

SEPARATE FINANCIAL STATEMENTS

PETROVIETNAM ENGINEERING CONSULTANCY

JOINT STOCK COMPANY

For the fiscal year ended as at 31/12/2022

(audited)



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REPORT OF THE BOARD OF GENERAL DIRECTORS

The Board of General Directors of Petrovietnam Engineering Consultancy Joint Stock Company ("the Company") presents its report and the Company's Separate Financial Statements for the fiscal year ended as at 31/12/2022.

THE CORPORATION

Petrovietnam Engineering Consultancy Joint Stock Company ("the Corporation") was established in the Socialist Republic of Vietnam under Certificate of Business registration No. 0301479273, replacing the Certificate of Business registration No. 4103003829 issued by Ho Chi Minh City Department of Investment and Planning on 14 September 2005.

The Corporation was restructured from Petrovietnam Investment Construction Consultancy Company, a state-owned company and a member of the Vietnam Oil and Gas Group ("Petrovietnam"). In accordance with Resolution No. 1894/NQ-DKVN dated 09 August 2010 issued by the Members Council of Petrovietnam, the Corporation operates under holding - subsidiary and changed its name to Petrovietnam Engineering Consultancy Joint Stock Company under Certificate of Business registration for the 10th re-registered on 13 May 2011.

The Company's head office is located at: 10th Floor, PV Gas Tower, No. 673 Nguyen Huu Tho Street, Nha Be District, Ho Chi Minh City.

BOARD OF MANAGEMENT, BOARD OF GENERAL DIRECTORS AND BOARD OF SUPERVISION

The members of The Board of Management during the period and to the reporting date are:

Mr. Ta Duc Tien	Chairman	Appointed on 04 May 2022
Mr. Ngo Ngoc Thuong	Member	Appointed on 28 April 2022
Mr. Tran Nguyen Song Han	Member	Appointed on 28 April 2022
Mr. Nguyen Ngoc Hai	Member	Appointed on 30 June 2022
Mr. Le Huu Bon	Chairman	Resigned on 28 April 2022
Mr. Dinh Van Dinh	Member	Resigned on 28 April 2022
Mr. Le Thai Thanh	Independent member	Resigned on 28 April 2022
Mr. Fong Nyuk Loon	Member	Resigned on 30 June 2022
Mr. Do Van Thanh	Member	Resigned on 30 June 2022

The members of The Board of General Directors during the period and to the reporting date are:

Mr. Ngo Ngoc Thuong	General Director
Mr. Le Viet Hoai	Vice General Director

The members of the Board of Supervision are:

Mr. Bui Huu Giang	Head of Control Department	Appointed on 28 April 2022
Mrs. Le Thi Nga	Member	Appointed on 28 April 2022
Mrs. Nguyen Thi Kim Yen	Member	Appointed on 28 April 2022
Mr. Nguyen Hoc Hai	Head of Control Department	Resigned on 28 April 2022
Mrs. Tran Thi Hanh Thuc	Member	Resigned on 28 April 2022
Mr. Do Manh Hao	Member	Resigned on 28 April 2022

AUDITORS

The auditors of the AASC Auditing Firm Company Limited take the audit of the Separate Financial Statements for the Corporation.

STATEMENT OF THE BOARD OF GENERAL DIRECTORS' RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

The Board of General Directors is responsible for the Separate Financial Statements which give a true and fair view the financial position of the Corporation, its operating results and its cash flows for the period. In preparing those Separate Financial Statements, The Board of General Directors is required to:

- Establish and maintain of an internal control system which is determined necessary by The Board of General Directors and Those charged with governance to ensure the preparation and presentation of the Separate Financial Statements do not contain any material misstatement caused by errors or frauds;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Separate Financial Statements;
- Prepare the Separate Financial Statements on the basis of compliance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements;
- Prepare the Separate Financial Statements on going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Board of General Directors is responsible for ensuring that accounting records are kept to reflect the financial position of the Corporation, with reasonable accuracy at anytime and to ensure that the Separate Financial Statements comply with the registered accounting system. It is responsible for safeguarding the assets of the Corporation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We, The Board of General Directors, confirm that the Separate Financial Statements give a true and fair view of the financial position at 31 December 2022, its operation results and cash flows for the fiscal year then ended of the Corporation in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Separate Financial Statements.

Other commitments

The Board of General Directors pledges that the Corporation complies with Decree No. 155/2020/ND-CP dated 31 December 2020 on detailing and guiding the implementation of a number of articles of the Law on Securities and the Corporation does not violate the obligations of information disclosure in accordance with the regulations of the Circular No. 96/2020/TT-BTC dated 16 November 2020 issued by the Ministry of Finance guiding the disclosure of information on Securities Market.

On behalf of The Board of General Directors



Ngo Ngoc Thuong

General Director

Ho Chi Minh City, 30 March 2023

INDEPENDENT AUDITORS' REPORT

To: **Shareholders, The Board of Management and The Board of General Directors
Petrovietnam Engineering Consultancy Joint Stock Company**

We have audited the Separate Financial Statements of Petrovietnam Engineering Consultancy Joint Stock Company prepared on 30 March 2023, as set out on pages 07 to 44, including: Separate Statement of Financial Position as at 31 December 2022, Separate Statement of Income, Separate Statement of Cash Flows and Notes to Separate Financial Statements for the fiscal year then ended.

The Board of General Directors' responsibility

The Board of General Directors responsible for the preparation of the Separate Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to preparation and presentation of Financial Statements and for such internal control as management determines is necessary to enable the preparation of the Separate 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 Separate Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards, ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Separate Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Separate Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Separate Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the Separate Financial Statements that give a true and fair view 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 entity'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 General Directors, as well as evaluating the overall presentation of the Separate Financial Statements.

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

Basis for qualified opinion

- + At Note No. 38 of the Note to the Separate Financial Statements, in the period, the Corporation made retrospective adjustment of items related to the assessment of losses and provision for devaluation of inventories for some projects with backlogged balance for a long time, mainly cost of Nghi Son - Thanh Hoa project and Lot B O Mon project that Auditor expressed qualified opinion on the Separate Financial Statements of previous years, combined with the recognition of cost of goods in the year according to the planned rate instead of according to the actual costs incurred. We have fully performed sufficient audit procedures and were unable to obtain sufficient appropriate audit evidence to assess the conformity of the recognition of Inventories item (Code 140) on the Separate Statement of Financial Position with the amount of VND 2.93 billion as at 31/12/2022, therefore, we were unable to determine whether any adjustments to relevant items as well as the impacts of such matter onto the Separate Financial Statements.

- + As at 31 December 2022, the balance of provision for short-term doubtful debts was VND 89.05 billion, including the provision recorded in the Separate Statement of Income in 2022 of VND 36.55 billion. We have fully performed sufficient audit procedures and were unable to determine whether any adjustments to relevant items as well as the impacts of such matter onto the Separate Financial Statements.
- + According to the information presented as in Note No. 27 of the Separate Financial Statements, in the period, the Corporation recorded in General administrative expenses for the additional office rental expenses payable to PetroVietnam Gas Joint Stock Corporation under Memorandum of Agreement dated 11/05/2022 on office rent adjustment for the period from 2011 to 2013, with the value of VND 42,602,828,534. We were unable to obtain sufficient appropriate audit evidence to assess the conformity of the recognition of this expense as well as the impacts of such matter onto the Separate Financial Statements.
- + As in Note No. 33 of the Separate Financial Statements, the Corporation and subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd, are in dispute with the general contractor of the RAPID refinery and petrochemical complex in Malaysia, related to extra charges that are in the process of being negotiated with the general contractor. At the reporting date of this Separate Financial Statements, the Economic Arbitration in Malaysia has verdicts, however, the parties have not yet accepted these verdicts and have submitted the case to International Chamber of Commerce Arbitration for further dispute settlement. We have fully performed sufficient audit procedures and were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments to relevant items onto the Separate Financial Statements were necessary, including: Long-term financial investment with the amount of VND 5,348,772,150, Short-term trade receivables with the amount of VND 70.6 billion, Short-term loan receivables with the amount of VND 238.92 billion and Other short-term receivables with the amount of VND 106.65 billion.
- + At Note No. 33 of the Note to the Separate Financial Statements, the Corporation announced the judgment of the People's Court of Nha Be district on the annulment of Resolution No. 11/NQ-TKDK-DHDCD dated 29 April 2022 and Resolution No. 29/NQ-TKDK-DHDCD dated 30 June 2022 by the Corporation according to the first-instance judgment No. 78/2022/QDST-KDTM dated 25 October 2022. The Corporation has appealed to the next level of court and at the time of issue of these Separate Financial Statements, the case has not been resolved according to appellate procedures. We have fully performed sufficient audit procedures and were unable to assess the impacts of such matter onto the Separate Financial Statements.
- + The Separate Financial Statements of the Corporation (attached) are showing the financial position as of 31 December 2022 with accumulated losses at the end of the period (code 421) of VND 192.46 billion; Liabilities (code 300) is 5.57 times larger than Equity (code 400); These issues combine with the explanations given by the Board of General Directors in Note No. 2.3 and the above-mentioned basis for qualified opinions, indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. However, the Corporation's Separate Financial Statements for the fiscal year ended as at 31/12/2022 are still prepared on a going concern basis.

Auditor's opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the Separate Financial Statements give a true and fair view, in all material respects, of the financial position of Petrovietnam Engineering Consultancy Joint Stock Company as at 31 December 2022, its operating results and its cash flows for the fiscal year then ended in accordance with the Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Financial Statements.

Emphasis of matter

- The Corporation announced the payment of dividends from previous years, however, as at 31 December 2022, this payment has not been made with the amount of VND 41.706 billion.
- In 2022, the Corporation has not fully disclosed information as prescribed in Circular No. 96/2020/TT-BTC dated 16 November 2020 of the Ministry of Finance guiding information disclosure in the Securities Market.

Ho Chi Minh City, 30 March 2023

Branch of AASC Auditing Firm Company Limited

Director



Trần Trung Hiếu

Certificate of registration to audit practice

No: 2202-2023-002-1

Auditor

Pham Van Sang

Certificate of registration to audit practice

No: 3864-2020-002-1

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Code	ASSETS	Note	31/12/2022 VND	01/01/2022 (Reclassified) VND
100	A. CURRENT ASSETS		569,645,577,357	660,984,389,018
110	I. Cash and cash equivalents	03	16,740,341,328	34,078,200,093
111	1. Cash		16,740,341,328	34,078,200,093
120	II. Short-term financial investments	04	279,100,236	754,825,276
123	1. Held to maturity investments		279,100,236	754,825,276
130	III. Short-term receivables		543,643,138,303	578,348,475,274
131	1. Short-term trade receivables	05	196,005,846,395	170,111,775,688
132	2. Short-term prepayments to suppliers	06	13,977,493,660	14,108,690,711
135	3. Short-term loan receivables	07	238,916,440,754	237,461,582,254
136	4. Other short-term receivables	08	183,790,827,444	209,162,677,875
137	5. Short-term provision for doubtful debts		(89,047,469,950)	(52,496,251,254)
140	IV. Inventories	10	2,925,315,207	45,814,453,894
141	1. Inventories		139,533,433,804	182,422,572,491
149	2. Provision for devaluation of inventories		(136,608,118,597)	(136,608,118,597)
150	V. Other short-term assets		6,057,682,283	1,988,434,481
151	1. Short-term prepaid expenses	13	115,283,500	99,200,000
152	2. Deductible VAT		5,942,398,783	1,889,234,481
200	B. NON- CURRENT ASSETS		42,989,688,546	178,163,904,645
210	I. Long-term receivables		251,980,000	134,834,621,048
216	1. Other long-term receivables	08	251,980,000	134,834,621,048
220	II. Fixed assets		157,243,464	346,387,612
221	1. Tangible fixed assets	11	17,601,340	121,611,166
222	- <i>Historical cost</i>		61,250,791,802	68,618,634,294
223	- <i>Accumulated depreciation</i>		(61,233,190,462)	(68,497,023,128)
227	2. Intangible fixed assets	12	139,642,124	224,776,446
228	- <i>Historical cost</i>		11,182,259,945	19,272,050,389
229	- <i>Accumulated depreciation</i>		(11,042,617,821)	(19,047,273,943)
250	V. Long-term financial investments	04	42,148,645,884	42,148,645,884
251	1. Investment in subsidiaries		42,148,645,884	42,148,645,884
260	VI. Other long-term assets		431,819,198	834,250,101
261	1. Long-term prepaid expenses	13	431,819,198	834,250,101
270	TOTAL ASSETS		612,635,265,903	839,148,293,663

SEPARATE STATEMENT OF FINANCIAL POSITION

As at 31 December 2022
(continued)

Code	CAPITAL	Note	31/12/2022	01/01/2022 (Reclassified)
			VND	VND
300	C. LIABILITIES		519,389,223,806	748,933,952,522
310	I. Current liabilities		519,274,328,806	748,819,057,522
311	1. Short-term trade payables	14	139,692,773,993	148,982,227,878
312	2. Short-term advances from customers	15	3,261,233,517	7,598,635,364
313	3. Taxes and other payables to State budget	16	35,935,371,013	30,698,840,377
314	4. Payables to employees		4,293,038,988	8,834,439,251
315	5. Short-term accrued expenses	17	66,365,136,770	35,060,346,692
319	6. Other short-term payables	18	200,424,251,208	174,028,928,377
320	7. Short-term borrowings and financial lease liabilities	19	63,191,147,000	336,034,295,266
321	8. Short-term provisions for payables	20	2,800,771,675	2,800,771,675
322	9. Bonus and welfare fund		3,310,604,642	4,780,572,642
330	II. Long-term liabilities		114,895,000	114,895,000
337	1. Other long-term payables	18	114,895,000	114,895,000
400	D. OWNER'S EQUITY		93,246,042,097	90,214,341,141
410	I. Owner's equity	21	93,246,042,097	90,214,341,141
411	1. Contributed capital		250,000,000,000	250,000,000,000
411a	Ordinary shares with voting rights		250,000,000,000	250,000,000,000
412	2. Share Premium		11,421,558,415	11,421,558,415
414	3. Other capital		1,600,295,812	1,600,295,812
418	4. Development investment funds		22,680,022,171	22,680,022,171
421	5. Retained earnings		(192,455,834,301)	(195,487,535,257)
421a	RE accumulated by the end of the previous period		(195,487,535,257)	(193,415,533,418)
421b	RE for the current period		3,031,700,956	(2,072,001,839)
440	TOTAL CAPITAL		612,635,265,903	839,148,293,663



Le Quang Thang
Preparer



Nguyen Khac Chuong
Chief Accountant



Ngô Ngọc Thuong
General Director
Ho Chi Minh City, 30 March 2023

SEPARATE STATEMENT OF INCOME

Year 2022

Code	ITEMS	Note	Year 2022	Year 2021 (Reclassified)
			VND	VND
01	1. Revenue from sales of goods and rendering of services	23	192,772,515,508	214,581,610,863
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		192,772,515,508	214,581,610,863
11	4. Cost of goods sold	24	205,150,119,382	140,735,525,548
20	5. Gross profit from sales of goods and rendering of services		(12,377,603,874)	73,846,085,315
21	6. Financial income	25	155,983,022,971	4,517,131,273
22	7. Financial expenses	26	25,390,522,401	45,640,197,216
23	<i>In which: Interest expense</i>		25,376,880,478	45,540,011,570
25	8. Selling expenses		-	-
26	9. General administrative expenses	27	108,645,118,518	24,763,203,277
30	10. Net profit from operating activities		9,569,778,178	7,959,816,095
31	11. Other income		59,590,035	11,047,624
32	12. Other expenses	28	2,110,172,850	3,747,586,984
40	13. Other profit		(2,050,582,815)	(3,736,539,360)
50	14. Total profit before tax		7,519,195,363	4,223,276,735
51	15. Current corporate income tax expense	29	4,487,494,407	6,295,278,574
60	17. Profit after corporate income tax		<u>3,031,700,956</u>	<u>(2,072,001,839)</u>

Le Quang Thang
Preparer

Nguyen Khac Chuong
Chief Accountant

Ngô Ngọc Thuong
General Director
Ho Chi Minh City, 30 March 2023



SEPARATE STATEMENT OF CASH FLOWS

Year 2022
(Under indirect method)

Code	ITEMS	Note	Year 2022	Year 2021 (Reclassified)
			VND	VND
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	1. Profit before tax		7,519,195,363	4,223,276,735
	2. Adjustments for			
02	- Depreciation of fixed assets and investment properties		189,144,148	7,436,340,916
03	- Provisions		36,551,218,696	(290,743,968)
04	- Exchange gains/losses from retranslation of monetary items denominated in foreign currency		(408,016,295)	51,380,497
05	- Gains/losses from investment		(33,244,818)	(137,810,835)
06	- Interest expense		25,376,880,478	45,540,011,570
08	3. Profit from operating activities before changes in working capital		69,195,177,572	56,822,454,915
09	- Increase/Decrease in receivables		114,601,706,685	4,531,149,155
10	- Increase/Decrease in inventories		42,889,138,687	(9,044,865,285)
11	- Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)		17,195,757,356	(20,463,185,862)
12	- Increase/Decrease in prepaid expenses		386,347,403	633,151,420
14	- Interest expenses paid		(2,086,166,911)	(8,010,448,840)
15	- Corporate income tax paid		(205,577,780)	(790,791,513)
17	- Other payments on operating activities		(1,469,968,000)	(181,100,000)
20	Net cash flows from operating activities		240,506,415,012	23,496,363,990
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	1. Purchase of fixed assets and other long-term assets		-	(31,500,000)
23	2. Loans and purchase of debt instruments from other entities		(1,454,858,500)	(2,903,676,224)
24	3. Collection of loans and resale of debt instrument of other entities		475,725,040	-
27	4. Interest and dividend received		15,974,329,468	137,810,835
30	Net cash flows from investing activities		14,995,196,008	(2,797,365,389)

SEPARATE STATEMENT OF CASH FLOWS

Year 2022
(Under indirect method)

Code	ITEMS	Note	Year 2022	Year 2021 (Reclassified)
			VND	VND
	III CASH FLOWS FROM FINANCING ACTIVITIES			
34	1. Repayment of principal		(272,843,148,266)	(11,265,333,881)
40	Net cash flows from financing activities		(272,843,148,266)	(11,265,333,881)
50	Net cash flows within the period		(17,341,537,246)	9,433,664,720
60	Cash and cash equivalents at the beginning of the period		34,078,200,093	24,646,913,045
61	Effect of exchange rate fluctuations		3,678,481	(2,377,672)
70	Cash and cash equivalents at the end of the period	03	16,740,341,328	34,078,200,093



Le Quang Thang
Preparer



Nguyen Khac Chuong
Chief Accountant



Ngô Ngọc Thuong
General Director
Ho Chi Minh City, 30 March 2023

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Year 2022

1 . GENERAL INFORMATION OF THE CORPOTATION

Forms of Ownership

Petrovietnam Engineering Consultancy Joint Stock Company ("the Corporation") was established in the Socialist Republic of Vietnam under Certificate of Business registration No. 0301479273, replacing the Certificate of Business registration No. 4103003829 issued by Ho Chi Minh City Department of Investment and Planning on 14 September 2005.

The Corporation was restructured from Petrovietnam Investment Construction Consultancy Company, a State-owned company and a member of the Vietnam Oil and Gas Group ("Petrovietnam"). In accordance with Resolution No. 1894/NQ-DKVN dated 9 August 2010 issued by the Member Council of Petrovietnam, the Corporation operates under holding - subsidiary model and changed its name to Petrovietnam Engineering Consultancy Joint Stock Company under Certificate of Business registration for the 10th re-registered on 13 May 2011.

The Corporation's shares are listed on the Hanoi Stock Exchange ("HNX") with the share code as PVE. However, the Corporation received Document No. 520/SGDHN-QLNY on 14 April 2020 issued by the Hanoi Stock Exchange about the delisting of PVE shares. After that, the Corporation's shares were registered for trading on the Hanoi Stock Exchange ("UPCoM") according to Decision No. 233/QD-SGDHN on 28 May 2020.

The Company's head office is located at: 10th Floor, PV Gas Tower, No. 673 Nguyen Huu Tho Street, Nha Be District, Ho Chi Minh City.

The Corporation's contributed charter capital as at 31 December 2022: VND 250,000,000,000; equivalent to 25,000,000, shares with the price of VND 10,000 per share.

As at 31 December 2022, the Coporation had 123 employees (as at 31 December 2020: 134 employees).

Business field

Engineering consultancy and construction.

Business activities

Main business activities of the Corporation are:

- Consulting and managing;
- Architecture and consulting techniques; investment consulting (except for finance and accounting consulting);
- Exploring petrol projects and other construction projects;
- Surveying construction;
- Designing for civil and industrial infrastructure construction;
- Trading machinery, tools and supplies.

Operations of the Corporation in the fiscal year affecting the Separate Financial Statements

During the period, the Corporation's revenue from operating activities decreased by VND 21.8 billion, equivalent to a fall of 10.16% compared to the previous year. Beside, the cost of goods sold and rendering of services increased by VND 64.4 billion, equivalent to a rise of 45.77% compared to the previous year, mainly due to the recognition of costs incurred over the estimate of some projects when the settlement is completed. Accordingly, Gross profit from sales of goods and rendering of services this period decreased by VND 86.22 billion, equivalent to a decline of 116.76% compared to the previous year.

Net profit from financial activities increased by VND 171.72 billion, equivalent to a rise of 417.57% compared to the previous year, mainly due to gain from transferring the contributed capital in Dragon Tower office building project with the value of VND 153.57 billion, detailed as in Note No. 25. General administrative expenses this period increased VND 83.88 billion, equivalent to a rise of 338.74% compared to the previous year, mainly because the Corporation additionally made provision for doubtful debts with the value of VND 36.55 billion and recorded office rental expenses payable to PetroVietnam Gas Joint Stock Corporation with the value of VND 42.6 billion, detailed as in Note No. 27.

Because of all the reasons mentioned above, the Profit after corporate income tax risen by VND 5.1 billion, equivalent to a climb of 246.32% compared to the previous period.

Structure of enterprises

The Company's member entities are as follows:	Address	Main business activities
Design engineering and consulting center	Ho Chi Minh City	Design consultancy
Malaysian Branch	Malaysia	Design consultancy and construction

Information of subsidiaries of the Company is provided in Note No 4.

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

2.1 . Accounting period and accounting currency

Annual accounting period commences from 1st January and ends as at 31st December.

The Company maintains its accounting records in VND.

2.2 . Standards and Applicable Accounting Policies

Applicable Accounting Policies

The Corporation applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance and the Circular No. 53/2016/TT-BTC dated 21 March 2016 issued by Ministry of Finance amending and supplementing some articles of the Circular No. 200/2014/TT-BTC.

Declaration of compliance with Accounting Standards and Accounting System

The Corporation applies Vietnamese Accounting Standards and supplementary documents issued by the State. Financial Statements are prepared and presented in accordance with regulations of each standard and supplementary document as well as with current Accounting Standards and Accounting System.

2.3 . Basis for preparation of the Separate Financial Statements

The Separate Financial Statements are presented based on historical cost principle.

The Separate Financial Statements of the Corporation are prepared based on summarization of transactions incurred, then recorded into accounting books of dependent accounting entities and at the offices of the Corporation.

The Users of this Separate Financial Statements should study the Separate Financial Statements combined with the Consolidated Financial Statements of the Corporation and its subsidiaries for the fiscal year ended as at 31/12/2022 in order to gain enough information regarding the financial position, results of operations and cash flows of the Group.

Going concern assumption

As at 31/12/2022, the Separate Financial Statements of the Corporation indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Detail:

- Accumulated loss (Code 421): VND 192,455,834,301;
- Short-term liabilities (Code 300) is 5.57 times larger than the Owner's Equity (Code 400);
- Outstanding balance of short-term receivables and the value of work in progress for a long time with the value of VND 95,609,964,047 and VND 138,666,039,397;
- The balance of overdue payables is VND 388,580,672,379;
- Moreover, the recovery possibility of outstanding balance of items related to subsidiary - Petrovietnam Engineering (Malaysia) Sdn. Bhd. - that worth VND 421,515,044,029 are uncertainly determined because of depending on the results of dispute settlement with the general contractor in Malaysia.

However, the Board of General Director of the Corporation assessed that:

- The recovery of receivables and backlog work in progress are certain and the Corporation is working with partners in order to accelerate project settlement to recover capital.
- The Corporation has completed the auction of collateral to fulfill the principal debt payment obligation of the Corporation according to Announcement issued by Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch and currently negotiates with partners to restructure the remaining debts.
- The Corporation's ability to win the lawsuit is high (based on the advice of lawyers and the evidences for the works performed are certainly substantiated).
- The Board of General Directors of the Corporation is committed to work with major shareholders to continue to support jobs and financial resources so that the Corporation can continue to operate stably in the next fiscal years.

Therefore, the Board of General Director of the Corporation considers that it is appropriate to prepare the Separate Financial Statements of the Corporation on the going concern basis.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Corporation include cash and cash equivalent, trade payables, lendings other receivables. At initial recognition, financial assets are identified by purchasing price/issuing cost plus other expenses directly related to the purchase and issuance of those assets.

Financial liabilities

Financial liabilities of the Corporation include borrowings, trade payables, other payables and accrued expenses. At initial recognition, financial liabilities are determined by issuing price plus other expenses directly related to the issuance of those liabilities.

Subsequent measurement after initial recognition

Financial assets and financial liabilities are not revalued according to fair value at the end of the year because the Circular No. 210/2009/TT-BTC and prevailing statutory regulations require to present Financial Statements and Notes to financial instruments but do not provide any relevant instruction for assessment and recognition of fair value of financial assets and liabilities.

2.5 . Foreign currency transactions

The foreign currency transactions during the year are converted into Vietnam dong with the real exchange rate at the transaction date.

Real exchange rate upon re-determining accounts derived from foreign currencies at the date of the Separate Financial Statements is determined on the following principles:

- For asset accounts, applying the bid rate of the commercial bank where the Corporation regularly conducts transaction;
- For foreign currency deposited in bank, applying the bid rate of the bank where the Corporation opens its foreign currency accounts;
- For liability accounts, applying the offer rate of the commercial bank where the Corporation regularly conducts transaction.

All exchange differences arising from foreign currency transactions in the period and from revaluation of remaining foreign currency monetary items at the end of the year are recorded immediately to operating results of the fiscal year.

2.6 . Cash

Cash includes cash on hand, demand deposits.

2.7 . Financial investments

Investments held to maturity include: term deposits, loans... held to maturity to earn profits periodically and other held to maturity investments.

Investments in subsidiaries are initially recognized in the ledger according to original cost. After initial recognition, the value of these investments is determined at original cost less provision for diminution in value of investments.

Allowances for devaluation of investments are made at the end of the period as followings:

- Investments in subsidiaries: provision for loss investments shall be made based on the Financial Statements of subsidiaries at the provision date;
- Investments held to maturity: provision for doubtful debts shall be made based on the recovery capacity in accordance with statutory regulations.

2.8 . Receivables

The receivables shall be recorded in details in terms of due date, entities receivable, types of currency and other factors according to requirements for management of the Corporation. Receivables are classified as short-term and long-term in the Separate Financial Statements based on the remaining maturity of the receivables at the reporting date.

The provision for doubtful debts is made for receivables that are overdue under an economic contract, a loan agreement, a contractual commitment or a promissory note and for receivables that are not due but difficult to be recovered. Accordingly, the provisions for overdue debts shall be based on the due date stipulated in the initial sale contract, exclusive of the debt rescheduling between contracting parties and the case where the debts are not due but the debtor is in bankruptcy, in dissolution, or missing and making fleeing.

2.9 . Inventories

Work in progress at reporting date comprises all costs of raw materials, direct materials, direct labors, depreciation of construction machine, general manufacturing costs incurred during the year related to the cost of construction, survey and construction design, as well as the costs of subcontractors which have been completed and handed over during the year but have not been determined the exact consumption. Net realizable value is selling price of inventory estimated in an ordinary course of business minus (-) estimated cost of product improvement or cost of consumption.

The cost of inventory is calculated using weighted average method.

Inventory is recorded by periodic method.

Method for valuation of work in process at the end of the period: the value of work in progress is recorded for each construction project that is incomplete or of which revenue is unrecognised, corresponding to the amount of work in progress at the end of the period.

Provision for devaluation of inventories made at the end of the year is based on the excess of original cost of inventory over their net realizable value.

2.10 . Fixed assets

Tangible fixed assets, intangible fixed assets are stated at the historical cost. During using time, tangible fixed assets, intangible fixed assets are recorded at cost, accumulated depreciation and net book value.

Depreciation is provided on a straight-line basis. Depreciation period is estimated as follows:

- Buildings, structures	05 - 25 years
- Machinery, equipment	03 - 10 years
- Vehicles, transportation equipment	03 - 10 years
- Office equipment and furniture	03 - 10 years
- Software	05 - 08 years

2.11 . Operating lease

Operating leases is fixed asset leasing in which a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to income statement on a straight-line basis over the period of the lease.

2.12 . Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) means a cooperation contract between two or more venturers in order to carry out specific business activities, but it does not require establishment of a new legal entity. Those activities may be jointly controlled by venturers under BCC or controlled by one of them.

In case of receiving money or assets from other entities in the BCC, they should be recorded as payables. In case of contributing money or assets to BCC, they should be recorded as receivables. According to the terms of BCC, profit and loss shall be shared among venturers according to the operating results of BCC. The Coporation shall record its share profits in accordance with BCC's agreement on the Separate Statement of Income.

2.13 . Prepaid expenses

The expenses incurred but related to operating results of several fiscal years are recorded as prepaid expenses and are allocated to the operating results in the following fiscal years.

The calculation and allocation of long-term prepaid expenses to operating expenses in each fiscal year should be based on the nature of those expenses to select a reasonable allocation method and criteria.

Types of prepaid expenses of the Corporation include:

- Tools and supplies include assets held by the Corporation for use in the normal operating activities, the historical cost of each asset less than VND 30 million, so it is not eligible to be recognized as a fixed asset in accordance with current regulations. The cost of tools and supplies is allocated on a straight-line basis over their useful lives.
- Other prepaid expenses are stated at historical cost and allocated on a straight-line basis over their useful lives.

2.14 . Payables

The payables shall be kept records in details according to period payables, entities payables, types of currency payable and other factors according to requirements for management of the Corporation. The amounts payable are classified into long-term payables or short-term payables in the Separate Financial Statements according to their remaining terms at the reporting date.

2.15 . Borrowings

Borrowings shall be recorded in details in terms of lending entities, borrowing agreement and terms of borrowings. In case of borrowings denominated in foreign currency, they shall be recorded in details in terms of types of currency.

2.16 . Borrowing costs

Borrowing costs are recognized into operating costs during the period, except for which directly attributable to construction or production of unfinished asset included (capitalized) in the cost of that asset, when gather sufficient conditions as regulated in VAS No. 16 "Borrowing costs". Beside, regarding loans serving the construction of fixed assets, investment properties, and the interests shall be capitalized even if the construction duration is under 12 months.

2.17 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting year, but the payments for such goods or services have not been made and other payables such as interest expenses, other accrued expenses, etc. which are recorded as operating expenses of the reporting year.

The recording of accrued expenses as operating expenses during the period shall be carried out under the matching principle between revenues and expenses during the period. Accrued expenses are settled with actual expenses incurred. The difference between accrued and actual expenses is reverted.

2.18 . Provision for payables

Provisions for construction projects is made at 1% for design consultancy project, survey and construction with the warranty period from 1 year to 2 years from hand-over date. The balance of provisions stated on the balance sheet is the estimated expenses that the Corporation has to pay to repair or replace items during the warranty period due to the contract not yet being finalised.

2.19 . Owner's equity

Owner's equity is stated at actually contributed capital of owners.

Share premium is recorded at the difference between the par value with costs directly attributable to the issuance of shares and issue price of shares (including the case of re-issuing treasury shares) and can be a positive premium (if the issue price is higher than par value and costs directly attributable to the issuance of shares) or negative premium (if the issue price is lower than par value and costs directly attributable to the issuance of shares).

Other capital is the operating capital formed from the operating results or from gifts, presents, financing, assets revaluation (if these items are allowed to be recorded as a decrease or increase in the owner's equity).

Retained earnings are used to present the Corporation's operating results (profit, loss) after corporate income tax and profit appropriation or loss handling of the Corporation.

Dividends to be paid to shareholders are recognised as a payable in the Separate Statement of Financial position after the announcement of dividend payment from the Board of Management and announcement of cut-off date for dividend payment of Vietnam Securities Depository Center.

2.20 . Revenues

Revenue is recognized when it is probable that the economic benefits will flow to the Corporation, which can be measured reliably. Revenue is determined at the fair value of the amounts received or to be received after deducting trade discounts, sales discounts, sales returns.

Financial income

Income from interest, dividends and other financial income earned by the Corporation should be recognized when these two conditions are satisfied:

- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The amount of the revenue can be measured reliably.

Dividends shall be recognised when the shareholder's right to receive payment is established.

2.21 . Cost of goods sold

The recognition of cost of goods sold is matched against revenue in the period and complies with the prudence principle. Cases of loss of materials and goods exceeded the norm, abnormal expenses and losses of inventories after deducting the responsibility of collective and individuals concerned, etc. is recognized fully and promptly into cost of goods sold in the period.

2.22 . Financial expenses

Items recorded into financial expenses consist of:

- Expenses or losses relating to financial investment activities;
- Borrowing costs;
- Loss incurred when selling foreign currency, exchange loss...

The above items are recorded by the total amount arising in the period without offsetting against financial income.

2.23 . Corporate income tax

a) Current corporate income tax expenses

Current corporate income tax expenses are determined based on taxable income during period, and current corporate income tax rate.

b) Current corporate income tax rate

For the fiscal year ended as at 31 December 2022, the Corporation is subject to corporate income tax of 20% for operation activities that have taxable income.

2.24 . Related Parties

The parties are regarded as related parties if that party has the ability to control or significantly influence the other party in making decisions about the financial policies and activities. The Corporation's related parties include:

- Companies, directly or indirectly through one or more intermediaries, having control over the Corporation or being under the control of the Corporation, or being under common control with the Corporation, including the Parent Company and Subsidiaries;
- Individuals, directly or indirectly, holding voting power of the Corporation that have a significant influence on the Corporation, key management personnel of the Corporation, the close family members of these individuals;
- Enterprises that the above-mentioned individuals directly or indirectly hold an important part of the voting power or have significant influence on these enterprises.

In considering the relationship of related parties to serve for the preparation and presentation of the Separate Financial Statements, the Corporation should consider the nature of the relationship rather than the legal form of the relationship.

2.25 . Segment information

A segment is a distinguishable component of the Corporation that is engaged in providing an individual or group of related products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from other components.

Segment information should be prepared in conformity with the accounting policies adopted for preparing and presenting the Separate Financial Statements of the Corporation in order to help users of the Separate Financial Statements better understand and make more informed judgements about the Corporation as a whole.

3 . CASH

	31/12/2022	01/01/2022
	VND	VND
Cash on hand	-	5,287,645,155
Demand deposits	16,740,341,328	28,790,554,938
	<u>16,740,341,328</u>	<u>34,078,200,093</u>

4 . FINANCIAL INVESTMENTS**a) Held to maturity investments**

	31/12/2022		01/01/2022	
	History cost	Provision	History cost	Provision
	VND	VND	VND	VND
- Term deposits	279,100,236	-	754,825,276	-
	279,100,236	-	754,825,276	-

b) Investments in equity of other entities

	31/12/2022			01/01/2022		
	History cost	Provision	Provision	History cost	Provision	Provision
	VND	VND	%	VND	VND	%
Investment in subsidiaries						
- PVE Oil Gas Project Management Consultancy Joint Stock Company ("PMC")	24,799,873,734	-	71.61%	24,799,873,734	-	71.61%
- PVE Oil Gas Survey Consultancy Joint Stock Company ("SC")	12,000,000,000	-	86.75%	12,000,000,000	-	86.75%
- Petrovietnam Engineering (Malaysia) Sdn. Bhd. ("PVE Malaysia") (*)	5,348,772,150	-	100.00%	5,348,772,150	-	100.00%
	42,148,645,884	-		42,148,645,884	-	

The Corporation has not determined the fair value of financial investments because Viet Nam Accounting Standards, Viet Nam Enterprise Accounting System has not guided in detail on the determination of the fair value.

(*) At the reporting date of the Separate Financial Statements, PVE Malaysia is in dispute with the main contractor, Tecnicas Reunidas Malaysia Sdn Bhd, regarding the contract performance of the RAPID refinery and petrochemical complex (Malaysia). The investor of the project is Pengerang Refining Company Sdn Bhd (Detailed as in Note No. 33)

5 . SHORT-TERM TRADE RECEIVABLES

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Related parties	64,884,993,235	(6,403,905,703)	72,351,523,234	-
Petrovietnam	51,208,360,259	-	51,208,360,259	-
Engineering (Malaysia) Sdn. Bhd.				
Joint Venture Vietsovpetro ⁽¹⁾	13,676,632,976	(6,403,905,703)	13,676,632,976	-
Fellow group subsidiaries of Petrovietnam	-	-	7,466,529,999	-
Other parties	131,120,853,160	(48,335,650,929)	97,760,252,454	(46,025,445,572)
Tecnicas Reunidas Malaysia Sdn Bhd	19,390,124,669	-	19,390,124,669	-
Green Resources Technology Development JSC ⁽²⁾	17,922,250,000	(17,922,250,000)	17,922,250,000	(17,922,250,000)
Orient Bio-Fuels Co., Ltd ⁽³⁾	21,323,374,635	(21,323,374,635)	21,323,374,635	(21,323,374,635)
Others	72,485,103,856	(9,090,026,294)	39,124,503,150	(6,779,820,937)
	196,005,846,395	(54,739,556,632)	170,111,775,688	(46,025,445,572)

Detail information of trade receivables according to the progress of large backlog projects are as follows:

- (1) This is the remainder of the Consulting contract No. 9/11/VSP05-PVE/SPMB dated on 15 October 2011 for the offshore pipeline, the onshore pipeline and stations of Block B O Mon Gas pipeline project between Vietsovpetro Joint Venture (General contractor) and the Corporation (Subcontractor of the project). At the reporting date of the Separate Financial Statements, the Board of General Directors is in the process of negotiating with the general contractor for payment of the remainder.
- (2) In 2013, the Corporation was assigned by the owner, Green Resources Technology Development Joint Stock Company, to be the general contractor to build a wind power plant in Con Dao District with a total investment of VND 345 billion. In 2014, the Corporation completed the technical design and was implementing detailed design. The project is currently in the process of connection agreement between the owner and the Southern Power Corporation as well as submitting the power purchase agreement to the Ministry of Trade and Industry and Vietnam Electricity Corporation.
- (3) This is the retention of 5% of the consulting contract for the Binh Phuoc Bio Ethanol Plant Project, in which, the Owner was Orient Bio-Fuels Company Limited, the general contractor was Public Toyo Thai Co., Ltd and the Corporation is the subcontractor.

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Other parties				
CN Industrial Co., Ltd (*)	6,218,705,543	-	6,218,705,543	-
Basic Interior Co., Ltd	5,257,842,570	(5,257,842,570)	5,257,842,570	(5,257,842,570)
Others	2,500,945,547	(1,684,853,567)	2,632,142,598	-
	<u>13,977,493,660</u>	<u>(6,942,696,137)</u>	<u>14,108,690,711</u>	<u>(5,257,842,570)</u>

(*) Detailed as in Note No. 17

7 . SHORT-TERM LOAN RECEIVABLES

These are loan receivables to PVE (Malaysia) (a subsidiary of the Corporation) under the Loan agreement No. 22602511 dated 01 December 2015. The credit line of the Contract is USD 10,000,000, disbursed base on borrower's requirement of funding. The purpose of the loan is to carry out the RAPID refinery and petrochemical complex project in Malaysia. The estimated loan term is 4 years, to the end of the project. Fixed loan interest rate of 7.5% for the first 6 months from date of signing the contract. After that, the interest rate will be changed under the agreement of both parties. In 2020, the parties had a Memorandum of Agreement on not continuing to calculate interest from 01 January 2020. The outstanding balance as at 31 December 2022 is VND 238,916,440,754, including USD: 10,063,094.83 and VND 6,358,309.500.

8 . OTHER RECEIVABLES

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
a.1) Detailed by subject				
<i>Related parties</i>	<i>145,854,696,565</i>	<i>(25,800,000,000)</i>	<i>159,436,745,531</i>	-
Petrovietnam Engineering (Malaysia) Sdn. Bhd.	132,451,346,197	(25,800,000,000)	130,092,310,513	-
PVE Oil Gas Project Management Consultancy Joint Stock Company	-	-	836,280,000	-
PetroVietnam Gas Joint Stock Corporation	13,403,350,368	-	28,508,155,018	-
<i>Other parties</i>	<i>37,936,130,879</i>	<i>(1,565,217,181)</i>	<i>49,725,932,344</i>	<i>(1,212,963,112)</i>
Others	37,936,130,879	(1,565,217,181)	49,725,932,344	(1,212,963,112)
	<u>183,790,827,444</u>	<u>(27,365,217,181)</u>	<u>209,162,677,875</u>	<u>(1,212,963,112)</u>

8 . OTHER RECEIVABLES (Continued)

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Detailed by content				
Advances ⁽¹⁾	25,324,239,802	-	37,438,369,444	-
Deposits	70,257,000	-	184,237,000	-
Receivables from interest of loan ⁽²⁾	51,947,973,640	-	51,947,973,640	-
Dividends and profits receivable ⁽²⁾	65,003,350,368	(25,800,000,000)	80,944,435,018	-
Collection and payment on behalf of related parties ⁽²⁾	28,903,372,557	-	26,868,597,910	-
Others	12,541,634,077	(1,565,217,181)	11,779,064,863	(1,212,963,112)
	<u>183,790,827,444</u>	<u>(27,365,217,181)</u>	<u>209,162,677,875</u>	<u>(1,212,963,112)</u>
b) Long-term				
b.1) Detailed by subject				
<i>Related parties</i>	-	-	134,696,621,048	-
PetroVietnam Gas Joint Stock Corporation	-	-	134,696,621,048	-
<i>Other parties</i>	251,980,000	-	138,000,000	-
Others	251,980,000	-	138,000,000	-
	<u>251,980,000</u>	<u>-</u>	<u>134,834,621,048</u>	<u>-</u>
b.2) Detailed by content				
Deposits	251,980,000	-	138,000,000	-
Contributed capital under BCC ⁽³⁾	-	-	134,696,621,048	-
	<u>251,980,000</u>	<u>-</u>	<u>134,834,621,048</u>	<u>-</u>

⁽¹⁾ Receivables from employees are advances to employees of the Corporation for the purpose of performing contracts for providing design consulting services and construction at domestic and abroad.

⁽²⁾ In which, receivables from subsidiary - Petrovietnam Engineering (Malaysia) Sdn. Bhd include: loan interest receivable is VND 51,947,973,640, profits receivable is VND 51.6 billion, collection and payment on behalf of is VND 28,903,372,557. The total value of receivables as at 31 December 2022 is VND 132,451,346,197. The recoverability of these receivables depend on the results of dispute settlement between Petrovietnam Engineering (Malaysia) Sdn. Bhd. with the general contractor of the Rapid project in Malaysia, detail information of the lawsuit is presented as in Note No.37.

⁽³⁾ Details of the Business Cooperation Contract ("BCC") of the Corporation are as follows:

BCC was signed in 2009 between the Corporation and other parties including PetroVietnam Gas Joint Stock Corporation, a member of Petrovietnam ("PV Gas") and Phu Long Real Estate Corporation, to contribute capital to construct and operate Dragon Tower office building project ("the Project") with a total estimated investment of VND 827 billion, in which, the Corporation's capital contribution ratio is 20%. The term of investment cooperation is 50 years from the effective date of the contract. According to the BCC, PV Gas is the Administrator of BCC, depreciation and profit are distributed to each party according to the capital portion after tax settlement and appropriation of funds.

The Corporation has used the rights and benefits arising from BCC to mortgage for bank borrowings (Note No. 13). On 31/07/2019, the Board of Management issued Resolution No. 21/NQ-TKDK-HDQT approving policy to transfer contributed capital of business cooperation and Resolution No. 05B/NQ-TKDK-HDQT dated 09/06/2020 approving the transfer price negotiation plan. The transfer shall be implemented by auction method.

According to Announcement No. 5085/HCM-KHDN2 dated 17/05/2022 issued by Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch ("VCB"), the auction of the collateral which is the capital contribution for business cooperation between the Corporation and the parties including PetroVietnam Gas Joint Stock Corporation and Phu Long Real Estate Corporation to settle debts under credit contracts between the Corporation and VCB was completed. Result is as follow:

Proceed from the auction	(1)	270,657,324,838
Payment for auction property handling costs	(2)	225,100,000
Balance of BCC contributed capital as at 01/01/2022	(3)	134,696,621,048
Depreciation of the building which refunded by BCC	(4)	16,602,940,178
Decease contributed under project finalization	(5)	1,010,317,834
Remaining balance of BCC contributed capital	(6) = (3)-(4)-(5)	117,083,363,036
Gain from transferring BCC contributed capital	(7) = (1)-(6)	<u>153,573,961,802</u>
<i>(Detailed as in Note No. 25)</i>		

According to Notice No. 5794/HCM-KHDN2 dated 01/06/2022 issued by VCB, the amount from this auction was used for:

Payment of principal debt of the Corporation	258,020,025,855
Payment of principal debt of subsidiary - PVE Oil Gas Project Management Consultancy JSC	12,412,198,983
Payment for auction property handling costs	225,100,000
<i>(Detailed as in Note No. 19)</i>	

Total interest received and depreciation refunded by BCC were accumulatively recorded up to 31/12/2022 with the value of VND 32,681,574,553 and VND 27,862,077,271 in respectively. At the reporting date of these Separate Financial Statements, PV Gas, as the Administrator of BCC and other parties finalized business results relating to the BCC, including distributed profit and refunded depreciation to BCC's parties.

9 . DOUBTFUL DEBTS

	31/12/2022		01/01/2022	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables, overdue debts or not due but irrecoverable debts				
- Petroleum Equipment Assembly and Metal Structure Co., Ltd.	991,767,809	-	1,919,953,506	900,000,000
- C.T Group Vietnam	1,212,963,112	-	1,212,963,112	-
- Green Resources Technology Development JSC	17,922,250,000	-	17,922,250,000	-
- Public Toyo Thai Co., Ltd	21,323,374,635	-	21,323,374,635	-
- Joint Venture Vietsovpetro	13,676,632,976	7,272,727,273	13,676,632,976	13,676,632,976
- Basic Interior Co., Ltd	5,257,842,570	-	5,257,842,570	-
- Petrovietnam Engineering (Malaysia) SDN. BHD	51,600,000,000	25,800,000,000	51,600,000,000	51,600,000,000
- Others	10,450,705,900	315,339,779	7,073,605,808	1,313,738,377
	<u>122,435,537,002</u>	<u>33,388,067,052</u>	<u>119,986,622,607</u>	<u>67,490,371,353</u>

10 . INVENTORIES

	31/12/2022		01/01/2022 (Reclassified)	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Work in process	139,533,433,804	(136,608,118,597)	182,422,572,491	(136,608,118,597)
	<u>139,533,433,804</u>	<u>(136,608,118,597)</u>	<u>182,422,572,491</u>	<u>(136,608,118,597)</u>

Some projects with backlog balance as at 31 December 2022 are as follows:

	31/12/2022	01/01/2022
	VND	VND
- Nghi Son - Thanh Hoa Project ⁽¹⁾	99,394,464,701	99,394,464,701
- Block B O Mon Project ⁽²⁾	39,271,574,696	39,271,574,696
	138,666,039,397	138,666,039,397

(1) This is the cost incurred due to the changes in the initial design of the service contract of steel structure implementation, equipment and pipeline installation for Nghi Son refinery and petrochemical plant under Contract No. CNT-6495-SMP5A5B-001 dated 10 July 2014 between the General contractor - JGCS Consortium and the Contractor - the Corporation, the Investor - Nghi Son Refinery and Petrochemical Limited Liability Company. This project has been completed the testing phase and put into operation since August 2018, currently, the project is in the process of settlement between the General contractor and the Investor about the contract performance value and including this incurred cost.

(2) This is the cost incurred due to the change in the input parameters of the Consulting Contract No. 9/11/VSP05-PVE/SPMB dated 15 October 2011 for the offshore pipeline, the onshore pipeline and stations, Block B O Mon Gas pipeline Project between Vietsovpetro Joint Venture - general contractor and the Corporation - contractor of the project.

11 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Vehicles, transportation equipment	Management equipment	Total
	VND	VND	VND	VND	VND
Historical cost					
Beginning balance	4,428,220,997	52,487,803,531	5,272,599,908	6,430,009,858	68,618,634,294
- Liquidation, disposal	-	(4,177,587,531)	(215,838,000)	(2,974,416,961)	(7,367,842,492)
Ending balance	4,428,220,997	48,310,216,000	5,056,761,908	3,455,592,897	61,250,791,802
Accumulated depreciation					
Beginning balance	4,384,832,637	52,467,044,281	5,272,599,908	6,372,546,302	68,497,023,128
- Depreciation for the period	43,388,360	20,759,250	-	39,862,216	104,009,826
- Liquidating, disposed	-	(4,177,587,531)	(215,838,000)	(2,974,416,961)	(7,367,842,492)
Ending balance	4,428,220,997	48,310,216,000	5,056,761,908	3,437,991,557	61,233,190,462
Net carrying amount					
Beginning balance	43,388,360	20,759,250	-	57,463,556	121,611,166
Ending balance	-	-	-	17,601,340	17,601,340

- Cost of fully depreciated tangible fixed assets but still in use: VND 60,949,453,802.

12 . INTANGIBLE FIXED ASSETS

Intangible fixed assets are computer software with historical cost and accumulated depreciation as at 31 December 2022 are VND 11,182,259,945 and VND 11,042,617,821 respectively (as at 01 January 2022 are VND 19,272,050,389 and VND 19,047,273,943 respectively). Depreciation for the year 2022 is VND 85,134,322.

13 . PREPAID EXPENSES

	31/12/2022	01/01/2022
	VND	VND
a) Short-term		
Software cost	52,783,500	-
Insurance premiums	62,500,000	99,200,000
	115,283,500	99,200,000
b) Long-term		
Repair expenses	172,348,408	724,295,656
Tools and supplies	259,470,790	109,954,445
	431,819,198	834,250,101

14 . SHORT-TERM TRADE PAYABLES

	31/12/2022		01/01/2022 (Reclassified)	
	Value	Amount can be paid	Value	Amount can be paid
	VND	VND	VND	VND
<i>Related parties</i>	108,593,864,789	108,593,864,789	89,000,161,842	89,000,161,842
Fellow group of subsidiaries of Petrovietnam	99,553,749,881	99,553,749,881	84,420,901,767	84,420,901,767
PVE Oil Gas Project Management Consultancy Joint Stock Company	8,963,700,640	8,963,700,640	4,502,845,807	4,502,845,807
Technip Vietnam Co., Ltd	76,414,268	76,414,268	76,414,268	76,414,268
<i>Other parties</i>	31,098,909,204	31,098,909,204	59,982,066,036	59,982,066,036
Ninh Binh Petrovietnam Joint Stock Company	-	-	18,181,219,190	18,181,219,190
Hung Tri Refrigeration Industry Joint Stock Company	7,554,929,251	7,554,929,251	7,554,929,251	7,554,929,251
Others	23,543,979,953	23,543,979,953	34,245,917,595	34,245,917,595
	139,692,773,993	139,692,773,993	148,982,227,878	148,982,227,878

SHORT-TERM TRADE PAYABLES (continued)

	31/12/2022		01/01/2022	
	Value	Amount can be paid	Value	Amount can be paid
	VND	VND	VND	VND
<i>Unpaid overdue payables</i>				
PetroVietnam Gas Joint Stock Corporation	94,325,786,404	94,325,786,404	80,062,166,788	80,062,166,788
Others	26,693,900,550	26,693,900,550	22,355,882,502	22,355,882,502
	<u>121,019,686,954</u>	<u>121,019,686,954</u>	<u>102,418,049,290</u>	<u>102,418,049,290</u>

15 . SHORT-TERM PREPAYMENTS FROM CUSTOMERS

	31/12/2022	01/01/2022
	VND	VND
<i>Related parties</i>		
PVE Oil Gas Project Management Consultancy JSC	-	3,027,453,235
<i>Other parties</i>		
CN Industrial Co.,Ltd	814,558,888	-
PTSC Mechanical and Construction Limited Company	803,196,392	1,105,279,770
Others	1,643,478,237	3,465,902,359
	<u>3,261,233,517</u>	<u>7,598,635,364</u>

16 . TAXES AND OTHERS PAYABLES FROM STATE BUDGET

	Tax receivable at the beginning of the period	Tax payable at the beginning of the period	Tax payable in the period	Tax paid in the period	Tax receivable at the end of the period	Tax receivable at the end of the period
	VND	VND	VND	VND	VND	VND
Value added tax	-	2,586,516,631	3,124,118,291	4,336,333,889	-	1,374,301,033
Corporate income tax	-	12,495,771,259	4,487,494,407	205,577,780	-	16,777,687,886
Personal income tax	-	6,481,265,790	3,260,295,709	2,541,667,057	-	7,199,894,442
Property tax and land rental	-	7,569,853,632	2,648,200,955	1,200,000,000	-	9,018,054,587
Other taxes	-	1,252,762,832	3,000,000	3,000,000	-	1,252,762,832
Fees and other obligations	-	312,670,233	-	-	-	312,670,233
	-	30,698,840,377	13,523,109,362	8,286,578,726	-	35,935,371,013

At the reporting date of the Separate Financial Statements, overdue taxes is VND 24,165,078,909.

The Corporation's tax settlements are subject to examination by the tax authorities. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations, amounts reported in the Separate Financial Statements could be changed at a later date upon final determination by the tax authorities.

17 . SHORT-TERM ACCRUED EXPENSES

	31/12/2022	01/01/2022
	VND	VND
- Interest expenses	-	702,103,445
- Accrued cost of consulting and construction contracts (*)	64,819,232,037	33,825,243,247
- Others	1,545,904,733	533,000,000
	<u>66,365,136,770</u>	<u>35,060,346,692</u>

(*) The accruals are mainly the value of the construction volume of the sub-contractors that have completed the acceptance but have not yet been settled and invoiced. In which, there are the accrued expenses corresponding to the advance balance for CN Industrial Company Limited in Note No. 06 with the value of VND 6,218,705,543 because the parties have not yet agreed on the value of the settlement volume.

18 . OTHER PAYABLES

	31/12/2022	01/01/2022
	VND	VND
a) Short-term		
- Trade union fund	1,169,644,623	1,221,844,340
- Social insurance	9,284,493,593	7,801,738,037
- Mutual support fund	5,464,088,124	5,511,251,401
- Expenses source for non-business	2,513,000,000	2,513,000,000
- Short-term deposits received	-	32,006,977
- Dividends	41,706,593,678	41,706,593,678
- Interest expenses	130,617,115,321	106,624,298,309
- Payable to payment on behalf of	-	1,854,000,000
- Others	9,669,315,869	6,764,195,635
	<u>200,424,251,208</u>	<u>174,028,928,377</u>
b) Long-term		
- Others	114,895,000	114,895,000
	<u>114,895,000</u>	<u>114,895,000</u>
c) Unpaid overdue payables		
- Interest expenses	129,213,672,245	105,805,358,135
- Dividend	41,706,593,678	41,706,593,678
- Insurances	9,284,493,593	7,801,738,037
	<u>180,204,759,516</u>	<u>155,313,689,850</u>
	<u>2,513,000,000</u>	<u>4,367,000,000</u>

19 . SHORT-TERM BORROWINGS

	01/01/2022		During the period		31/12/2022	
	Outstanding balance	Amount can be paid	Increase	Decrease	Outstanding balance	Amount can be paid
	VND	VND	VND	VND	VND	VND
a) Short-term borrowings						
- Joint Stock Commercial Bank for Foreign Trade of Vietnam	269,545,639,791	269,545,639,791	-	269,545,639,791	-	-
- Vietnam Joint stock Commercial Bank for Industry and Trade ⁽¹⁾	1,614,745,475	1,614,745,475	-	114,748,475	1,499,997,000	1,499,997,000
- Nam Song Hau Trading Investing Petroleum Joint Stock Company ⁽²⁾	4,000,000,000	4,000,000,000	-	-	4,000,000,000	4,000,000,000
- Individual ⁽³⁾	60,873,910,000	60,873,910,000	-	3,182,760,000	57,691,150,000	57,691,150,000
	336,034,295,266	336,034,295,266	-	272,843,148,266	63,191,147,000	63,191,147,000

b) Borrowings from related parties are as follows:

	Relation	31/12/2022		01/01/2022	
		Principal	Interest	Principal	Interest
		VND	VND	VND	VND
Borrowings					
- Mr. Do Van Thanh	Member	52,515,150,000	7,612,236,973	53,435,150,000	7,860,095,494
		52,515,150,000	7,612,236,973	53,435,150,000	7,860,095,494

c) Overdue borrowings

	31/12/2022		01/01/2022	
	Principal	Interest	Principal	Interest
	VND	VND	VND	VND
- Borrowings	63,191,147,000	129,213,672,245	332,006,694,631	105,805,358,135
	63,191,147,000	129,213,672,245	332,006,694,631	105,805,358,135

19 . SHORT-TERM BORROWINGS

(continued)

			Credit line	Contract term	Borrowing purpose	Interest rate	Form of guarantee	31/12/2022	
								USD	VND
Detail information on short-term borrowings is as follows									
(1) Vietnam Joint stock Commercial Bank for Industry and Trade									
Credit	Contract	No.	VND	Term of contract:	Supplementing	9%/year	Mortgage of third party's	-	1,499,997,000
0402/2019		-	40,000,000,000	09 months from	working capital		land use rights and debt	-	1,499,997,000
HDCVTL/NHCT924		-		the next day of the			collection rights arising from		
dated 05/04/2019				first disbursement			Economic contract No.		
				date			1265078 dated 05 March		
							2019 and related Contract		
							Appendixes (if any) between		
							the Corporation and Saipem		
							S.P.A. under the mortgage		
							contract No.		
							0504/2019/HDDDB/NHCT92		
							4-PVE dated 05/04/2019.		
(2) Nam Song Hau Trading Investing Petroleum Joint Stock Company									
- Credit	Contract	dated	VND	12 months	Supplementing	9.5%/year	Unsecured	-	4,000,000,000
09/04/2019			20,000,000,000		working capital			-	4,000,000,000

(3) Short-term borrowing contracts with individuals with an interest rate of 11%/year, type of security is unsecured.

Borrowings from banks and other credit institutions are secured by the mortgage contract/ guarantee with the lender and fully registered as secured transactions.

20 . SHORT-TERM PROVISION FOR PAYABLES

The balances represent warranty provisions for construction projects, the Corporation made provisions at 1% for design consultancy project, survey and construction with the warranty period from 1 year to 2 years from hand-over date. The balance of provisions stated on the balance sheet is the estimated expenses that the Corporation has to pay to repair or replace items during the warranty period due to the contract not yet being finalised.

21 . OWNER'S EQUITY

a) Changes in owner's equity

	Contributed capital	Share premium	Other capital	Investment and development funds	Retained earnings	Total
	VND	VND	VND	VND	VND	VND
Beginning balance of the previous year	250,000,000,000	11,421,558,415	1,600,295,812	22,680,022,171	(193,415,533,418)	92,286,342,980
Loss for the previous year	-	-	-	-	(2,072,001,839)	(2,072,001,839)
Ending balance of the previous year	250,000,000,000	11,421,558,415	1,600,295,812	22,680,022,171	(195,487,535,257)	90,214,341,141
Beginning balance of the current year	250,000,000,000	11,421,558,415	1,600,295,812	22,680,022,171	(195,487,535,257)	90,214,341,141
Profit for the current year	-	-	-	-	3,031,700,956	3,031,700,956
Ending balance of the current year	250,000,000,000	11,421,558,415	1,600,295,812	22,680,022,171	(192,455,834,301)	93,246,042,097

b) Details of owner's invested capital

	Rate	31/12/2022	Rate	01/01/2022
	(%)	VND	(%)	VND
Vietnam Oil and Gas Group	29.00	72,500,000,000	29.00	72,500,000,000
Technip Geoproduction Sdh Bhd	10.00	25,000,000,000	10.00	25,000,000,000
Others	61.00	152,500,000,000	61.00	152,500,000,000
	100	250,000,000,000	100	250,000,000,000

c) Capital transactions with owners

	Year 2022	Year 2021
	VND	VND
Owner's invested capital		
- At the beginning of the period	250,000,000,000	250,000,000,000
- At the end of the period	250,000,000,000	250,000,000,000
Distributed dividends and profit		
- Dividend payable at the beginning of the period	41,706,593,678	41,706,593,678
- Dividend payable at the end of the period	41,706,593,678	41,706,593,678

d) Share

	31/12/2022	01/01/2022
Quantity of Authorized issuing shares	25,000,000	25,000,000
Quantity of issued shares		
- Common shares	25,000,000	25,000,000
Quantity of circulation shares		
- Common shares	25,000,000	25,000,000
Par value per share VND 10,000		

e) Company's funds

	31/12/2022	01/01/2022
	VND	VND
Investment and development fund	22,680,022,171	22,680,022,171
	22,680,022,171	22,680,022,171

22 . OFF-STATEMENT OF FINANCIAL POSITION ACCOUNTS AND OPERATING LEASE COMMITMENT

a) Lease asset

The Corporation leases the office under the operating lease contract. As at 31/12/2022, future lease payments under operating lease contracts are presented as follows:

	31/12/2022	01/01/2022
	VND	VND
- Under 1 year	5,691,265,200	6,339,053,160

b) Foreign currencies

	31/12/2022	01/01/2022
- USD	12,099.57	5,537.50
- Malaysian Ringgit	0.00	743.24

23 . TOTAL REVENUE FROM SALE OF GOODS AND RENDERING OF SERVICES

	Year 2022 VND	Year 2021 VND
Revenue from rendering of engineering consultancy services	65,925,960,921	68,048,961,703
Revenue from construction contracts	126,846,554,587	146,532,649,160
	192,772,515,508	214,581,610,863
In which: Revenue from related parties (Detailed as in Note No. 36)	34,037,731,959	5,802,346,702

24 . COST OF GOODS SOLD

	Year 2022 VND	Year 2021 VND
Cost of engineering consultancy services	57,825,841,560	43,123,071,013
Cost of construction contracts (*)	147,324,277,822	97,612,454,535
	205,150,119,382	140,735,525,548
Cost of goods sold from related parties		
Total value of procurement: (Detailed as in Note No. 36)	44,363,134,540	72,197,617,029

(*) The cost of construction contracts this period increased by VND 49.7 billion compared to the previous year, mainly due to the fact that some projects have a longer implementation time than expected due to the impact of the Covid-19 pandemic, leading to an increase in input construction costs compared to the initial estimate value.

25 . FINANCIAL INCOME

	Year 2022 VND	Year 2021 VND
Interest income, interest from loans	33,244,818	137,810,835
Dividends received	1,850,752,987	3,627,490,609
Realised exchange gain	117,047,069	751,829,829
Unrealised exchange gain	408,016,295	-
Gain from transferring contributed capital in BCC (*)	153,573,961,802	-
	155,983,022,971	4,517,131,273
In which: Financial income from related parties (Detailed as in Note No. 38)	155,424,714,789	3,627,490,609

(*) Gain from transferring the contributed capital in Dragon Tower office building project, detailed as in Note No. 08.

26 . FINANCIAL EXPENSES

	Year 2022	Year 2021
	VND	VND
Interest expenses	25,376,880,478	45,540,011,570
Realised exchange loss	2,431,667	49,771,803
Unrealised exchange loss	-	49,002,825
Others	11,210,256	1,411,018
	<u>25,390,522,401</u>	<u>45,640,197,216</u>
In which: Financial expenses from related parties (Detailed as in Note No.36)	<u>7,612,236,973</u>	<u>7,860,095,494</u>

27 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2022	Year 2021 (Reclassified)
	VND	VND
Raw materials	990,976,926	98,955,555
Labour expenses	7,168,321,173	6,313,992,916
Depreciation expenses	145,755,788	720,458,856
Reversal of provision/Provision expenses	36,551,218,696	(290,743,968)
Taxes, fees and charges	3,000,000	-
Expenses from external services (*)	53,135,116,913	5,382,030,400
Other expenses in cash	10,650,729,022	12,538,509,518
	<u>108,645,118,518</u>	<u>24,763,203,277</u>
In which: General administrative expenses from related parties (Detailed as in Note No. 36)	<u>48,392,665,354</u>	<u>5,880,196,362</u>

(*) Including office rental expenses payable to PetroVietnam Gas Joint Stock Corporation according to Memorandum of Agreement on office rent adjustment for the period from 2011 to 2013, with the value of VND 42,602,828,534, detailed as in Note No. 33.

28 . OTHER EXPENSE

	Year 2022	Year 2021
	VND	VND
Fines	1,956,161,393	3,668,910,507
Others	154,011,457	78,676,477
	<u>2,110,172,850</u>	<u>3,747,586,984</u>

29 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2022	Year 2021 (Reclassified)
	VND	VND
Corporate income tax from business activities	7,519,195,363	4,223,276,735
Increase	16,769,029,657	30,880,606,743
- <i>Unreasonable expenses</i>	1,956,161,393	3,668,910,507
- <i>Unrealised exchange loss</i>	-	49,002,825
- <i>Unreasonable interest expenses</i>	14,812,868,264	27,162,693,411
Decrease	(1,850,752,987)	(3,627,490,609)
- <i>Dividends received</i>	(1,850,752,987)	(3,627,490,609)
Taxable income	22,437,472,033	31,476,392,869
Current corporate income tax expense (Tax rate 20%)	<u>4,487,494,407</u>	<u>6,295,278,574</u>
Tax payable at the beginning of the period	12,495,771,259	6,991,284,198
Tax paid in the period	(205,577,780)	(790,791,513)
CIT payable at the end of the period	<u>16,777,687,886</u>	<u>12,495,771,259</u>

30 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2022	Year 2021
	VND	VND
Raw materials	3,241,458,492	18,488,508,740
Labour expenses	57,597,150,096	53,969,635,917
Depreciation expenses	189,144,148	7,436,340,916
Expenses of outsourcing services	148,704,396,952	71,530,660,599
Other expenses in cash	24,622,730,829	18,608,830,235
	<u>234,354,880,517</u>	<u>170,033,976,407</u>

31 . FINANCIAL INSTRUMENTS

Financial risk management

The Corporation's financial risks include market risk, credit risk and liquidity risk. The Corporation has developed its control system to ensure the reasonable balance between cost of incurred risks and cost of risk management. The Board of General Directors of the Corporation is responsible for monitoring the risk management process to ensure the appropriate balance between risk and risk control.

Market risk

The Corporation's business operations will bear the risks of changes in exchange rates and interest rates.

Exchange rate risk

The Corporation bears the risk of exchange rate due to the fluctuation in fair value of future cash flows of a financial instrument in line with changes in exchange rates if loans, revenues and expenses of the Corporation are denominated in foreign currencies other than VND.

Interest rate risk

The Corporation bears the risk of interest rates due to the fluctuation in fair value of future cash flow of a financial instrument in line with changes in market interest rates if the Corporation has time or demand deposits, borrowings and debts subject to floating interest rates. The Corporation manages interest rate risk by analyzing the market competition situation to obtain interest beneficial for its operation purpose.

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a counterparty fails to perform its contractual obligations. The Corporation has credit risk from operating activities (mainly to trade receivables other receivables) and financial activities (including demand deposits and other financial instruments).

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2022				
Cash	16,740,341,328	-	-	16,740,341,328
Trade and other receivables	297,691,900,026	251,980,000	-	297,943,880,026
Lendings	239,195,540,990	-	-	239,195,540,990
	<u>553,627,782,344</u>	<u>251,980,000</u>	<u>-</u>	<u>553,879,762,344</u>
As at 01/01/2022				
Cash	34,078,200,093	-	-	34,078,200,093
Trade and other receivables	332,036,044,879	134,834,621,048	-	466,870,665,927
Lendings	238,216,407,530	-	-	238,216,407,530
	<u>604,330,652,502</u>	<u>134,834,621,048</u>	<u>-</u>	<u>739,165,273,550</u>

Liquidity Risk

Liquidity risk is the risk in which the Company has trouble in settlement of its financial obligations due to lack of funds.

Due date for payment of financial liabilities based on expected payment under the contracts (based on cash flow of the original debts) as follows:

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2022				
Borrowings and debts	63,191,147,000	-	-	63,191,147,000
Trade and other payables	340,117,025,201	114,895,000	-	340,231,920,201
Accrued expenses	66,365,136,770	-	-	66,365,136,770
	<u>469,673,308,971</u>	<u>114,895,000</u>	<u>-</u>	<u>469,788,203,971</u>
As at 01/01/2022				
Borrowings and debts	336,034,295,266	-	-	336,034,295,266
Trade and other payables	323,011,156,255	114,895,000	-	323,126,051,255
Accrued expenses	35,060,346,692	-	-	35,060,346,692
	<u>694,105,798,213</u>	<u>114,895,000</u>	<u>-</u>	<u>694,220,693,213</u>

The Corporation believes that risk level of loan repayment is controllable. The Corporation has the ability to pay due debts from cash flows from its operating activities and cash received from matured financial assets.

32 . ADDITIONAL INFORMATION FOR THE ITEMS OF THE SEPARATE STATEMENT OF CASH FLOWS

	Year 2022 VND	Year 2021 VND
Actual repayments on principal during the period		
Repayment on principal from ordinary contracts	272,843,148,266	11,265,333,881

33 . OTHER INFORMATION

a) Adjusting rental expenses payable to Petrovietnam Gas Joint Stock Corporation

On 11/05/2022, Petrovietnam Engineering Consultancy Joint Stock Company ("PVE") and Petrovietnam Gas Joint Stock Company ("GAS") signed Memorandum of Agreement on office rent adjustment for the period from 2011 to 2013, with following details:

- On 25/04/2009, parties including PetroVietnam Gas Joint Stock Corporation, Petrovietnam Engineering Consultancy Joint Stock Company and Phu Long Real Estate Corporation signed Business Cooperation Contract ("BCC") to contribute capital to construct and operate Dragon Tower office building project, detailed as in Note No. 07. According to signed BCC, after finishing the construction of the project, completing the settlement of investment capital, finalization construction and other procedures in order to fully meet the conditions to put the project into operation, the parties agree to assign GAS as the Administrator to develop plans to manage and operate the project according to the right purposes.
- Upon the completion of the Project, PVE signed lease contracts with GAS to rent a part of the building to use as offices with unit price from the period from 2011 to 2013 at USD 17 per square meter per month, not including value added tax.
- According to the Announcement No. 1651/KVN-VP dated 08 August 2016 issued by GAS, BCC parties's rent unit price for the period from 2011 to 2013 was adjusted to USD 3 per square meter per month not including value added tax. In accordance with this announcement, PVE adjusted rental expense for the period from 2011 to 2013, however, GAS has not yet made an adjustment due to waiting for consultation from the competent authority regarding the adjustment of issued invoices.
- Up to now, the competent authority has not responded to the above content. Therefore, to ensure the benefits of the BCC's parties, according to the Memorandum of Agreement signed on 11/05/2022, PVE and GAS agreed to apply the office rental unit price for the period from 2011 to 2013 at USD 17 per square meter per month not including value added tax. Accordingly, the additional amount that PVE has to pay to GAS is VND 46,863,111,387, including the additional rental expense which is recorded in the Statement of Income for the fiscal year 2022 of VND 42,602,828,534 and value added tax of VND 4,260,282,853.

b) Commercial dispute with general contractor Tecnicas Reunidas Malaysia Sdn Bhd

In 2017, the Corporation and its subsidiaries, including Petrovietnam Engineering (Malaysia) Sdn. Bhd., and PVE Oil Gas Project Management Consultancy Joint Stock Company, were subcontractors for the general contractor, Tecnicas Reunidas Malaysia Sdn Bhd, to execute the Rapid Petronas package 3 contract (ELME) dated 19 January 2016 for the Rapid refinery and petrochemical complex (Malaysia). The investor of the project is Pengerang Refining Company Sdn Bhd.

By 2019, the Corporation and its subsidiaries have completed their scope of work. However, during the contract execution, there were many work items arising out of the main contract, as well as the unit price and quantity of work changed from the original estimate, but the general contractor - Tecnicas Reunidas Malaysia Sdn Bhd ("Tecnicas") did not accept to settlement. Therefore, the Corporation and its subsidiaries have been processing procedures to get involvement of the Economic Arbitration in Malaysia according to Documents No. AIAC/D/ADJ-2665-2019 dated 17/07/2019 and No. AIAC/D/ADJ-2680-2019 on 17/07/2019.

The Economic Arbitration in Malaysia issued a verdict dated 19 December 2019 rejecting the claim of the Corporation for the case No. AIAC/D/ADJ-2665-2019 and verdict dated 09 December 2019 approving the claim of the Corporation for the case No. AIAC/D/ADJ-2680-2019.

However, Tecnicas disagreed with the verdict of the Arbitrator dated 9 December 2019 and lodged to Construction Court of the High Court in Malaysia, as well as lodged the case to International Chamber of Commerce Arbitration (ICC) in Switzerland for dispute settlement. The total value of disputes that the Corporation required Tecnicas to pay according to the case submitted to the International Commercial Arbitration is USD 63,184,678.55.

At the reporting date of these Separate Financial Statements, the outcome of the lawsuit has not been resolved. The Board of General Directors assesses that the Corporation's ability to win the lawsuit is high, based on the advice of lawyers and the evidences for the works performed are certainly substantiated. The Board of General Directors will handle the relevant issues, record the loss, if any, according to the final verdict of International Chamber of Commerce Arbitration.

c) Dispute with shareholders

A group of shareholders owning 10.42% of the charter capital of the Petrovietnam Engineering Consultancy Joint Stock Company that represented by Mr. Do Van Thanh has filed a complaint against a number of individuals of the Board of Management and the Board of General Directors of the Corporation on the act of holding the Annual General Meeting of Shareholders in 2020 is illegal. According to the first-instance judgment No. 78/2022/QDST-KDTM dated 25 October 2022, the People's Court of Nha Be district decided to annul Resolution No. 11/NQ-TKDK-DHDCCD passed on 29 April 2022 and Resolution No. 29/NQ-TKDK-DHDCCD passed on 30 June 2022 by the Corporation. The Corporation has appealed to the next level of court and at the time of issue of these Separate Financial Statements, the case has not been resolved according to appellate procedures.

34 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period, which would require adjustments or disclosures to be made in the Separate Financial Statements.

35 . SEGMENT REPORTING

Under business fields

	Consultation and engineering services	Construction	Grant total
	VND	VND	VND
Net revenue from sales to external customers	65,925,960,921	126,846,554,587	192,772,515,508
Profit from operating activities	8,100,119,361	(20,477,723,235)	(12,377,603,874)
Segment assets	209,514,144,132	403,121,121,771	612,635,265,903
Total assets	209,514,144,132	403,121,121,771	612,635,265,903
Segment liabilities	177,625,080,947	341,764,142,859	519,389,223,806
Total liabilities	177,625,080,947	341,764,142,859	519,389,223,806

36 . TRANSACTION AND BALANCES WITH RELATED PARTIES

List and relation between related parties and the Corporation detail as follows:

Related parties	Relation
Vietnam Oil and Gas Group (Petro Viet Nam)	Major shareholder
Technip VietNam Company Limited	Related party of Major shareholder
Joint Venture Vietsovpetro	Related party of Major shareholder
PVE Oil Gas Project Management Consultancy JSC	Subsidiary company
PVE Oil Gas Survey Consultancy JSC	Subsidiary company
Petrovietnam Engineering (Malaysia) Sdn. Bhd.	Subsidiary company

In addition to the information with related parties presented in the above notes, the Corporation has the transactions with related parties as follows:

Transactions during the year:

	Year 2022 VND	Year 2021 VND
Revenue from sales of goods and rendering of services	34,037,731,959	5,802,346,702
- Fellow group subsidiaries of Petrovietnam	33,509,731,959	5,802,346,702
- Subsidiaries	528,000,000	-
Purchases of goods or services	92,755,799,894	78,077,813,391
- Subsidiaries	44,363,134,540	72,197,617,029
- Fellow group subsidiaries of Petrovietnam	48,392,665,354	5,880,196,362
Lendings	1,454,858,500	2,017,109,000
- Subsidiaries	1,454,858,500	2,017,109,000
Interest from business cooperation	1,850,752,987	3,627,490,609
- Fellow group subsidiaries of Petrovietnam	1,850,752,987	3,627,490,609
Interest expenses	7,612,236,973	7,860,095,494
- Other related parties	7,612,236,973	7,860,095,494
Gain from transferring contributed capital in BCC	153,573,961,802	-
- PetroVietnam Gas Joint Stock Corporation	153,573,961,802	-

Transactions with other related parties:

	Relation	Year 2022 VND	Year 2021 VND
Salaries and Remuneration			
Mr. Ta Duc Tien	Chairman	-	-
Mr. Le Huu Bon (*)	Chairman	213,353,409	641,785,021
Mr. Tran Nguyen Song Han	Member of BOM	21,600,000	-
Mr. Nguyen Ngoc Hai	Member of BOM	14,400,000	-
Mr. Do Van Thanh (*)	Member of BOM	220,553,410	654,985,021
Mr. Dinh Van Dinh (*)	Member of BOM	21,600,000	-
Mr. Fong Nyuk Loon (*)	Member of BOM	21,600,000	-
Mr. Le Thai Thanh (*)	Member of BOM	-	-
Mr. Ngo Ngoc Thuong	General Director	650,545,195	654,925,387
Mr. Le Viet Hoai	Vice General Director	544,333,995	627,552,543

Salaries and Remuneration (continued)

	Relation	Year 2022 VND	Year 2021 VND
Mr. Bui Huu Giang	Head of Control Department	27,000,000	-
Mr. Nguyen Hoc Hai (*)	Head of Control Department	28,913,227	-
Mrs. Le Thi Nga	Member of Control Department	13,500,000	-
Mrs. Nguyen Thi Kim Yen	Member of Control Department	13,500,000	-

(*) Members that resigned in the period.

Excluding the above-mentioned transactions incurred during the period and the balances at the end of the year, other related parties do not have the transactions and balances at the end of the period with the Corporation.

37 . GUARANTEE COMMITMENT

As at 31 December 2022 and 01 January 2022, the Corporation involved in non-cancelable guarantee commitment for borrowings at a commercial bank ("the Lender") to its subsidiaries ("the Borrowers"). Upon that, the Corporation has obligations to repay the principals, interests charged, guarantee expenses and other related expenses to the Lender in case the Borrowers can not fulfill its liabilities or make late payments. Details of guaranteed borrowings are as follows:

	Guarantee limit VND
PVE Oil Gas Project Management Consultancy Joint Stock Company	80,000,000,000
PVE Oil Gas Survey Consultancy Joint Stock Company	30,000,000,000

38 . COMPARATIVE FIGURES

The comparative figures are figures in the Separate Financial Statements for the fiscal year ended as at 31 December 2021, which was audited by AASC Auditing Firm Company Limited.

The Board of General Directors of the Corporation has decided to retroactively adjust and reclassify a number of items in the Separate Financial Statements as at 31 December 2021 in accordance with Resolution No. 10/NQ-HDQT dated 23 March 2023 of the Board of Management. Accordingly, the Corporation retrospectively adjusted the provision for devaluation of inventories for accumulated work in progress of Nghi Son - Thanh Hoa Project and Block B O Mon Project with the amounts of VND 97,336,543,901 and VND 39,271,574,696, respectively in the operation results in 2016 due to work in progress being higher than the actual recoverable output, this resulted in a rise in the provision for devaluation of inventories and a decrease in the item of retained earnings as at 31/12/2021 with the amount of VND 136,608,118,597.

In addition, the Board of General Directors corrected misstatements related to the following contents:

- + Retrospective adjustment recognizes expenses incurred in fiscal year 2021 but not yet transferred to the Separate Income Statement in 2021 with an amount of VND 4,509,617,703, which increases the balance of Short-term trade payables and reduce the balance Retained earnings after tax as at 31/12/2021 with the corresponding amount.
- + Adjusting to redefine Current corporate income tax expenses for 2021 leads to the item of Corporate income tax expense on the Separate Statement of Income and the item of Taxes and payables to the State on the Separate Statement of Financial position decreased by VND 631,346,478.

Due to effect of the above-mentioned adjustments and classification, balances as at 31/12/2021 are restated as follows:

	Note	Code	Figures in the Separate Financial Statements of previous year	Adjusted figures	Difference
Separate Statement of Financial Position					
Provision for devaluation of inventories		149	-	(136,608,118,597)	(136,608,118,597)
Short-term trade payables		311	144,472,610,175	148,982,227,878	4,509,617,703
Taxes and other payables to State budget		313	31,330,186,855	30,698,840,377	(631,346,478)
Retained earnings		421	(55,001,145,435)	(195,487,535,257)	(140,486,389,822)
Separate Statement of Income					
Profit from operating activities		30	12,469,433,798	7,959,816,095	(4,509,617,703)
Total profit before tax		50	8,732,894,438	4,223,276,735	(4,509,617,703)
Current corporate income tax expense		51	6,926,625,052	6,295,278,574	(631,346,478)
Profit after corporate income tax		60	1,806,269,386	(2,072,001,839)	(3,878,271,225)
Separate Statement of Cash flows					
Profit before tax		01	8,732,894,438	4,223,276,735	(4,509,617,703)
Profit from operating activities before changes in working capital		08	61,332,072,618	56,822,454,915	(4,509,617,703)
Increase/Decrease in payables		11	(24,972,803,565)	(20,463,185,862)	4,509,617,703



Le Quang Thang
Preparer



Nguyen Khac Chuong
Chief Accountant




Ngo Ngoc Thuong
General Director
Ho Chi Minh City, 30 March 2023