND AMOUNTS PAYABLE TO/OTHER RECEIVABLES FROM THE STATE BUDGET

	<u>Opening balance</u>	<u>Payable/Receivable</u>	<u>Paid/Received</u>	<u>Closing balance</u>
	VND	during the year	during the year	VND
		VND	VND	
a. Receivables				
Corporate income tax	-	1,363,097,953	3,614,586,498	2,251,488,545
b. Payables				
Value added tax	11,185,754,906	-	11,185,754,906	-
Corporate income tax	22,992,423,767	-	22,992,423,767	-
Personal income tax	4,097,603,240	33,500,416,886	35,444,748,126	2,153,272,000
Export, import tax	-	476,294,757	476,294,757	-
Foreign withholding tax	1,224,032,882	27,898,264,130	26,294,950,073	2,827,346,939
Others taxes	-	899,200,000	899,200,000	-
	<u>39,499,814,795</u>	<u>62,774,175,773</u>	<u>97,293,371,629</u>	<u>4,980,618,939</u>

17. SHORT-TERM ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Accrued cost for projects	85,920,581,661	115,575,803,618
Other accrued expenses	1,696,470,079	5,657,516,344
	<u>87,617,051,740</u>	<u>121,233,319,962</u>

18. OTHER CURRENT PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Personal income tax payables	3,132,403,303	4,605,937,019
Dividends payable	1,828,569,934	1,204,992,500
Trade union fee	1,040,351,800	578,718,094
Other current payables	24,536,436,402	37,312,836,626
	<u>30,537,761,439</u>	<u>43,702,484,239</u>

19. PROVISIONS

	Closing balance VND	Opening balance VND
Warranty provision		
a. Short-term		
HUC Gallaf Project	-	12,341,405,713
PLD SS7 Project	-	2,436,342,943
PP4 Project	-	1,243,014,553
Subsea 7 Project	-	957,472,721
	<u>-</u>	<u>16,978,235,930</u>
b. Long-term		
HUC SVDN Project	10,146,140,249	10,146,140,249
HUC Gallaf Project	5,660,853,430	3,221,053,620
Long Son Project	7,521,314,117	3,083,669,290
E1 JVPC (2020) Project	-	3,009,110,760
FSO SVDN Project	-	1,609,371,271
DSV Thailand Project	2,818,182,393	-
Tan Thuan Project	475,285,807	-
	<u>26,621,775,996</u>	<u>21,069,345,190</u>

20. OWNERS' EQUITY

Movement in owners' equity

	Owners' contributed capital VND	Investment and development fund VND	Retained earnings VND	Total VND
Prior year's opening balance	400,000,000,000	308,742,964,235	47,163,231,855	755,906,196,090
Profit for the year	-	-	101,547,480,758	101,547,480,758
Fund appropriation	-	-	(10,336,942,033)	(10,336,942,033)
Dividends declared	-	-	(28,000,000,000)	(28,000,000,000)
Current year's opening balance	400,000,000,000	308,742,964,235	110,373,770,580	819,116,734,815
Profit for the year	-	-	25,650,386,036	25,650,386,036
Fund appropriation	-	-	(22,373,770,580)	(22,373,770,580)
Dividends declared	-	-	(60,000,000,000)	(60,000,000,000)
Current year's closing balance	400,000,000,000	308,742,964,235	53,650,386,036	762,393,350,271

According to Resolution No. 06/NQ-LDBD-DHDCD on 27 April 2021 of the Shareholders' Annual General Meeting, the Shareholders of the Company approved to pay dividends of 2020 and bonus and welfare funds appropriation out of its retained earnings of 2020 with total amounts of VND 60,000,000,000 and VND 22,373,770,580, respectively. During the year, the Company paid dividends to the shareholders and appropriated fund.

Charter capital

According to the Company's amended Registration Certificate, the Company's charter capital is VND 400,000,000,000, equivalent to 40,000,000 common shares with par value of VND 10,000 per share. As at balance sheet date, the charter capital was fully contributed as follows:

Shareholders	Per Business Registration Certificate		Capital contributed	
	No. of shares	%	Amount (VND)	Closing and opening balance VND
Petrovietnam Technical Services Corporation	33,980,700	85%	339,807,000,000	339,807,000,000
Ocean Bank	4,000,000	10%	40,000,000,000	40,000,000,000
Others	2,019,300	5%	20,193,000,000	20,193,000,000
	40,000,000	100%	400,000,000,000	400,000,000,000

The Company only has one class of common shares which carries no right to fixed income with the par value of VND 10,000 per share. The shareholders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

21. OFF BALANCE SHEET ITEMS

Foreign currency

As at the balance sheet date, cash and cash equivalents include following foreign currency amount:

	Closing balance	Opening balance
Foreign currency		
- United State Dollar (USD)	1,370,489	12,738

22. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Company currently provides services in managing, operating the building, installation, reparation, operation, maintenance of offshore petroleum construction, provides goods, labour and services. Consequently, the Board of Directors evaluated and prepared business segment report by revenue and cost of services rendered as presented in Note 23 and 24 below.

Revenues of providing services in managing, operating the building, installation, reparation, operation, maintenance of offshore petroleum construction are from the operation both in domestic and overseas with detail of revenue and cost of sales by geographical segment as follow:

	Current year	Prior year
Revenue		
Domestic	1,336,187,069,913	3,017,180,024,401
Overseas	757,926,262,884	384,956,957,630
	2,094,113,332,797	3,402,136,982,031
Cost of sales		
Domestic	1,324,163,385,692	2,811,954,803,240
Overseas	657,772,174,241	348,070,917,464
	1,981,935,559,933	3,160,025,720,704

The Company does not prepare the business segment report by assets and liabilities as the Company's assets are generally used for many types of services and each supplier may provide many services to the Company.

23. NET REVENUE FROM SERVICES RENDERED

	Current year VND	Prior year VND
Labour supplying service	2,586,754,720	4,143,556,622
Mechanic repairing, maintenance service	51,218,016,302	92,257,410,575
Transportation, installation, connection, dismantling services	1,800,562,758,783	2,851,265,491,972
Labour management services	216,195,901,829	206,465,691,799
Operation and maintenance service	23,549,901,163	248,004,831,063
	<u>2,094,113,332,797</u>	<u>3,402,136,982,031</u>
<i>In which:</i>		
Revenue from related parties (Note 34)	1,241,344,773,404	2,227,714,617,354
Revenue from third parties	852,768,559,393	1,174,422,364,677
	<u>2,094,113,332,797</u>	<u>3,402,136,982,031</u>

24. COST OF SALES

	Current year VND	Prior year VND
Labour supplying service	661,516,735	3,164,965,977
Mechanic repairing, maintenance service	47,718,534,749	68,785,264,684
Transportation, installation, connection, dismantling services	1,717,416,692,348	2,661,952,840,810
Labour management services	193,360,645,783	191,044,019,935
Operation and maintenance service	22,778,170,318	235,078,629,298
	<u>1,981,935,559,933</u>	<u>3,160,025,720,704</u>

25. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	251,536,240,818	143,581,309,488
Labour	316,683,398,218	438,368,812,950
Depreciation and amortisation	20,133,159,964	16,209,290,509
Out-sourced services	1,458,527,974,126	2,623,873,158,433
Provisions	6,467,670,664	53,148,525,723
Provisions for onerous contracts	-	12,341,405,713
Other monetary expenses	24,459,955,246	13,974,152,612
	<u>2,077,808,399,036</u>	<u>3,301,496,655,428</u>

26. FINANCIAL INCOME

	Current year VND	Prior year VND
Interest income	14,225,202,901	29,032,087,481
Foreign exchange gain	4,409,776,524	4,633,955,771
	<u>18,634,979,425</u>	<u>33,666,043,252</u>

27. FINANCIAL EXPENSES

	Current year	Prior year
	VND	VND
Interest expense	1,111,154,015	332,901,046
Foreign exchange loss	1,280,969,423	619,268,450
	<u>2,392,123,438</u>	<u>952,169,496</u>

28. SELLING EXPENSES

	Current year	Prior year
	VND	VND
Labour	13,220,902,502	23,056,513,141
Depreciation & amortisation	26,228,656	17,728,756
Out-sourced services	2,442,490,586	2,852,413,927
Other expenses	337,102,550	354,060,722
	<u>16,026,724,294</u>	<u>26,280,716,546</u>

29. GENERAL AND ADMINISTRATION EXPENSES

	Current year	Prior year
	VND	VND
Materials and consumables	1,907,802,416	1,758,959,130
Labour	45,218,507,001	68,740,122,217
Depreciation & amortisation	1,537,989,389	1,488,708,312
Out-sourced services	12,511,729,603	23,533,587,690
Provisions for doubtful debt	18,335,885,315	4,719,049,210
Provisions for onerous contracts	-	12,341,405,713
Other expenses	334,201,085	2,608,385,906
	<u>79,846,114,809</u>	<u>115,190,218,178</u>

30. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year	Prior year
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable income in the current year	12,291,838,043	40,458,056,286
Adjustments for corporate income tax expense in previous years to the current year	(10,928,740,090)	-
Total current corporate income tax expense	<u>1,363,097,953</u>	<u>40,458,056,286</u>



The current corporate income tax expense for the year was computed as follows:

	Current year VND	Prior year VND
Profit before tax	34,599,469,956	132,213,663,831
Adjustments for taxable income		
Less:		
- Unearned revenue of the prior year	2,091,875,000	18,400,062,720
- Reversion of payable provision	9,255,312,248	11,859,662,483
- Others	3,945,984,721	388,113,637
Add back		
- Non-deductible expenses	6,443,854,725	22,249,892,301
- Unearned revenue of the current year	19,692,329,300	2,091,875,000
- Accrued payable provision	10,170,912,837	72,436,704,418
- Others	5,845,795,366	3,945,984,721
Taxable income	61,459,190,215	202,290,281,431
Normal tax rate of 20%	20%	20%
Corporate income tax expense	12,291,838,043	40,458,056,286

The Company is obliged to pay corporate income tax at the rate of 20% of its taxable income.

31. BASIC EARNINGS PER SHARE

	Current year VND	Prior year VND
Accounting profit after corporate income tax	25,650,386,036	101,547,480,758
Less: Appropriation of bonus & welfare funds	22,373,770,580	16,270,000,000
Profit for the purposes of calculating basic earnings per share	3,276,615,456	85,277,480,758
Average ordinary shares in circulation for the year	40,000,000	40,000,000
Basic earnings per share	82	2,132

32. COMMITMENTS

Operating lease commitment

	Current year VND	Prior year VND
Minimum lease payments under operating leases recognized in income statement for the year	1,780,506,300	1,709,006,300

As at the balance sheet date, the Company had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Closing balance VND	Opening balance VND
Within one year	1,780,506,300	922,506,300
In the second to fifth year inclusive	7,122,025,200	3,690,025,200
After five years	5,489,894,425	4,612,531,500

Operating leases payments represent total rentals payable by the Company for renting land with the term of 10 years since 1 January 2020.

Other Commitments

As at 31 December 2021, the Company had signed the guaranty contracts with the commercial bank to issue advanced payment bond, tender guarantee and contract performance guarantee for projects the Company is implementing or for projects the Company is participating in bidding, with an amount of USD 4,695,028 and VND 147,642,259,527.

33. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity of shareholders' equity (including owners' contributed capital, investment and development fund, and retained earnings).

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 3.

Categories of financial instruments

	Carrying amounts	
	Closing balance	Opening balance
	VND	VND
Financial assets		
Cash and cash equivalents	193,149,762,033	165,432,090,159
Held-to-maturity investments	84,470,000,000	215,670,000,000
Trade and other receivables	860,391,346,281	1,368,199,332,522
	<u>1,138,011,108,314</u>	<u>1,749,301,422,681</u>
Financial liabilities		
Trade payables	499,265,674,335	1,111,289,381,965
Accruals	87,617,051,740	121,233,319,962
Provisions	26,621,775,996	38,047,581,120
	<u>613,504,502,071</u>	<u>1,270,570,283,047</u>

The Company has not assessed fair value of its financial assets and liabilities as at the balance sheet date since there is no comprehensive guidance under Circular No. 210/2009/TT-BTC issued by the Ministry of Finance on 6 November 2009 ("Circular 210") and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards ("IFRS") on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk and commodity price risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and prices. The Company does not hedge these risk exposures due to the lack of any market for the trading activities of financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	VND	VND	VND	VND
United States Dollar (USD)	<u>290,326,455,966</u>	<u>68,338,590,142</u>	<u>266,939,807,067</u>	<u>208,261,586,708</u>

Foreign currency sensitivity analysis

The Company is mainly exposed to United States Dollar.

The following table details the Company's sensitivity to a 2% increase and decrease in Vietnam Dong against United States Dollar. 2% is the sensitivity rate used when reporting foreign currency risk internally to the Board of Directors and represents the Board of Directors' assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates. For a 2% increase/decrease in United States Dollar against Vietnam Dong, the Company's profit before tax in the year would have decreased/increased as follows:

	Current year	Prior year
	VND	VND
United States Dollar (USD)	<u>(467,732,978)</u>	<u>2,936,147,941</u>

Commodity price risk

The Company purchases, commodities from local and foreign suppliers for business purpose. Therefore, the Company is exposed to the risk of changes in selling prices of commodities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not have any significant credit risk exposure to any counterparty because almost receivables are due from its related parties.

Liquidity risk management

The purpose of liquidity risk management is to ensure the availability of funds to meet present and future financial obligations. Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any period is kept to manageable levels relative to the amount of funds that the Company believes can generate within that period. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year VND	From 1 - 5 years VND	Total VND
31/12/2021			
Cash and cash equivalents	193,149,762,033	-	193,149,762,033
Held-to-maturity investments	84,470,000,000	-	84,470,000,000
Trade and other receivables	860,296,346,281	95,000,000	860,391,346,281
	<u>1,137,916,108,314</u>	<u>95,000,000</u>	<u>1,138,011,108,314</u>
Trade payables	499,265,674,335	-	499,265,674,335
Accruals	87,617,051,740	-	87,617,051,740
Provisions	-	26,621,775,996	26,621,775,996
	<u>586,882,726,075</u>	<u>26,621,775,996</u>	<u>613,504,502,071</u>
Net liquidity gap	<u>551,033,382,239</u>	<u>(26,526,775,996)</u>	<u>524,506,606,243</u>
	Less than 1 year VND	From 1 - 5 years VND	More than 5 years VND
31/12/2020			
Cash and cash equivalents	165,432,090,159	-	165,432,090,159
Held-to-maturity investments	215,670,000,000	-	215,670,000,000
Trade and other receivables	1,366,104,332,522	2,095,000,000	1,368,199,332,522
	<u>1,747,206,422,681</u>	<u>2,095,000,000</u>	<u>1,749,301,422,681</u>
Trade payables	1,111,289,381,965	-	1,111,289,381,965
Accruals	121,233,319,962	-	121,233,319,962
Provisions	16,978,235,930	21,069,345,190	38,047,581,120
	<u>1,249,500,937,857</u>	<u>21,069,345,190</u>	<u>1,270,570,283,047</u>
Net liquidity gap	<u>497,705,484,824</u>	<u>(18,974,345,190)</u>	<u>478,731,139,634</u>

The Board of Directors assessed the liquidity risk at low level. The Board of Directors believes that the Company will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

34. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties

Members of PetroVietnam Technical Services Corporation (PTSC)

<u>Full name</u>	<u>Short name</u>	<u>Relationship</u>
PetroVietnam Technical Services Corporation	PTSC	Parent company
Branch of Petrovietnam Technical Services Corporation - PTSC Supply Base	PTSC - Supply Base	Member of PTSC
Branch of Petrovietnam Technical Services Corporation - PTSC Da Nang	PTSC - Da Nang	Member of PTSC
Branch of Petrovietnam Technical Services Corporation - PTSC Marine	PTSC - Marine	Member of PTSC
PTSC Thanh Hoa Port JSC	PTSC Thanh Hoa	Member of PTSC
PTSC Quang Ngai JSC	PTSC Quang Ngai	Member of PTSC
Petrovietnam Marine Shipyard Company	PV Shipyard	Member of PTSC
Sao Mai-Ben Dinh Petro Investment JSC	PVSB	Member of PTSC
PTSC Production Services JSC	PTSC PPS	Member of PTSC
PTSC Mechanical & Construction Services Company Limited	PTSC M&C	Member of PTSC
PTSC Geos and Subsea Services Company Limited	PTSC G&S	Member of PTSC
Petro Hotel Company Limited	PTSC Hotel	Member of PTSC
Petrovietnam Technical Services Corporation – Long Phu Project Management Board	PTSC - Long Phu Project Management Board	Member of PTSC

Members of PetroVietnam Oil and Gas Group (PVN)

<u>Full name</u>	<u>Short name</u>	<u>Relationship</u>
PetroVietnam Oil and Gas Group	PVN	Parent company
PetroVietnam Insurance Corporation (Southern)	PVI Southern	Members of PVN
PetroVietnam Insurance Corporation (Vung Tau)	PVI Vung Tau	Members of PVN
Petrovietnam Securities Incorporated	PSI	Members of PVN
PVD Technical Training and Certification JSC	PVD Training	Members of PVN
PVD Trading and Technical Services JSC	PVD Tech	Members of PVN
Petroleum Equipment Assembly & Metal Structure JSC	PVC-MS	Members of PVN
Bien Dong Petroleum Operating Company	BIENDONGPOC	Members of PVN
Nam Con Son Pipeline Company	NCSP	Members of PVN
Petrovietnam Energy Technological Corporation	PVMR Corp	Members of PVN
PetroVietnam General Service JSC	Petrosetco	Members of PVN
PetroVietnam Transportation Corporation	PV Trans	Members of PVN
PetroVietnam Exploration Production Corporation	PVEP	Members of PVN
Petrovietnam Manpower Training College	PVMTC	Members of PVN
Vietnam Energy Inspection Corporation	EIC	Members of PVN
Dung Quat Shipyard	DQS	Members of PVN
Binh Son Refining and Petrochemical JSC	BSR	Members of PVN

During the year, the Company entered into the material transactions with the following related parties:

	Current year VND	Prior year VND
Revenue		
<i>Members of PTSC</i>		
PTSC M&C	410,467,300,406	996,428,641,434
PTSC Quang Ngai	6,506,927,160	3,300,412,186
PTSC Thanh Hoa	9,843,676,125	2,744,481,112
PTSC - Marine	40,025,430	171,614,306
PTSC - PPS	-	13,215,400
<i>Members of PVN</i>		
PTSC	705,108,074,567	713,926,650,088
PVEP	86,302,582,667	416,971,174,246
BSR	132,690,363	72,579,504,292
BIENDONGPOC	22,088,329,541	21,389,004,290
PVD Training	63,360,000	189,920,000
NCSP	560,207,145	-
PVC-MS	231,600,000	-
	1,241,344,773,404	2,227,714,617,354
Purchases		
<i>Members of PTSC</i>		
PTSC - Marine	25,713,236,609	70,436,730,569
PV Shipyard	41,168,877,140	32,712,672,113
PTSC - Supply Base	20,173,174,401	28,334,821,800
PTSC G&S	6,336,248,537	21,701,636,951
PTSC Quang Ngai	1,562,941,364	11,273,555,998
PTSC Hotel	2,637,182,497	6,214,489,945
PVSB	8,105,008,213	2,883,166,630
PTSC PPS	-	2,686,785,750
PTSC - Da Nang	-	1,354,525,909
PTSC - Production Services	-	1,148,855,000
PTSC - Long Phu Project Management Board	5,248,763,221	332,868,039
PTSC M&C	1,115,554,422	269,660,000
PTSC Thanh Hoa	-	187,110,000
<i>Members of PVN</i>		
PVD Training	20,269,495,076	28,538,809,127
PVMTC	144,165,000	11,458,331,000
Petrosetco	1,609,922,600	8,293,873,000
PVI Vung Tau	6,479,129,758	6,720,141,122
PVD Tech	-	3,834,298,000
PVI Southern	4,587,359,330	2,840,384,691
PVC-MS	3,713,816,385	2,702,728,660
EIC	338,860,984	95,000,000
PTSC	500,000,000	63,099,145
PVEP	-	35,604,442
PVN	605,043,294	-
	150,308,778,831	244,119,147,891
Dividend paid		
PTSC	50,971,050,000	23,786,490,000

Remuneration of the Company's Boards of Management and Directors during the year was as follows:

	Current year VND	Prior year VND
<u>Board of Management</u>		
Nguyen Tien Phong	152,000,000	152,000,000
Nguyen Tuan	76,000,000	76,000,000
Nguyen The Hoang	76,000,000	40,000,000
	304,000,000	268,000,000
<u>Board of Directors</u>		
Duong Hung Van	892,899,000	1,597,881,600
Le Toan Thang	678,039,000	1,284,318,000
Nguyen Van Diep	209,859,000	1,379,372,000
Vu Chi Vien	483,580,000	1,315,087,600
Nguyen Van Duong	687,710,000	1,100,845,000
Vu Dinh Cao Son	410,550,000	-
Nguyen Minh Ngoc	313,381,000	1,091,752,600
Hoang Van Duy	232,230,000	-
	3,908,248,000	7,769,256,800

Related party balances at the balance sheet date were as follows:

	Closing balance VND	Opening balance VND
Receivables		
<i>Members of PTSC</i>		
PTSC M&C	21,701,717,362	136,249,615,498
PTSC Quang Ngai	4,627,436,048	3,300,412,187
PTSC Thanh Hoa	2,278,072,566	1,424,202,371
PTSC - Long Phu Project Management Board	467,197,119	467,197,119
PTSC - Marine	-	151,293,446
<i>Members of PVN</i>		
PTSC	469,141,250,381	281,410,135,310
PVEP	10,419,712,062	138,981,695,337
BIENDONGPOC	6,334,015,246	13,210,354,575
PVD Training	-	189,920,000
PVI Vung Tau	-	104,495,563
NCSP	616,227,859	-
	515,585,628,643	575,489,321,406

	Closing balance VND	Opening balance VND
Payables		
<i>Members of PTSC</i>		
PTSC - Marine	25,713,236,609	33,489,640,686
PTSC - Supply Base	15,857,995,421	16,496,797,055
PTSC Quang Ngai	-	6,856,880,939
PV Shipyard	9,543,743,283	5,720,314,979
PTSC Hotel	629,592,063	3,639,719,975
PTSC - Da Nang	43,085,000	1,526,465,800
PTSC - Long Phu Project Management Board	1,072,011,657	1,187,017,757
PTSC G&S	6,336,248,537	617,506,579
PTSC PPS	-	498,960,000
PVSB	122,637,735	470,633,493
PTSC M&C	77,557,700	61,182,000
<i>Members of PVN</i>		
PVD Training	1,177,880,000	18,265,740,396
PVMTC	1,050,000	6,401,842,845
PVI Vung Tau	258,176,517	4,713,114,877
PVC-MS	1,019,465,185	2,931,839,726
PTSC PPS	-	35,604,442
PTSC	-	33,491,860
EIC	224,211,328	20,900,000
	62,076,891,035	102,967,653,409
Advances from customers		
PTSC	49,264,045,575	56,521,466,544
PTSC - Long Phu Project Management Board	11,096,429,662	11,096,429,662
PTSC Thanh Hoa	-	1,663,929,928
PTSC Quang Ngai	-	285,829,639
PTSC M&C	-	6,927,000,000
BSR	-	22,231,376,888
	60,360,475,237	98,726,032,661
Other receivables		
PTSC	148,885,456	148,885,456

35. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental non-cash disclosures

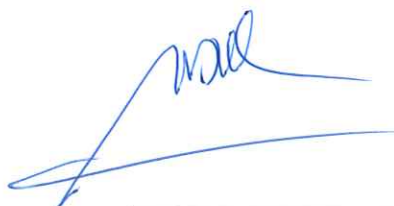
Cash outflows for acquisition of fixed assets during the year excluded an amount of VND 92,620,000 (2020: VND 6,942,861,540), representing the amount used for the acquisition of fixed assets during the year which has not yet been paid. Therefore, changes in payables have been adjusted by the same amount.

Interest income received during the year excluded an amount of VND 8,373,846,574 (2020: VND 16,769,930,904), representing interest income to be received as at 31 December 2021. Therefore, changes in account receivables have been adjusted by the same amount.

Dividend paid during the year excluded an amount of VND 1,828,569,934 (2020: VND 1,204,992,500), representing dividend to be paid as at 31 December 2021. Consequently, changes in accounts payable have been adjusted by the same amount.



Dinh Thi Thuy
Preparer



Hoang Van Duy
Chief Accountant



Duong Hung Van
Director
28 March 2022