

PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**



PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

CORPORATE INFORMATION

Enterprise registration certificate

No. 3500818790 dated 5 October 2007 was initially issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province and the 8th amendment dated 27 June 2022

Board of Directors

Mr. Nguyen Tien Phong	Chairman
Mr. Duong Hung Van	Member
Mr. Nguyen Tuan	Member
Mr. Nguyen The Hoang	Member
Mr. Vu Chi Vien	Member (to 26 April 2022)
Mr. Nguyen Duc Thien	Member (from 26 April 2022)

Board of Supervision

Ms. Nguyen Le Tra	Chief Supervisor
Ms. Tran Thi Minh Huong	Member
Ms. Pham Thu Hien	Member

Board of Management

Mr. Duong Hung Van	President
Mr. Le Toan Thang	Vice Director
Mr. Nguyen Van Duong	Vice Director
Mr. Vu Dinh Cao Son	Vice Director

Legal representative

Mr. Duong Hung Van	President
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Registered office

65A 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria – Vung Tau Province, Vietnam

Auditor

PwC (Vietnam) Limited

PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

STATEMENT OF THE BOARD OF MANAGEMENT

Statement of responsibility of the Board of Management of the Company in respect of the financial statements

The Board of Management of PTSC Offshore Services Joint Stock Company ("the Company") is responsible for preparing the financial statements of the Company which give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations and its cash flows for the year then ended. In preparing these financial statements, the Board of Management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of Management of the Company 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 which enable financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the financial statements. The Board of Management is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud or error.

Approval of the financial statements

We hereby approve the accompanying financial statements as set out on pages 5 to 48 which give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

On behalf of the Board of Management



Duong Hung Van
President

Ba Ria – Vung Tau Province, S.R. Vietnam
17 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

We have audited the accompanying financial statements of PTSC Offshore Services Joint Stock Company ("the Company") which were prepared on 31 December 2022 and approved by the Board of Management on 17 March 2023. The financial statements comprise the balance sheet as at 31 December 2022, the income statement and the cash flow statement for the year then ended and explanatory notes to the financial statements including significant accounting policies, as set out on pages 5 to 48.

Responsibility of the Board of Management

The Board of Management of the Company is responsible for the preparation and the true and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements and for such internal control which the Board of Management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements of the Company 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 auditor's judgment, including an assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and true 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 Management, 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.





Auditor's Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements.

Other Matters

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor whose independent auditor's report dated 28 March 2022 expressed an unmodified opinion on those statements.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English versions, the Vietnamese version shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No.
0875-2023-006-1
Authorised signatory

Nguyen Duy Thinh
Audit Practising Licence No.
4633-2023-006-1

Report reference number: HCM13058
Ho Chi Minh City, 17 March 2023

PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

Form B 01 – DN

BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2022 VND	2021 VND
100	CURRENT ASSETS		1,331,966,834,577	1,432,312,418,373
110	Cash and cash equivalents	3	227,665,743,776	194,579,619,699
111	Cash		204,665,743,776	144,579,619,699
112	Cash equivalents		23,000,000,000	50,000,000,000
120	Short-term investments		362,475,000,000	257,470,000,000
123	Investments held to maturity	4	362,475,000,000	257,470,000,000
130	Short-term receivables		677,509,216,510	865,411,453,863
131	Short-term trade accounts receivable	5	320,355,013,173	845,937,531,688
132	Short-term prepayments to suppliers	6	8,763,362,363	27,170,462,025
136	Other short-term receivables	7	365,022,022,863	17,734,199,853
137	Provision for doubtful debts – short term	8	(16,631,181,889)	(25,430,739,703)
140	Inventories	9	58,547,639,998	106,903,105,331
141	Inventories		58,547,639,998	106,903,105,331
150	Other current assets		5,769,234,293	7,948,239,480
151	Short-term prepaid expenses	10(a)	1,170,754,077	1,523,448,454
152	Value Added Tax ("VAT") to be reclaimed	16	4,120,280,352	4,173,302,481
153	Tax and other receivables from the State Budget	16	478,199,864	2,251,488,545

The notes on pages 10 to 48 are an integral part of these financial statements.

BALANCE SHEET (continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2022 VND	2021 VND
200	LONG-TERM ASSETS		112,162,058,219	107,511,194,864
210	Long-term receivables		2,005,000,000	95,000,000
216	Other long-term receivables		2,005,000,000	95,000,000
220	Fixed assets		87,739,921,294	61,154,128,528
221	Tangible fixed assets	11(a)	86,972,526,172	59,333,859,617
222	Historical cost		929,547,406,906	887,192,755,404
223	Accumulated depreciation		(842,574,880,734)	(827,858,895,787)
227	Intangible fixed assets	11(b)	767,395,122	1,820,268,911
228	Historical cost		18,624,745,000	18,624,745,000
229	Accumulated amortisation		(17,857,349,878)	(16,804,476,089)
240	Long-term assets in progress		1,812,500,000	-
242	Construction in progress	12	1,812,500,000	-
260	Other long-term assets		20,604,636,925	46,262,066,336
261	Long-term prepaid expenses	10(b)	13,818,984,281	36,999,245,278
262	Deferred income tax assets	13	6,785,652,644	9,262,821,058
270	TOTAL ASSETS		1,444,128,892,796	1,539,823,613,237

The notes on pages 10 to 48 are an integral part of these financial statements.

BALANCE SHEET (continued)

Code	RESOURCES	Note	As at 31 December	
			2022 VND	2021 VND
300	LIABILITIES		690,467,960,892	777,430,262,966
310	Short-term liabilities		671,919,911,967	750,616,336,970
311	Short-term trade accounts payable	14	433,621,381,027	499,265,674,335
312	Short-term advances from customers	15	73,205,944,953	79,550,800,237
313	Tax and other payables to the State Budget	16	5,425,290,068	4,980,618,939
314	Payable to employees		23,012,947,897	18,957,828,897
315	Short-term accrued expenses	17	86,768,090,065	87,617,051,740
318	Short-term unearned revenue	18	2,091,875,000	19,692,329,300
319	Other short-term payables	19	28,507,520,562	30,537,761,439
321	Provision for short-term liabilities	21(a)	13,596,839,312	-
322	Bonus and welfare funds	20	5,690,023,083	10,014,272,083
330	Long-term liabilities		18,548,048,925	26,813,925,996
342	Provision for long-term liabilities	21(b)	18,239,548,925	26,621,775,996
343	Fund for science and technology development		308,500,000	192,150,000
400	OWNERS' EQUITY		753,660,931,904	762,393,350,271
410	Capital and reserves		753,660,931,904	762,393,350,271
411	Owners' capital	22, 23	400,000,000,000	400,000,000,000
418	Investment and development funds	23	308,742,964,235	308,742,964,235
421	Undistributed earnings	23	44,917,967,669	53,650,386,036
421a	- Undistributed post-tax profits of previous years		14,750,386,036	28,000,000,000
421b	- Post-tax profits of current year		30,167,581,633	25,650,386,036
440	TOTAL RESOURCES		1,444,128,892,796	1,539,823,613,237


Dinh Thi Thuy
Preparer


Hoang Van Duy
Chief Accountant


Duong Hung Van
President
17 March 2023

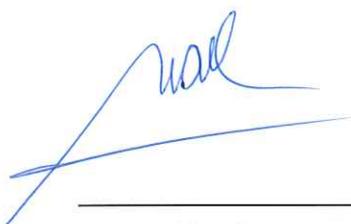


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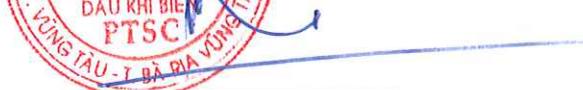
INCOME STATEMENT

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
01	Revenue from rendering of services	1,723,046,537,489	2,094,113,332,797
02	Less deductions	-	-
10	Net revenue from rendering of services	1,723,046,537,489	2,094,113,332,797
11	Cost of services rendered	1,704,085,842,018)	(1,981,935,559,933)
20	Gross profit from rendering of services	18,960,695,471	112,177,772,864
21	Financial income	42,069,200,584	18,634,979,425
22	Financial expenses	(6,031,562,004)	(2,392,123,438)
23	- Including: Interest expenses	-	(1,111,154,015)
25	Selling expenses	(760,715,505)	(16,026,724,294)
26	General and administration expenses	(16,111,869,749)	(79,846,114,809)
30	Net operating profit	38,125,748,797	32,547,789,748
31	Other income	1,000,847,129	3,029,198,738
32	Other expenses	(968,819,057)	(977,518,530)
40	Net other income	32,028,072	2,051,680,208
50	Net accounting profit before tax	38,157,776,869	34,599,469,956
51	Corporate income tax ("CIT") - current	(5,513,026,822)	(1,363,097,953)
52	CIT - deferred	(2,477,168,414)	(7,585,985,967)
60	Net profit after tax	30,167,581,633	25,650,386,036
70	Basic earnings per share	448	369
71	Diluted earnings per share	448	369


 Dinh Thi Thuy
 Preparer


 Hoang Van Duy
 Chief Accountant




 Duong Hung Van
 President
 17 March 2023

The notes on pages 10 to 48 are an integral part of these financial statements.

CASH FLOW STATEMENT
(Indirect method)

Code	Note	Year ended 31 December	
		2022 VND	2021 VND
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	38,157,776,869	34,599,469,956
	Adjustments for:		
02	Depreciation and amortisation	19,611,888,157	20,133,159,964
03	Reversal of provisions	(3,584,945,573)	(32,309,713,615)
04	Unrealised foreign exchange losses	1,803,769,395	41,116,568
05	Profits from investing activities	(16,097,681,972)	(15,826,697,144)
06	Interest expense	-	1,111,154,015
08	Operating profit before changes in working capital	39,890,806,876	7,748,489,744
09	Decrease in receivables	199,787,518,963	514,807,292,836
10	Decrease in inventories	48,355,465,333	186,958,638,645
11	Decrease in payables	(119,705,995,729)	(696,002,096,367)
12	Decrease in prepaid expenses	23,532,955,374	18,276,689,673
14	Interest paid	-	(1,111,154,015)
15	CIT paid	-	(22,992,423,767)
17	Other payments on operating activities	(15,107,899,000)	(15,665,080,000)
20	Net cash inflows/(outflows) from operating activities	176,752,851,817	(7,979,643,251)
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(26,031,659,535)	(15,259,837,910)
22	Proceeds from disposals of fixed assets	139,560,000	1,601,494,243
23	Bank deposits placed at banks	(183,205,000,000)	-
24	Collection of bank deposits	78,200,000,000	86,200,000,000
27	Interest received	15,066,132,508	22,621,287,231
30	Net cash (outflows)/inflows from investing activities	(115,830,967,027)	95,162,943,564
CASH FLOWS FROM FINANCING ACTIVITIES			
36	Dividends paid, profits distributed to owners	(28,121,872,500)	(59,376,422,566)
40	Net cash outflows from financing activities	(28,121,872,500)	(59,376,422,566)
50	Net increase in cash and cash equivalents	32,800,012,290	27,806,877,747
60	Cash and cash equivalents at beginning of year	194,579,619,699	166,861,947,825
61	Effect of foreign exchange differences	286,111,787	(89,205,873)
70	Cash and cash equivalents at end of year	227,665,743,776	194,579,619,699



Dinh Thi Thuy
Preparer



Hoang Van Duy
Chief Accountant



Duong Hung Van
President
17 March 2023

The notes on pages 10 to 48 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****1 GENERAL INFORMATION**

PTSC Offshore Services Joint Stock Company (the "Company"), is a subsidiary of Petroleum Technical Service Corporation which was established in accordance with Decision No. 253/QĐ-DVKT-HĐQT dated 28 September 2007 issued by Petroleum Technical Service Corporation and the first Business registration certificate No. 3500818790 dated 5 October 2007 issued by the Department of Planning and Investment of Ba Ria – Vung Tau Province, latest business registration certificate on 27 June 2022

The shares of the Company have been officially traded in the UPCoM since 25 November 2016 with the share code of POS.

The registered activities of the Company are comprised of:

- Construction of oil and gas industry works;
- Site preparation, site leveling construction;
- Services of transportation, installation, connection and hook up commissioning of oil and gas works; services of relocation and dismantling of mines after the end of the offshore mining cycle; operation and maintenance services for oil and gas projects; measurement and control services for oil and gas works, other industries and civil works; Managing, operating, exploiting and trading services of providing residential barges and floating vehicles;
- Services of manpower supply;
- Services of bonded department for operation, maintenance, installation and hook up commissioning;
- Selling spare parts; trading in safety equipment for fire prevention and fighting, fire alarm and fire fighting systems in service of the oil and gas industry, other industries and civil;
- Services of repairing machinery and equipment; repairing fire prevention and fighting safety equipment, fire alarm and fire fighting systems in service of the oil and gas industry, other industries and civil works;
- Installation and maintenance of safety equipment for fire prevention and fighting, fire alarm and firefighting systems for the oil and gas industry, other industries and civil works.

The principle activities in the year of the Company are comprised of:

- Services of transportation, installation, connection and hook up commissioning of oil and gas works;
- Services of relocation and dismantling of mines after the end of the offshore mining cycle;
- Services of operation and maintenance for oil and gas projects;
- Services of manpower supply.

The normal business cycle

The normal business cycle of the Company is 12 months.

As at 31 December 2022, the Company had 533 employees (as at 31 December 2021: 549 employees).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements. The financial statements have been prepared under the historical cost convention.

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

The financial statements in Vietnamese language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Vietnamese version.

2.2 Fiscal year

The Company's fiscal year is from 1 January to 31 December.

2.3 Currency

The financial statements are measured and presented in Vietnamese Dong ("VND"), which is the Company's accounting currency.

2.4 Exchange rates

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, demand deposits at bank and other short-term investments with an original maturity of three months or less.

2.6 Receivables

Receivables represent trade receivables from customers arising from sales of rendering of services or non-trade receivables from others and are stated at cost. Provision for doubtful debts is made for each outstanding amount based on overdue days in payment according to the initial payment commitment (exclusive of the payment rescheduling between parties), or based on the expected loss that may arise. Bad debts are written off when identified as uncollectible.

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

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes direct materials, direct labor costs, overhead expenses, purchase cost, conversion costs and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses.

The Company applies the perpetual method for inventories.

Provision is made, where necessary, for obsolete, slow-moving and defective inventory items. The difference between the provision of this year and the provision of the previous year are recognised as an increase or decrease of cost of goods sold in the year.

2.8 Investments held to maturity

Investments held to maturity are investments which the Company's Board of Management has positive intention and ability to hold until maturity.

Investments held to maturity include bank term deposits. Those investments are initially accounted for at cost. Those investments are initially accounted for at cost. Subsequently, the Board of Management reviews all outstanding investments to determine the amount of provision to recognise at the year end.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or the whole of the investment is uncollectible. Changes in the provision balance during the accounting fiscal year are recorded as an increase or decrease in financial expenses. A reversal, if any, is made only to the extent the investment is restored to its original cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Construction contracts**

A construction contract is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of design, technology and functions or ultimate purpose of use.

When the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred where it is probable those costs will be recoverable. Contract costs are only recognised when incurred during the year.

When the outcome of a contract can be estimated reliably, contract revenue and contract costs are recognised over the year of the contract as revenue and expenses, respectively. The Company uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in the fiscal year. The percentage of completion is measured by reference to the proportion of actual contract costs incurred to date to the estimated total costs of each contract, except where this would not be representative of the stage of completion. Variations in contract work, claims are included to the extent that they have been agreed with the customer. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and profits recognised (less recognised losses) exceed progress billings, the balance is presented as receivables for construction contracts-in-progress. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as payables for construction contracts-in-progress.

When the outcome of a contract can be estimated reliably and the contractor is paid for the works performed and certified by the customer, contract revenue and contract costs are recognised in the period for the works performed and certified by customer.

2.10 Fixed assets*Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation and amortisation. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets bringing them to their suitable conditions for their intended use. Expenditure incurred subsequently which has resulted in an increase in the future economic benefits expected to be obtained from the use of fixed assets, can be capitalised as an additional historical cost. Otherwise, they are charged to the income statement when incurred.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.10 Fixed assets (continued)***Depreciation and amortisation*

Fixed assets are depreciated and amortized using the straight-line basis so as to write off the depreciable amount of the fixed assets over their estimated useful lives. Depreciable amount equals to the historical cost of fixed assets recorded in the financial statements minus (-) the estimated disposal value of such assets. The estimated useful lives of each asset class are as follows:

Buildings and structures	6 - 25 years
Machinery and equipment	3 - 7 years
Motor vehicles	6 - 7 years
Office equipment	3 years
Software	3 years

Disposals

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

Construction in progress

Construction in progress represents the cost of assets in the course of installation or construction for production, rental or administrative purposes, or for purposes not yet determined, which are recorded at cost and are comprised of such necessary costs to construct, repair and maintain, upgrade, renew or equip the projects with technologies as construction costs in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when they are ready for their intended use.

2.11 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the balance sheet. Short-term prepaid expenses represent prepayments for insurance expenses for a period not exceeding 12 months or a business cycle from the date of prepayment. Long-term prepaid expenses represent prepayments for tools and services, which do not meet the recognition criteria for fixed assets for a period exceeding 12 months or more than one business cycle from the date of prepayment. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over their estimated useful lives.

Prepayments for land rental contracts which are effective after the effective date of the land law 2003 (ie. 1 July 2004) or which land use right certificates are not granted are recorded as prepaid expenses and allocated using the straight-line method over the terms of such land use right certificates.

2.12 Payables

Classifications of payables are based on their nature as follows:

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

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

2.13 Accrued expenses

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

2.14 Provisions

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

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

2.15 Unearned revenue

Unearned revenue mainly comprises the amounts that customers have paid in advance for one or many accounting periods for transportation services. The Company records unearned revenue for the future obligations that the Company has to fulfil. Unearned revenue recognised as revenue in the income statement during the year to the extent that revenue recognition criteria have been met.

2.16 Fund for scientific and technological development

The scientific and technological development fund is established to create a source of investment for scientific and technological activities of the Company. The fund is formed of the Company's development and technological innovation needs and is recognised on the income statement in accordance with Joint Circular No. 12/2016/TTLT-BKHCHN-BTC issued by the Ministry of Finance on 28 June 2016. Accordingly, the Company bases on the need to use capital sources for scientific and technological activities to set up up to 10% of the taxable income of business income tax in the year to form the fund.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.17 Capital and reserves**

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

Undistributed earnings record the Company's profit after CIT at the reporting date.

2.18 Appropriation of profit

The Company's dividends are recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's General Meeting of shareholders.

Net profit after CIT could be distributed to shareholders after appropriation to funds in accordance with the Company's charter and Vietnamese regulations.

The Company's funds are as below:

(a) Investment and development fund

Investment and development fund is appropriated from profit after CIT of the Company and approved by shareholders at the General Meeting of shareholders. This fund is used for investment and development purposes of the Company.

(b) Bonus and welfare fund

Bonus and welfare fund is appropriated from the Company's profit after CIT and subject to shareholders approval at the General Meeting of shareholders. This fund is presented as a liability on the balance sheet. This fund is used for bonus and welfare contribution to employees.

2.19 Revenue recognition**(a) Revenue from rendering of services**

Revenue from rendering of services is recognised in the income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from rendering of services is only recognised when all four (4) following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Revenue recognition (continue)****(b) Revenue from construction contracts**

Revenues from construction contracts are comprised of the revenue initially set out in contracts; increases and/or decreases during the term of the contract; bonuses; and other payments to be received from customers or other parties to compensate for the costs not included in the contractual price; other payments that customers agreed to compensate; and other payments provided that these amounts can change the revenue and can be reliably determined. Revenue from construction contracts is recognised in accordance with the guidance presented in Note 2.9.

(c) Interest income

Interest income is recognised on an earned basis.

2.20 Cost of services rendered

Cost of goods services rendered are cost of services rendered during the year, and recorded on the basis of matching with revenue and on a prudence basis.

2.21 Financial expenses

Financial expenses are expenses incurred in the year for financial activities including expenses of losses from foreign exchange differences.

2.22 Selling expenses

Selling expenses represent expenses that are incurred in the process of providing services.

2.23 General and administration expenses

General and administration expenses represent expenses that are incurred for administrative purposes.

2.24 Current and deferred income tax

Income taxes include all income tax which is based on taxable profits including profits. Income tax expense comprises current income tax expense and deferred income tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.24 Current and deferred income tax (continue)**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.25 Related parties

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

In considering its relationships with each related party, the Company considers the substance of the relationships, not merely the legal form.

2.26 Segment reporting

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

2.27 Critical accounting estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of financial statements requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year.

The areas involving significant estimates and assumptions are as follows:

- Estimated useful life of fixed assets (Note 2.10);
- Estimation of provision (Note 2.14);
- Recognition of deferred tax assets (Note 2.24); and
- Recognition of accrued revenue (Note 7).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.27 Critical accounting estimates (continued)**

Such estimates and assumptions are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 CASH AND CASH EQUIVALENTS

	2022 VND	2021 VND
Cash on hand	2,880,221	351,287,912
Cash at bank (*)	204,662,863,555	144,228,331,787
Cash equivalents (**)	23,000,000,000	50,000,000,000
	<u>227,665,743,776</u>	<u>194,579,619,699</u>

(*) Cash at bank include balances held in foreign currencies of USD7,070,036.03 and as at 31 December 2021: USD1,370,489.40.

(**) Cash equivalents include term deposits in VND with the original maturity of the three months or less at commercial banks and earn interest at the average rates at 6% per annum and as at 31 December 2021: 3.2% per annum.

4 INVESTMENTS HELD TO MATURITY

	2022 VND	2021 VND
Term deposits (*)	<u>362,475,000,000</u>	<u>257,470,000,000</u>

(*) As at 31 December 2022, investments held-to-maturity include term deposits with an original maturity between 3 months to 1 year and earn interest at the rate from 3.5% to 8.1% per annum and as at 31 December 2021: from 3.5% to 4.9% per annum.

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2022 VND	2021 VND
Third parties		
Technip Geoproduction (M) SDN BHD	42,344,509,025	200,423,358
Daewoo Shipbuilding & Marine Engineering Company Limited	39,181,287,035	-
Japan VietNam Petroleum Company Limited	21,045,506,400	10,748,644,500
Chevron Thailand Exploration and Production., Ltd	16,729,461,379	195,017,834,095
Others	69,339,592,591	124,385,001,092
Related parties (Note 36(b))	131,714,656,743	515,585,628,643
	<u>320,355,013,173</u>	<u>845,937,531,688</u>

As at 31 December 2022 and 31 December 2021, the balance of short-term trade accounts receivable which were past due, amounting to VND16,631,181,889 and VND25,430,739,703, respectively, and are presented in Note 8.

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2022 VND	2021 VND
Third parties		
No.7 Vietnam Construction Joint Stock Company	1,237,987,712	13,812,212,195
GWC Energy Services WLL	1,151,379,369	-
Duc Tung Mechanical Service & Trading Company Limited	984,134,302	-
LNG Energy And Engineering Company Limited	720,000,000	-
Others	2,857,760,607	13,358,249,830
Related parties (Note 36(b))	1,812,100,373	-
	<u>8,763,362,363</u>	<u>27,170,462,025</u>

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7 OTHER SHORT-TERM RECEIVABLES

	2022		2021	
	Book value VND	Provision VND	Book value VND	Provision VND
Accrued revenue	350,750,576,140	-	-	-
Interest receivables	9,739,569,781	-	8,373,846,574	-
Short-term deposits	3,457,737,500	-	5,355,729,500	-
Advances to employees	937,419,981	-	1,474,475,114	-
Others	136,719,461	-	2,530,148,665	-
	<u>365,022,022,863</u>	<u>-</u>	<u>17,734,199,853</u>	<u>-</u>
In which:				
Third parties	282,355,492,030	-	17,573,704,397	-
Related parties (Note 36(b))	82,666,530,833	-	160,495,456	-
	<u>365,022,022,863</u>	<u>-</u>	<u>17,734,199,853</u>	<u>-</u>

Accrued revenue is the revenue for the work that the Company has completed under the service contract with the customer but has not yet issued invoices.

From 1 January 2022, the Company classified uninvoiced revenues from trade account receivables into other receivables.



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8 DOUBTFUL DEBTS

Details of receivables that were past due are as follows:

	2022				
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days	
Trade receivables					
Sapura Offshore SDN BHD Taiwan Branch	11,208,132,191	6,009,376,520	5,198,755,671	Over 6 months - 2 years	
Marsol Offshore Construction L.L.C	7,554,500,377	-	7,554,500,377	Over 2 years - Over 3 years	
PTSC Quang Ngai Joint Stock Company	4,137,069,080	2,264,633,116	1,872,435,964	Over 6 months - 2 years	
PT MEINDO ELANG INDAH	4,010,979,753	2,005,489,876	2,005,489,877	Over 1 year - 2 years	
	<u>26,910,681,401</u>	<u>10,279,499,512</u>	<u>16,631,181,889</u>		
	2021				
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days	
Trade receivables					
Petrovietnam Domestic Exploration Production Operating Company Limited - Plot 05.1A	16,412,588,760	4,923,776,628	11,488,812,132	Over 2 years - Over 3 years	
Marsol Offshore Construction L.L.C	13,941,927,571	-	13,941,927,571	Over 2 years - Over 3 years	
	<u>30,354,516,331</u>	<u>4,923,776,628</u>	<u>25,430,739,703</u>		

9 INVENTORIES

	2022		2021	
	Cost VND	Provision VND	Cost VND	Provision VND
Raw materials	5,447,295,639	-	6,697,638,805	-
Tools and supplies	18,772,683,919	-	18,455,923,961	-
Work in progress (*)	34,327,660,440	-	81,749,542,565	-
	<u>58,547,639,998</u>	<u>-</u>	<u>106,903,105,331</u>	<u>-</u>

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

	2022 VND	2021 VND
CVX project	19,213,272,854	-
IST project	8,112,710,671	-
Subsea 7 project	4,950,663,084	-
Long Phu project	1,808,541,726	1,808,541,726
Underground cable Dai Hung 3 project	155,287,624	-
Ca Ngu Vang Hoan Vu JOC project	87,184,481	-
Gallaf 1 project	-	63,209,758,230
Nam Con Son 2 project	-	16,293,961,216
Rendering service to Thang Long JOC	-	437,281,393
	<u>34,327,660,440</u>	<u>81,749,542,565</u>

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10 PREPAID EXPENSES

(a) Short-term

	2022 VND	2021 VND
Insurance fees	1,170,754,077	1,523,448,454

(b) Long-term

	2022 VND	2021 VND
Land rental	6,457,544,100	7,380,050,400
Long-term spare parts	5,701,550,514	5,075,933,319
Tools and supplies	1,659,889,667	18,401,266,533
Expenses support for Long Son project	-	6,141,995,026
	<u>13,818,984,281</u>	<u>36,999,245,278</u>

Movements in prepaid expenses during the year were as follows:

	2022 VND	2021 VND
Beginning of the year	38,522,693,732	56,799,383,405
Increase	7,866,429,961	10,762,039,310
Allocation	(31,399,385,335)	(29,038,728,983)
End of the year	<u>14,989,738,358</u>	<u>38,522,693,732</u>

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11 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Total VND
Historical cost					
As at 1 January 2022	49,559,832,756	154,657,235,887	658,167,351,907	24,808,334,854	887,192,755,404
New purchases	-	28,796,379,966	-	17,875,034,700	46,671,414,666
Disposals	-	(1,101,079,000)	(550,000,000)	(2,665,684,164)	(4,316,763,164)
As at 31 December 2022	49,559,832,756	182,352,536,853	657,617,351,907	40,017,685,390	929,547,406,906
Accumulated depreciation					
As at 1 January 2022	41,353,261,387	113,932,248,430	651,975,518,314	20,597,867,656	827,858,895,787
Charge for the year	587,197,172	12,958,706,347	1,280,106,696	3,733,004,153	18,559,014,368
Disposals	-	(665,283,066)	(550,000,000)	(2,627,746,355)	(3,843,029,421)
As at 31 December 2022	41,940,458,559	126,225,671,711	652,705,625,010	21,703,125,454	842,574,880,734
Net book value					
As at 1 January 2022	8,206,571,369	40,724,987,457	6,191,833,593	4,210,467,198	59,333,859,617
As at 31 December 2022	7,619,374,197	56,126,865,142	4,911,726,897	18,314,559,936	86,972,526,172

The historical cost of tangible fixed assets that were fully depreciated but still in use as at 31 December 2022 was VND798,762,978,139 and as at 31 December 2021: VND793,163,050,303.

11 FIXED ASSETS (continued)

(b) Intangible fixed assets

	Software VND
Historical cost	
As at 1 January 2022 and 31 December 2022	18,624,745,000
Accumulated amortisation	
As at 1 January 2022	16,804,476,089
Charge for the year	1,052,873,789
As at 31 December 2022	17,857,349,878
Net book value	
As at 1 January 2022	1,820,268,911
As at 31 December 2022	767,395,122

The historical cost of intangible assets that were fully depreciated but still in use as at 31 December 2022 was VND16,231,885,000 and as at 31 December 2021: VND14,746,885,000.

12 CONSTRUCTION IN PROGRESS

	2022 VND	2021 VND
Human resource and payroll management software	1,812,500,000	-

Movements in the construction in progress during the year were as follows:

	2022 VND	2021 VND
Beginning of year	-	-
Purchase	1,812,500,000	-
End of year	1,812,500,000	-

13 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority and same taxable unit. The details were as follows:

	2022 VND	2021 VND
Deferred tax assets:		
Deferred tax assets to be recovered after more than 12 months	4,066,284,783	9,262,821,058
Deferred tax assets to be recovered within 12 months	2,719,367,861	-
	<u>6,785,652,644</u>	<u>9,262,821,058</u>

Movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

	2022 VND	2021 VND
Beginning of the year	9,262,821,058	16,848,807,025
Income statement charge	(2,477,168,414)	(7,585,985,967)
End of the year	<u>6,785,652,644</u>	<u>9,262,821,058</u>

In which, deferred income tax mainly arises from the temporary differences of the following items:

	2022 VND	2021 VND
Accrued expenses and provisions for liabilities	6,367,277,644	5,324,355,198
Others	418,375,000	3,938,465,860
	<u>6,785,652,644</u>	<u>9,262,821,058</u>

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14 ACCOUNTS PAYABLE

	2022		2021	
	Value VND	Able-to-pay amount VND	Value VND	Able-to-pay amount VND
Third parties				
Shelf Subsea Solution Pte. Ltd.	73,818,277,611	73,818,277,611	70,141,248,588	70,141,248,588
Ultra Deep Van Gogh Pte. Ltd.	32,707,108,833	32,707,108,833	121,008,007,292	121,008,007,292
Others	277,993,255,071	277,993,255,071	243,629,673,125	243,629,673,125
Related parties (Note 36(b))	49,102,739,512	49,102,739,512	64,486,745,330	64,486,745,330
	<u>433,621,381,027</u>	<u>433,621,381,027</u>	<u>499,265,674,335</u>	<u>499,265,674,335</u>

As at 31 December 2022 and 31 December 2021, the Company had no material balance of short-term trade accounts payable which was past due.

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15 ADVANCES FROM CUSTOMERS

	2022 VND	2021 VND
Third parties		
Hyundai Heavy Industries Company Limited	2,447,470,965	-
Main contractos of Vien An Wind Power Plant	-	19,190,325,000
Others	339,950,014	-
Related parties (Note 36(b))	70,418,523,974	60,360,475,237
	<u>73,205,944,953</u>	<u>79,550,800,237</u>

16 TAX AND OTHER RECEIVABLES FROM/PAYABLES TO THE STATE

	2022 VND	2021 VND
Tax to be reclaimed		
VAT	<u>4,120,280,352</u>	<u>4,173,302,481</u>
Tax and other receivables from the State		
Overpaid VAT	478,199,864	-
CIT	-	2,251,488,545
	<u>478,199,864</u>	<u>2,251,488,545</u>
Tax and other payables from the State		
CIT	3,261,538,277	-
Personal income tax	1,978,266,500	2,153,272,000
Withholding tax	185,485,291	2,827,346,939
	<u>5,425,290,068</u>	<u>4,980,618,939</u>

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

Movements in tax and other receivables from/payables to the State

	As at 1.1.2022 VND	Receivable/payable during the year VND	Payment during the year VND	Net-off VND	As at 31.12.2022 VND
a) Deduction					
VAT to be reclaimed	4,173,302,481	49,993,515,908	-	(50,046,538,037)	4,120,280,352
a) Tax receivables					
CIT	2,251,488,545	-	-	(2,251,488,545)	-
Overpaid VAT	-	478,199,864	-	-	478,199,864
	2,251,488,545	478,199,864	-	(2,251,488,545)	478,199,864
b) Tax payables					
Withholding tax	2,827,346,939	3,032,240,999	(5,674,102,647)	-	185,485,291
Personal income tax	2,153,272,000	27,889,693,354	(28,064,698,854)	-	1,978,266,500
VAT output	-	50,046,538,037	-	(50,046,538,037)	-
CIT	-	5,513,026,822	-	(2,251,488,545)	3,261,538,277
	4,980,618,939	86,481,499,212	(33,738,801,501)	(52,298,026,582)	5,425,290,068

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17 SHORT-TERM ACCRUED EXPENSES

	2022 VND	2021 VND
Accruals for on-going project expenses	83,728,657,464	85,920,581,661
Trademark fee	1,668,131,340	1,322,136,640
Others	1,371,301,261	374,333,439
	<u>86,768,090,065</u>	<u>87,617,051,740</u>

18 SHORT-TERM UNEARNED REVENUE

	2022 VND	2021 VND
Advances for revenue	<u>2,091,875,000</u>	<u>19,692,329,300</u>

19 OTHER SHORT-TERM PAYABLES

	2022 VND	2021 VND
Salary payables	22,681,208,202	22,036,099,208
Personal income tax payables	2,947,077,019	3,132,403,303
Dividend payable	1,286,262,500	1,828,569,934
Union fees	434,613,765	1,040,351,800
Other payables	1,158,359,076	2,500,337,194
	<u>28,507,520,562</u>	<u>30,537,761,439</u>

20 BONUS AND WELFARE FUND

Movements in bonus and welfare fund during the year are as follows:

	2022 VND	2021 VND
Beginning of year	10,014,272,083	3,174,731,503
Increase during the year	10,900,000,000	22,376,770,580
Paid during the year	(15,224,249,000)	(15,537,230,000)
	<u>5,690,023,083</u>	<u>10,014,272,083</u>

21 PROVISIONS FOR OTHER LIABILITIES

(a) Short-term

	2022 VND	2021 VND
HUC Sao Vang Dai Nguyen project	10,146,140,249	-
DSV Thailand project	2,818,182,393	-
Tan Thuan project	529,048,874	-
TGT field project	103,467,796	-
	<u>13,596,839,312</u>	<u>-</u>

(b) Long-term

	2022 VND	2021 VND
Long Son project	9,953,009,202	7,521,314,117
HUC Gallaf project	6,305,096,520	5,660,853,430
HUC Gallaf 3 project	926,510,511	-
IST Inlet and Outlet project	828,608,914	-
Barossa Surf project	226,323,778	-
HUC Sao Vang Dai Nguyen project	-	10,146,140,249
DSV Thailand project	-	2,818,182,393
Tan Thuan project	-	475,285,807
	<u>18,239,548,925</u>	<u>26,621,775,996</u>

Short-term and long-term provision for project warranties is made for warranty obligations according to the terms and conditions stated in the contracts. The warranty remaining period is from nine to twenty-four months commencing from the date of issuing of the Provisional Acceptance Certificate. Warranty provision is estimated at 1% based on total accumulated revenue of each project.

22 OWNERS' CAPITAL**(a) Number of shares**

	2022 Shares	2021 Shares
Number of shares registered, issued and in circulation	40,000,000	40,000,000

(b) Details of owners' shareholding

	2022		2021	
	Ordinary shares	%	Ordinary shares	%
Petro Vietnam Technical Services Corporation	33,980,700	84.95%	33,980,700	84.95%
Ocean Commercial One Member Limited Liability Bank	3,503,900	8.76%	3,503,900	8.76%
Others	2,515,400	6.29%	2,515,400	6.29%
Number of shares	40,000,000	100.00%	40,000,000	100.00%

(c) Movement of share capital

	Number of shares	Ordinary shares VND
As at 1 January 2021	40,000,000	400,000,000,000
As at 31 December 2021	40,000,000	400,000,000,000
As at 31 December 2022	40,000,000	400,000,000,000

Par value per share: VND10,000.

The Company has no preference shares.

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23 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Investment and Development fund VND	Post-tax undistributed earnings VND	Total VND
As at 1 January 2021	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
Dividends paid	-	-	(60,000,000,000)	(60,000,000,000)
Appropriation to bonus and welfare fund	-	-	(22,373,770,580)	(22,373,770,580)
As at 31 December 2021	400,000,000,000	308,742,964,235	53,650,386,036	762,393,350,271
Profit for the year	-	-	30,167,581,633	30,167,581,633
Dividends paid (*)	-	-	(28,000,000,000)	(28,000,000,000)
Appropriation to bonus and welfare fund (**)	-	-	(10,900,000,000)	(10,900,000,000)
As at 31 December 2022	400,000,000,000	308,742,964,235	44,917,967,669	753,660,931,904

(*) According to the Resolution No. 18/NQ-HDQT dated 8 September 2022, the General Shareholders approved the distribution plan of profit after CIT for the year 2021 for dividend paid to shareholders. Dividend payout ratio is 7% on par value per share.

(**) According to the Resolution No. 10/NQ-DHDCD dated 26 April 2022, the General Shareholders approved the distribution plan of profit after CIT for the year 2021 to bonus and welfare fund and bonus fund for executive boards amounting to VND10,400,000,000 and VND500,000,000, respectively.

24 EARNINGS PER SHARE**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the bonus and welfare fund and preferred share dividend by the weighted average number of ordinary shares outstanding during the year. Details are as follows:

	<u>For the year ended</u>	
	<u>31.12.2022</u>	<u>31.12.2021</u> (*)
Net profit attributable to shareholders (VND)	30,167,581,633	25,650,386,036
Less amount allocated to bonus and welfare funds (VND) (**)	(12,250,000,000)	(10,900,000,000)
	<u>17,917,581,633</u>	<u>14,750,386,036</u>
Weighted average number of ordinary shares in issue (shares)	40,000,000	40,000,000
Basic earnings per share (VND)	<u>448</u>	<u>369</u>

(*) Basic earnings per share of the year 2021 were recalculated to take into account adjustments for bonus and welfare expenses as follows:

(**) According to the Resolution No. 10/NQ-POS-DHDCD dated 26 April 2022, the General Shareholders approved the distribution plan of profit after CIT for the year 2021 for bonus and welfare fund and plan for bonus and welfare fund in 2022.

	<u>For the year ended 31.12.2021</u>		
	<u>As previously reported</u>	<u>Adjustments</u>	<u>As restated under Circular 200</u>
Net profit attributable to shareholders (VND)	25,650,386,036	-	25,650,386,036
Appropriation to bonus and welfare fund	(22,373,770,580)	11,473,770,580	(10,900,000,000)
Weighted average number of ordinary shares in issue (shares)	40,000,000	-	40,000,000
Basic earnings per share (VND)	<u>82</u>	<u>-</u>	<u>369</u>

(b) Diluted earnings per share

The Company did not have any ordinary shares potentially diluted during the year and up to the date of these financial statements. Therefore, diluted earnings per share is equal to basic earnings per share.

25 OFF BALANCE SHEET ITEMS**(a) Foreign currencies**

As at 31 December 2022, included in cash and cash equivalents were balances held in foreign currencies of USD7,070,036.03 and as at 31 December 2021: USD1,370,489.40.

(b) Operating lease assets

The future minimum lease receipts under non-cancellable operating leases were presented in Note 37.

26 NET REVENUE FROM RENDERING OF SERVICES

	2022 VND	2021 VND
Net revenue from rendering of services		
Transportation, installation, connection and dismantling of marine works services	1,097,793,476,785	1,161,744,113,430
Transportation, installation, connection and dismantling of marine works services - Self-executed	261,517,671,237	638,818,645,353
Labor management according to contractor policy services	205,965,290,737	216,195,901,829
Operation and maintenance management services	114,714,020,118	51,218,016,302
Mechanical repair and maintenance services - Contractors	21,788,607,900	23,549,901,163
Labor supply services	21,267,470,712	2,586,754,720
	<u>1,723,046,537,489</u>	<u>2,094,113,332,797</u>

27 COST OF SERVICES RENDERED

	2022 VND	2021 VND
Cost of transportation, installation, connection and dismantling of marine works services	1,094,712,419,425	1,119,865,925,366
Cost of transportation, installation, connection and dismantling of marine works services - Self-executed	254,124,652,777	597,550,766,982
Cost of labor management according to contractor policy services	201,784,006,954	193,360,645,783
Cost of operation and maintenance management services	112,100,178,754	47,718,534,749
Cost of mechanical repair and maintenance services - Contractors	21,712,975,955	22,778,170,318
Cost of labor supply services	19,651,608,153	661,516,735
	<u>1,704,085,842,018</u>	<u>1,981,935,559,933</u>

28 FINANCIAL INCOME

	2022 VND	2021 VND
Realised foreign exchange gains	25,637,344,869	4,409,776,524
Interest income from deposits	16,431,855,715	14,225,202,901
	<u>42,069,200,584</u>	<u>18,634,979,425</u>

29 FINANCIAL EXPENSES

	2022 VND	2021 VND
Realised foreign exchange losses	4,227,792,609	1,239,852,855
Net loss from foreign currency translation at year-end	1,803,769,395	41,116,568
Interest expenses	-	1,111,154,015
	<u>6,031,562,004</u>	<u>2,392,123,438</u>

30 SELLING EXPENSES

	2022 VND	2021 VND
Outside service expenses	760,715,505	2,442,490,586
Staff costs (*)	-	13,220,902,502
Depreciation and amortisation expenses	-	26,228,656
Others	-	337,102,550
	<u>760,715,505</u>	<u>16,026,724,294</u>

(*) In 2022, the Company performed restructuring its departments. Therefore, employees from selling and administration departments were moved to production department to enhance existing capacity and develop new services to suit new development stage of the Company.

31 GENERAL AND ADMINISTRATION EXPENSES

	2022 VND	2021 VND
Outside service expenses	13,575,225,162	12,511,729,603
Staff costs (*)	8,464,056,274	45,218,507,001
Depreciation and amortisation expenses	1,344,273,734	1,537,989,389
Raw materials	737,021,044	1,907,802,416
(Reversal of provision)/provision for doubtful debts	(8,799,557,814)	18,335,885,315
Others	790,851,349	334,201,085
	<u>16,111,869,749</u>	<u>79,846,114,809</u>

(*) In 2022, the Company performed restructuring its departments. Therefore, employees from selling and administration departments were moved to production department to enhance existing capacity and develop new services to suit new development stage of the Company.

32 CORPORATE INCOME TAX (“CIT”)

The CIT tax on the Corporate’s accounting profit before tax differs from the theoretical amount that would arise using the applicable tax rate of 20% as follows:

	2022 VND	2021 VND
Net accounting profit before tax	38,157,776,869	34,599,469,956
Tax calculated at a rate of 20%	7,631,555,374	6,919,893,991
Effect of:		
Expenses not deductible for tax purposes	358,639,862	1,288,770,945
Under-provision in previous years	-	740,418,984
CIT charge (*)	<u>7,990,195,236</u>	<u>8,949,083,920</u>
Charged to income statement:		
CIT – current	5,513,026,822	1,363,097,953
CIT – deferred (Note 13)	2,477,168,414	7,585,985,967
	<u>7,990,195,236</u>	<u>8,949,083,920</u>

(*) The CIT charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

33 COSTS OF OPERATION BY FACTORS

Costs of operation by factor represents all costs incurred during the year, excluding cost of merchandises for trading activities. Details are as follows:

	2022	2021
	VND	VND
Outside service expenses	1,220,013,577,093	1,465,603,168,933
Staff costs	318,925,798,704	316,683,398,218
Materials	168,167,992,576	251,536,240,818
Depreciation and amortisation expenses	19,611,888,157	20,133,159,964
(Reversal of provision)/provision	(8,799,557,814)	18,335,885,315
Others	3,038,728,556	5,516,545,788
	<u>1,720,958,427,272</u>	<u>2,077,808,399,036</u>

34 SEGMENT REPORTING**(a) Business segments**

During the year, the principal activities of the Company are to provide services of transportation, installation, connection and dismantling of marine works, labor management, operation and maintenance management, labor supply and mechanical repair and maintenance services. Revenue from and cost of services rendered are presented in Notes 26 and 27.

(b) Geographical segments

During the year, the Company has operating activities outside the territory of Vietnam, details as below:

	Year ended 31 December	
	2022 VND	2021 VND
Revenue from rendering services		
Domestic	765,458,221,856	1,336,187,069,913
Overseas	957,588,315,633	757,926,262,884
	<u>1,723,046,537,489</u>	<u>2,094,113,332,797</u>
Cost of services rendered		
Domestic	1,079,514,368,847	1,324,163,385,692
Overseas	624,571,473,171	657,772,174,241
	<u>1,704,085,842,018</u>	<u>1,981,935,559,933</u>
	As at 31 December	
	2022 VND	2021 VND
Total assets		
Domestic	1,107,636,677,409	1,250,620,223,395
Overseas	336,492,215,387	289,203,389,842
	<u>1,444,128,892,796</u>	<u>1,539,823,613,237</u>
Total liabilities		
Domestic	522,032,536,670	498,695,942,719
Overseas	168,435,424,222	278,734,320,247
	<u>690,467,960,892</u>	<u>777,430,262,966</u>

35 ADDITIONAL INFORMATION ON CERTAIN ITEMS OF THE CASH FLOW STATEMENT

Non-cash transactions affecting the cash flow statement

	Year ended 31 December	
	2022 VND	2021 VND
Purchase of fixed assets and construction in progress that have not been settled	22,452,255,131	92,620,000
Interest income that have not received	9,739,569,781	8,373,846,574
Dividends contribution that have not paid	-	1,828,569,934

36 RELATED PARTY DISCLOSURES

The Company is controlled by PetroVietnam Technical Services Corporation ("the parent company") which owns 84.95% of the Company's charter capital. The ultimate parent of the Company is Vietnam Oil and Gas Group. During the year, the Company has primary balances and transactions with related parties as follows:

Related Party	Relationship
Petroleum Technical Service Corporation ("PTSC")	The parent company
Petroleum Technical Service Corporation - Long Phu Thermal Power Project Board ("PTSC Long Phu")	Fellow group subsidiary
Petroleum Technical Services Corporation Marine ("PTSC Marine")	Fellow group subsidiary
Petroleum Technical Services Corporation Supply Base ("PTSC Supply Base")	Fellow group subsidiary
Petroleum Technical Services Corporation Da Nang ("PTSC Da Nang")	Fellow group subsidiary
PTSC Quang Ngai Joint Stock Company ("PTSC Quang Ngai")	Fellow group subsidiary
PTSC Thanh Hoa Technical Services Company ("PTSC Thanh Hoa")	Fellow group subsidiary
PTSC Geos and Subsea Services Company Limited ("PTSC G&S")	Fellow group subsidiary
Petro Hotel Company Limited ("PTSC Hotel")	Fellow group subsidiary
PTSC Mechanical and Construction Company Limited ("PTSC M&C")	Fellow group subsidiary
Petrovietnam Marine Shipyard Joint Stock Company ("PV Shipyard")	Fellow group subsidiary
Sao Mai - Ben Dinh Petroleum Investment Joint Stock Company ("PVSB")	Fellow group subsidiary
PTSC Production Services Joint Stock Company ("PPS")	Fellow group subsidiary
Vietnam Oil and Gas Group ("PVN")	Fellow group subsidiary
Petrovietnam General Services Joint Stock Company ("Petrosetco")	Fellow group subsidiary
Petroleum Equipment Assembly and Metal Structure Joint Stock Company ("PVC MS")	Fellow group subsidiary
PVD Technical Training Joint Stock Company ("PVD Training")	Fellow group subsidiary
PetroVietnam Exploration Production Corporation ("PVEP")	Fellow group subsidiary
PetroVietnam Insurance Corporation - South ("PVI Phia Nam")	Fellow group subsidiary
PetroVietnam Insurance Corporation - Vung Tau ("PVI Vung Tau")	Fellow group subsidiary
PetroVietnam ManPower Training College ("PVMTTC")	Fellow group subsidiary
Bien Dong Petroleum Operating Company ("BIENDONG POC")	Fellow group subsidiary
Vietnam Energy Inspection Corporation ("EIC")	Fellow group subsidiary
Nam Con Son Pipeline Company ("NCSP")	Fellow group subsidiary
Vietnam Russian Vietsovpetro Joint Venture ("Vietsovpetro")	Fellow group subsidiary
PVD Offshore Services Company Limited ("PVD Offshore")	Fellow group subsidiary
Binh Son Refining and Petrochemical Joint Stock Company ("BSR")	Fellow group subsidiary

36 RELATED PARTY DISCLOSURES (continued)**(a) Related party transactions**

The primary transactions with related parties incurred in the year are:

	2022 VND	2021 VND
(i) Revenue from rendering of services		
PTSC group		
PTSC	169,439,837,454	705,108,074,567
PTSC M&C	65,759,732,456	410,467,300,406
PTSC Thanh Hoa	1,007,014,779	9,843,676,125
PV Shipyard	298,396,866	-
PTSC Marine	76,544,245	40,025,430
PTSC Quang Ngai	-	6,506,927,160
PVN group		
PVEP	40,367,800,301	86,302,582,667
BIENDONG POC	2,525,167,618	22,088,329,541
PVD Offshore	316,039,000	-
NCSP	-	560,207,145
PVC MS	-	231,600,000
BSR	-	132,690,363
PVD Training	-	63,360,000
	<u>279,790,532,719</u>	<u>1,241,344,773,404</u>

PTSC OFFSHORE SERVICES JOINT STOCK COMPANY

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36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2022 VND	2021 VND
(ii) Purchases of goods and services		
PTSC group		
PV Shipyard	23,316,296,135	41,168,877,140
PTSC Marine	23,265,685,639	25,713,236,609
PTSC Supply Base	11,246,108,219	20,173,174,401
PTSC Long Phu	1,736,622,500	5,248,763,221
PTSC PPS	874,709,000	-
PTSC Hotel	850,853,168	2,637,182,497
PVSB	375,574,870	8,105,008,213
PTSC M&C	70,486,200	1,115,554,422
PTSC	29,154,478	500,000,000
PTSC Da Nang	22,648,148	-
PTSC G&S	-	6,336,248,537
PTSC Quang Ngai	-	1,562,941,364
PVN group		
PVC MS	8,586,965,136	3,713,816,385
PVI Vung Tau	3,041,304,944	6,479,129,758
PVI Phia Nam	2,861,707,395	4,587,359,330
PVD Training	1,796,461,000	20,269,495,076
Vietsovetco	1,639,821,410	2,955,080,788
Petrosetco	1,502,896,615	1,609,922,600
PVMTC	382,580,000	144,165,000
PVN	345,994,700	605,043,294
EIC	-	338,860,984
	<u>81,945,869,557</u>	<u>153,263,859,619</u>

36 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continue)

	2022 VND	2021 VND
(iii) Compensation of key management		
Board of Directors		
Mr. Nguyen Tien Phong	798,079,000	152,000,000
Mr. Vu Chi Vien	268,473,000	-
Mr. Nguyen Tuan	121,000,000	76,000,000
Mr. Nguyen The Hoang	103,000,000	76,000,000
Mr. Nguyen Duc Thien	15,000,000	-
	<u>1,305,552,000</u>	<u>304,000,000</u>
Board of Management		
Mr. Duong Hung Van	1,143,051,000	892,899,000
Mr. Nguyen Van Duong	1,047,013,000	687,710,000
Mr. Le Toan Thang	896,175,000	678,039,000
Mr. Vu Dinh Cao Son	761,177,000	410,550,000
Mr. Vu Chi Vien	-	483,580,000
Mr. Nguyen Van Diep	-	209,859,000
	<u>3,847,416,000</u>	<u>3,362,637,000</u>
iv) Receive insurance compensation related to Sao Vang Dai Nguyet pipeline leakage		
PVI Phia Nam	<u>103,365,000,000</u>	<u>-</u>

36 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	31.12.2022 VND	31.12.2021 VND
i) Short-term trade accounts receivable (Note 5)		
PTSC group		
PTSC	107,461,514,919	469,141,250,381
PTSC M&C	7,609,080,746	21,701,717,362
PTSC Quang Ngai	4,627,436,048	4,627,436,048
PTSC Thanh Hoa	3,385,788,823	2,278,072,566
PTSC Long Phu	467,197,119	467,197,119
PTSC Marine	10,978,643	-
PVN group		
PVEP	7,076,616,501	10,419,712,062
BIENDONG POC	734,721,824	6,334,015,246
PVD Offshore	341,322,120	-
NCSP	-	616,227,859
	<u>131,714,656,743</u>	<u>515,585,628,643</u>
ii) Prepayments to suppliers (Note 6)		
PVN group		
PVC MS	1,812,100,373	-
	<u>1,812,100,373</u>	<u>-</u>
iii) Other short-term receivables (Note 7)		
PTSC group		
PTSC	72,954,928,534	148,885,456
PTSC Long Phu	9,596,802,299	-
PVN group		
PVI Vung Tau	114,800,000	11,610,000
	<u>82,666,530,833</u>	<u>160,495,456</u>

36 RELATED PARTY DISCLOSURES (continued)

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

	31.12.2022 VND	31.12.2021 VND
iv) Short-term trade accounts payable (Note 14)		
PTSC group		
PTSC Marine	21,915,260,951	25,713,236,609
PTSC Supply Base	9,926,534,820	15,857,995,421
PV Shipyard	6,720,962,087	9,543,743,283
PTSC Long Phu	2,090,839,107	1,072,011,657
PTSC PPS	426,453,120	-
PTSC Hotel	265,312,229	629,592,063
PVSB	72,548,665	122,637,735
PTSC Da Nang	67,545,000	43,085,000
PTSC M&C	31,000,200	77,557,700
PTSC G&S	-	6,336,248,537
PVN group		
PVC MS	3,931,433,827	1,019,465,185
PVD Training	1,450,621,000	1,177,880,000
Petrosetco	976,506,070	80,300,800
Vietsovpetro	819,980,343	1,950,070,967
PVI Vung Tau	281,142,093	258,176,517
PVMTC	84,800,000	1,050,000
EIC	41,800,000	224,211,328
PVI Phia Nam	-	379,482,528
	<u>49,102,739,512</u>	<u>64,486,745,330</u>
v) Advances from customers (Note 15)		
PTSC group		
PTSC	59,322,094,312	49,264,045,575
PTSC Long Phu	11,096,429,662	11,096,429,662
	<u>70,418,523,974</u>	<u>60,360,475,237</u>

37 COMMITMENTS**(a) Commitments under operating leases**

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

	2022 VND	2021 VND
Within one year	6,712,277,820	1,780,506,300
Between one and five years	3,432,000,000	7,122,025,200
Over five years	1,644,500,000	5,489,894,425
Total minimum payments	<u>11,788,777,820</u>	<u>14,392,425,925</u>

(b) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements was as follows:

	2022 VND	2021 VND
Software	<u>455,500,000</u>	<u>-</u>

The financial statements were approved by the Board of Management on 17 March 2023.



Dinh Thi Thuy
Preparer



Hoang Van Duy
Chief Accountant



Duong Hung Van
General Director