

CONSOLIDATED 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 Corporation) presents its report and the Corporation's Consolidated 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 Corporation's head office is located at: 10th Floor, PV Gas Tower, No. 673 Nguyen Huu Tho Street, Phuoc Kien Commune, 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 04/05/2022
Mr. Ngo Ngoc Thuong	Member	Appointed on 28/04/2022
Mr. Tran Nguyen Song Han	Member	Appointed on 28/04/2022
Mr. Nguyen Ngoc Hai	Member	Appointed on 30/06/2022
Mr. Le Huu Bon	Chairman	Resigned on 28/04/2022
Mr. Dinh Van Dinh	Member	Resigned on 28/04/2022
Mr. Le Thai Thanh	Independent member	Resigned on 28/04/2022
Mr. Fong Nyuk Loon	Member	Resigned on 30/06/2022
Mr. Do Van Thanh	Member	Resigned on 30/06/2022

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	Deputy General Director

The members of the Board of Supervision are:

Mr. Bui Huu Giang	Head of Control Department	Appointed on 06/05/2022
Mrs. Le Thi Nga	Member	Appointed on 29/04/2022
Mrs. Nguyen Thi Kim Yen	Member	Appointed on 29/04/2022
Mr. Nguyen Hoc Hai	Head of Control Department	Resigned on 29/04/2022
Mrs. Tran Thi Hanh Thuc	Member	Resigned on 29/04/2022
Mr. Do Manh Hao	Member	Resigned on 29/04/2022

AUDITORS

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

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

The Board of General Directors is responsible for the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements;
- Prepare the Consolidated 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 Consolidated Financial Statements;
- Prepare the Consolidated Financial Statements on going concern basis unless it is inappropriate to presume that the Corporation 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 Consolidated 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 Consolidated 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 Consolidated 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.

Ho Chi Minh City, 30 March 2023

On behalf of The Board of General Directors

General Director



Ngô Ngọc Thuong

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 Consolidated Financial Statements of Petrovietnam Engineering Consultancy Joint Stock Company prepared on 30 March 2023, as set out on pages 06 to 44, including: Consolidated Statement of Financial Position as at 31 December 2022, Consolidated Statement of Income, Consolidated Statement of Cash Flows and Notes to the Consolidated Financial Statements for the fiscal year then ended.

The Board of General Directors' responsibility

The Board of General Directors is responsible for the preparation and presentation of the Consolidated Financial Statements that give a true and fair view in accordance with Vietnamese Accounting Standards, Vietnamese Corporate Accounting System and the statutory requirements relevant to the preparation and presentation of Consolidated Financial Statements and for such internal control as management determines is necessary to enable the preparation and presentation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with standards and ethical requirements; plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and presentation of the Consolidated 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 Consolidated Financial Statements.

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

Basis for qualified opinion

- + At Note No. 41 of the Note to the Consolidated 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 Consolidated 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 Consolidated Statement of Financial Position with the amount of VND 608.06 billion as at 31/12/2022, in which, including VND 575.4 billion is the amount of work in process of Rapid project in Malaysia which is in dispute and waiting for verdict of International Chamber of Commerce Arbitration (Detailed as in Note No. 40), therefore, we were unable to determine whether any adjustments to relevant items on the Consolidated Financial Statements were necessary.

- + As at 31 December 2022, the balance of provision for short-term doubtful debts was VND 78.37 billion, including the provision recorded in the Consolidated Statement of Income in 2022 of VND 24.55 billion. We have fully performed sufficient audit procedures and were unable to determine whether any adjustments to relevant items on the Consolidated Financial Statements were necessary.
- + According to the information presented as in Note No. 27 of the Consolidated 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 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 Consolidated Financial Statements.
- + At Note No. 40 of the Note to the Consolidated 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 Consolidated Financial Statements, the case has not been resolved according to appellate procedures. We have fully performed sufficient audit procedures and were unable to determine whether any adjustments to relevant items on the Consolidated Financial Statements were necessary.
- + The Consolidated 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 223.52 billion; Liabilities (code 300) is 13.26 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 Consolidated Financial Statements for the fiscal year ended as at 31/12/2022 are still prepared on a going concern basis.

Auditors' qualified opinion

In our opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the Consolidated 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 Consolidated Financial Statements.

Report on other requirements of laws and regulations

- 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



Tran Trung Hieu

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

Code	ASSETS	Note	31/12/2022	01/01/2022 (Reclassified)
			VND	VND
100	A. CURRENT ASSETS		893,442,972,919	1,009,979,863,638
110	I. Cash and cash equivalents	03	32,293,923,753	52,254,353,332
111	1. Cash		28,293,923,753	51,254,353,332
112	2. Cash equivalents		4,000,000,000	1,000,000,000
120	II. Short-term financial investments	04	331,618,570	803,825,276
123	2. Held to maturity investments		331,618,570	803,825,276
130	III. Short-term receivables		243,630,921,284	276,581,887,327
131	1. Short-term trade receivables	05	238,796,371,147	216,932,338,936
132	2. Short-term prepayments to suppliers	06	16,157,645,712	15,748,835,446
136	5. Other short-term receivables	07	67,048,032,956	97,725,475,900
137	6. Short-term provision for doubtful debts		(78,371,128,531)	(53,824,762,955)
140	IV. Inventories	09	608,063,981,713	675,366,786,364
141	1. Inventories		766,440,790,872	833,743,595,523
149	2. Provision for devaluation of inventories		(158,376,809,159)	(158,376,809,159)
150	V. Other short-term assets		9,122,527,599	4,973,011,339
151	1. Short-term prepaid expenses	12	197,840,171	114,143,334
152	2. Deductible VAT		8,924,321,860	4,858,496,453
153	3. Taxes and other receivables from State budget	16	365,568	371,552
200	B. NON- CURRENT ASSETS		9,786,306,068	150,656,384,017
210	I. Long-term receivables		259,704,635	134,842,345,683
216	1. Other long-term receivables	07	259,704,635	134,842,345,683
220	II. Fixed assets		323,077,396	672,121,108
221	1. Tangible fixed assets	10	183,435,272	447,344,662
222	- Historical cost		103,128,251,695	114,606,416,723
223	- Accumulated depreciation		(102,944,816,423)	(114,159,072,061)
227	2. Intangible fixed assets	11	139,642,124	224,776,446
228	- Historical cost		11,418,938,445	19,508,728,889
229	- Accumulated depreciation		(11,279,296,321)	(19,283,952,443)
250	IV. Long-term investments	04	202,000,000	202,000,000
255	1. Held to maturity investments		202,000,000	202,000,000
260	V. Other long-term assets		9,001,524,037	14,939,917,226
261	1. Long-term prepaid expenses	12	552,730,876	860,992,679
262	2. Deferred tax assets	31	8,448,793,161	14,078,924,547
270	TOTAL ASSETS		903,229,278,987	1,160,636,247,655

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

(continued)

Code	CAPITAL	Note	31/12/2022 VND	01/01/2022 (Reclassified) VND
300	A. LIABILITIES		839,894,262,419	1,096,310,450,419
310	I. Current liabilities		839,769,367,419	1,096,185,555,419
311	1. Short-term trade payables	14	325,196,741,977	342,524,557,487
312	2. Short-term advances from customers	15	5,366,285,148	11,105,374,057
313	3. Taxes and other payables to State budget	16	111,409,052,661	111,518,065,049
314	4. Payables to employees		24,664,975,596	29,197,416,432
315	5. Short-term accrued expenses	17	46,275,123,292	18,767,859,491
319	6. Other short-term payables	18	226,276,102,656	192,814,549,344
320	7. Short-term borrowings and financial lease liabilities	13	93,272,189,276	381,222,718,746
321	8. Short-term provisions for payables	19	2,800,771,675	2,800,771,675
322	9. Bonus and welfare fund		4,508,125,138	6,234,243,138
330	II. Non - current liabilities		124,895,000	124,895,000
337	1. Other long-term payables	18	124,895,000	124,895,000
400	D. OWNER'S EQUITY		63,335,016,568	64,325,797,236
410	I. Owner's equity	20	63,335,016,568	64,325,797,236
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
417	4. Foreign exchange differences	21	(7,511,696,704)	799,523,004
418	5. Development investment funds		24,754,339,515	24,754,339,515
421	6. Retained earnings		(223,521,286,625)	(230,739,597,449)
421a	RE accumulated by the end of the previous year		(230,739,597,449)	(227,748,729,214)
421b	RE for the current year		7,218,310,824	(2,990,868,235)
429	7. Non-controlling interests		6,591,806,155	6,489,677,939
440	TOTAL CAPITAL		903,229,278,987	1,160,636,247,655

Prepared by

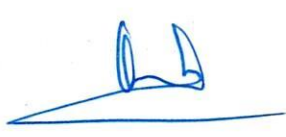
Chief Accountant

Ho Chi Minh City, 30 March 2023

General Director



Le Quang Thang



Nguyen Khac Chuong



Ngo Ngoc Thuong

CONSOLIDATED STATEMENT OF INCOME

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

Code	ITEMS	Note	Year 2022	Year 2021 (Reclassified)
			VND	VND
01	1. Revenue from sales of goods and rendering of services	23	271,797,937,228	246,249,303,048
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		271,797,937,228	246,249,303,048
11	4. Cost of goods sold	24	270,573,334,910	160,902,265,115
20	5. Gross profit from sales of goods and rendering of services		1,224,602,318	85,347,037,933
21	6. Revenue from financial activities	25	156,343,242,919	4,913,739,754
22	7. Financial expenses	26	29,692,089,683	47,569,841,055
23	In which: Interest expenses		29,667,905,399	47,469,254,245
25	9. Selling expenses		-	-
26	10. General administrative expenses	27	106,288,983,681	32,268,897,901
30	11. Net profit from operating activities		21,586,771,873	10,422,038,731
31	12. Other income	28	259,642,081	92,612,622
32	13. Other expense	29	3,726,951,320	5,891,005,699
40	14. Other profit		(3,467,309,239)	(5,798,393,077)
50	15. Total profit before tax		18,119,462,634	4,623,645,654
51	16. Current corporate income tax expense	30	5,216,887,744	6,688,538,889
52	17. Deferred corporate income tax expense	31	5,386,568,847	921,372,459
60	18. Profit after corporate income tax		7,516,006,043	(2,986,265,694)
61	19. Profit after tax attributable to non-controlling interest		173,968,777	4,602,541
62	20. Profit after tax attributable to owners of the parent		7,342,037,266	(2,990,868,235)
70	21. Basic earnings per share	32	294	(120)

Prepared by



Le Quang Thang

Chief Accountant



Nguyen Khac Chuong

Ho Chi Minh City, 30 March 2023

General Director



Ngo Ngoc Thuong

CONSOLIDATED STATEMENT OF CASH FLOWS

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

(Under indirect method)

Code	ITEMS	Note	Year 2022	Year 2021 (Reclassified)
			VND	VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		18,119,462,634	4,623,645,654
	2. Adjustments for			
02	Depreciation of fixed assets and investment		349,043,712	7,686,933,524
03	Provisions		24,546,365,576	(290,743,968)
04	Exchange gains/losses from retranslation of monetary items denominated in foreign currency		(408,016,295)	49,002,825
05	Gains/losses from investment		(2,371,904,117)	(521,638,086)
06	Interest expense		29,667,905,399	47,469,254,245
08	3. Profit from operating activities before changes in working capital		69,902,856,909	59,016,454,194
09	Increase/Decrease in receivables		124,502,824,520	18,359,061,363
10	Increase/Decrease in inventories		67,302,804,651	(5,262,924,870)
11	Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)		966,911,922	(11,500,375,927)
12	Increase/Decrease in prepaid expenses		224,564,966	794,123,947
14	Interest expenses paid		(1,453,308,763)	(7,045,827,500)
15	Corporate income tax paid		(1,137,936,832)	(821,581,804)
17	Other payments on operating activities		(1,898,897,925)	(206,300,000)
20	Net cash flows from operating activities		258,409,819,448	53,332,629,403
II. CASH FLOWS FROM INVESTING ACTIVITIES				
21	1. Purchase or construction of fixed assets and other long-term assets		-	(31,500,000)
22	2. Proceeds from disposals of fixed assets and other long-term assets		127,686,364	-
23	3. Loans and purchase of debt instruments from other entities		-	(382,825,379)
24	4. Collection of loans and resale of debt instrument of other entities		472,206,706	-
27	5. Interest and dividend received		17,314,394,159	508,877,911
30	Net cash flows from investing activities		17,914,287,229	94,552,532
III. Cash flows from financing activities				
33	1. Proceeds from borrowings		-	320,000,000
34	2. Repayment of principal		(287,950,529,470)	(12,122,420,561)
40	Net cash flows from financing activities		(287,950,529,470)	(11,802,420,561)

CONSOLIDATED STATEMENT OF CASH FLOWS

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

(Under indirect method)

Code ITEMS	Note	Year 2022	Year 2021 (Reclassified)
		VND	VND
50 Net cash flows within the period		(11,626,422,793)	41,624,761,374
60 Cash and cash equivalents at the beginning of the period		52,254,353,332	36,300,705,664
61 Effect of foreign exchange fluctuation		(8,334,006,786)	(25,671,113,706)
70 Cash and cash equivalents at the end of the period	03	<u>32,293,923,753</u>	<u>52,254,353,332</u>

Prepared by



Le Quang Thang

Chief Accountant



Nguyen Khac Chuong

Ho Chi Minh City, 30 March 2023

General Director



Ngo Ngoc Thuong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1 . GENERAL INFORMATION

Forms of Ownership

Petrovietnam Engineering Consultancy Joint Stock Company ("the Corporation") was established 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 Corporation's shares were 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/QĐ-SGDHN on 28 May 2020.

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

The Corporation's registered charter capital: VND 250,000,000,000. The Corporation's contributed charter capital as at 31 December 2022: VND 250,000,000,000.

As at 31 December 2022, the Corporation had 285 employees (as at 01 January 2022: 291 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 Consolidated Financial Statements

During the period, the Corporation's revenue from operating activities increased by VND 25.55 billion, equivalent to a rise of 10.38% compared to the previous year. Beside, the cost of goods sold and rendering of services increased by VND 109.67 billion, equivalent to a rise of 68.16% 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 84.12 billion, equivalent to a decline of 98.57% compared to the previous year.

Net profit from financial activities increased by VND 169.3 billion, equivalent to a rise of 369.91% 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 74.02 billion, equivalent to a rise of 229.39% compared to the previous year, mainly because the Corporation additionally made provision for doubtful debts with the value of VND 24.55 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 10.5 billion, equivalent to a climb of 351.69% compared to the previous year.

Structure of enterprises

The Corporation's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2022 include:

No.	Name	Place of establishment	Rate of interest	Rate of voting rights	Main business activities
1	PVE Oil Gas Project Management Consultancy JSC	Ho Chi Minh City	71.61%	71.61%	Project management consultancy
2	PVE Oil Gas Survey Consultancy JSC	Ho Chi Minh City	86.75%	86.75%	Inspection Service
3	Petrovietnam Engineering (Malaysia) Sdn. Bhd	Malaysia	100.00%	100.00%	Project management consultancy and construction

2 . ACCOUNTING SYSTEM AND ACCOUNTING POLICY

21 . Accounting period and accounting monetary unit

Annual accounting period commences from 1st January and ends on 31st December.
The Corporation maintains its accounting records in VND.

22 . Accounting Standards and Accounting system

Accounting System

The Corporation applies Corporate Accounting System issued under the Circular No. 200/2014/TT-BTC dated 22 December 2014 by the Ministry of Finance, 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 and the Circular No. 202/2014/TT-BTC guiding the preparation and presentation of Consolidated Financial Statements.

Declaration of compliance with Accounting Standards and Accounting System

The Corporation applies Vietnamese Accounting Standards and supplementary documents issued by the State. Consolidated 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 Consolidated Financial Statements

Consolidated Financial Statements are prepared based on consolidating Separate Financial Statements of the Corporation and Financial Statements of its subsidiaries under its control (subsidiaries) for the fiscal year ended as at 31/12/2022. Control right is achieved when the Corporation has power to govern the financial and operating policies of invested companies to obtain benefits from their activities.

Consistent accounting policies are applied in Financial Statements of subsidiaries and the Corporation. If necessary, adjustments are made to the Financial Statements of subsidiaries to ensure the consistency of application of accounting policies among the Corporation and its subsidiaries.

Balance, main incomes and expenses, including unrealized profit or loss from intra-group transactions are eliminated in full from Consolidated Financial statements.

Non – controlling interests

Non – controlling interests represents the portion of profit or loss and net assets of subsidiaries not held by the Corporation.

Going concern assumption

As at 31/12/2022, the Consolidated 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 223,521,286,625;
- Short-term liabilities (Code 300) is 13.26 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 110,063,056,895 and VND 171,820,829,234;
- The balance of overdue payables is VND 686,568,064,538;
- Moreover, the recovery possibility of outstanding balance of items related to subsidiary - Petrovietnam Engineering (Malaysia) Sdn. Bhd. - that worth VND 660,268,216,195 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 financial years.

Therefore, the Board of General Director of the Corporation considers that it is appropriate to prepare the Consolidated 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.

Value 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 Translation of Financial Statements prepared in foreign currencies into Vietnam Dong

Financial Statements prepared in foreign currencies are translated to Financial Statements prepared in Vietnam Dong at the exchange rates as follows: Assets and liabilities are translated at the closing rate at the end of the period, Owner's equity is translated at the exchange rate on the date of contribution, Statement of Income and Statement of Cash flows are translated at the rate ruling at the date of the transaction or the average exchange rate.

2.6 Foreign currency transactions

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

Real exchange rate when revaluating monetary items denominated in foreign currencies at the reporting date of the Consolidated Financial Statements is determined under 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.

2.7 Cash and cash equivalents

Cash includes cash on hand, demand deposits.

Cash equivalents are short-term investments with the maturity of not over than 3 months from the date of investment, that are highly liquid and readily convertible into known amount of cash and that are subject to an insignificant risk of conversion into cash.

2.8 Financial investments

Investments held to maturity are term deposits held to maturity to earn profits periodically and other held to maturity investments. The provision for investments held to maturity shall be made based on the recovery capacity in accordance with statutory regulations.

2.9 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 Consolidated 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.

2.10 . 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.

Provisions for devaluation of inventories made at the end of the period are the excess of original cost of inventory over their net realizable value.

2.11 . Fixed assets

Fixed assets (tangible and intangible) are initially stated at the historical cost. During the using time, fixed assets (tangible and intangible) are recorded at cost, accumulated depreciation and carrying amount. Depreciation is used the straight-line method.

Fixed assets are depreciated (amortised) using the straight-line method over their estimated useful lives 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

2.12 . Business Cooperation Contract (BCC)

Business Cooperation Contract (BCC) is a contractual agreement between two or more venturers with the objectives of cooperating to carry out specific business activities without constitution of a new legal entity. This operation 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 Consolidated Statement of Income.

2.13 . Prepaid expenses

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

The calculation and allocation of long-term prepaid expenses to operating expenses in each accounting period 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:

- Prepaid land expenses include prepaid land rental, including those related to leased land for which the Corporation has received certificate of land use right but not eligible for recording as intangible fixed asset in accordance with the Circular No. 45/2013/TT-BTC dated 25 April 2013 issued by the Ministry of Finance guiding regulation on management, use and depreciation of fixed assets and other expenses related to ensure for the use of leased land. These expenses are recognized in the Consolidated Statement of Income on a straight-line basis according to the lease term of the contract.

- 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 Consolidated Financial Statements according to their remaining terms at the reporting date.

2.15 . 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.

2.16 . Borrowings

Borrowings shall be recorded in details in terms of borrowing 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.

2.17 Borrowing costs

Borrowing costs are recognized as operating expenses in the period, in which it is incurred excepting those which are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset in accordance with VAS No. 16 "Borrowing costs". Besides, regarding borrowings serving the construction of fixed assets and investment properties, the interests shall be capitalized even when the construction duration is under 12 months.

2.18 . Accrued expenses

Accrued expenses include payables to goods or services received from the suppliers or provided for the customers during the reporting period, 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 period.

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.

2.19 . 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.

2.20 . 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 Consolidated 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.

2.21 . Revenue

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 Corporation;
- The amount of the income can be measured reliably.

Dividend income shall be recognised when the Corporation's right to receive dividend is established.

2.22 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.

2.23 . 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.

2.24 Corporate income tax

a) Current corporate income tax expenses and Deferred corporate income tax expenses

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

Deferred corporate income tax expenses are determined based on deductible temporary differences, the taxable temporary differences and corporate income tax rate.

Current corporate income tax expenses and deferred corporate income tax expenses are not offset against each other.

b) Current corporate income tax rate

- For business operation in Vietnam: The Corporation is subject to corporate income tax rate of 20% for operation activities that have taxable income for the accounting period from 01 January 2022 to 31 December 2022.
- For business operation in Malaysia: The Corporation is subject to corporate income tax rate of 17% for the first MYR 600,000 taxable income and 24% for taxable income over MYR 600,000 for the accounting period from 01 January 2022 to 31 December 2022.

2.25 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, subsidiaries and associates;
- 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 Consolidated Financial Statements, the Corporation should consider the nature of the relationship rather than the legal form of the relationship.

2.26 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 Consolidated Financial Statements of the Corporation in order to help users of Financial Statements better understand and make more informed judgements about the Corporation as a whole.

3 . CASH AND CASH EQUIVALENTS

	31/12/2022	01/01/2022
	VND	VND
Cash on hand	11,081,548	5,298,382,604
Demand deposits ⁽¹⁾	28,282,842,205	45,955,970,728
Cash equivalents ⁽²⁾	4,000,000,000	1,000,000,000
	<u>32,293,923,753</u>	<u>52,254,353,332</u>

⁽¹⁾ As at 31/12/2022, demand deposits with the amount of VND 8,463,493,500 at Ocean Commercial One Member Limited Liability Bank has been blocked and cannot be used because this bank is being investigated by the competent authority (as at 01/01/2022: VND 8,463,493,500).

⁽²⁾ As at 31/12/2022, cash equivalents was term deposits with the term of 01 month at Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch with a value of VND 4,000,000,000 at the interest rate from 4.9% per annum to 6.0% per annum.

4 . SHORT- TERM FINANCIAL INVESTMENTS

Held to maturity investments

	31/12/2022		01/01/2022	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Short-term investments	331,618,570	-	803,825,276	-
- Term deposits	331,618,570	-	803,825,276	-
Long-term investments	202,000,000	-	202,000,000	-
- Term deposits	202,000,000	-	202,000,000	-
	<u>533,618,570</u>	<u>-</u>	<u>1,005,825,276</u>	<u>-</u>

5 . OTHER SHORT- TERM RECEIVABLES

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Related parties</i>				
- Fellow group subsidiaries of Petrovietnam	587,107,000	(360,982,000)	7,972,343,050	-
- Joint Venture Vietsovpetro ⁽³⁾	13,676,632,976	(6,403,905,703)	13,676,632,976	-
<i>Other parties</i>				
- Tecnicas Reunidas Malaysia Sdn Bhd	51,558,711,662	-	52,085,280,799	-
- Samsung Engineering (M) Sdn Bhd	31,450,474,406	-	31,965,288,715	-
- Green Resources Technology Development JSC ⁽¹⁾	17,922,250,000	(17,922,250,000)	17,922,250,000	(17,922,250,000)
- Orient Bio-Fuels Co., Ltd ⁽²⁾	21,323,374,635	(21,323,374,635)	21,323,374,635	(21,323,374,635)
- Others	102,277,820,468	(14,399,948,282)	71,987,168,761	(8,108,332,638)
	238,796,371,147	(60,410,460,620)	216,932,338,936	(47,353,957,273)

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

- (1) 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.
- (2) 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.
- (3) 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 Consolidated Financial Statements, the Board of General Directors is in the process of negotiating with the general contractor for payment of the remainder.

6 . SHORT-TERM PREPAYMENTS TO SUPPLIERS

	31/12/2022		01/01/2022	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
<i>Other parties</i>				
- 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	4,681,097,599	(1,684,853,567)	4,272,287,333	-
	16,157,645,712	(6,942,696,137)	15,748,835,446	(5,257,842,570)

^(*) Detailed as in Note No. 17

7 . OTHER RECEIVABLES

		31/12/2022		01/01/2022	
		Value	Provision	Value	Provision
		VND	VND	VND	VND
a) Short-term					
a.1) Detailed by content					
- Insurance receivables		191,084,371	(191,084,371)	191,084,371	-
- Interest receivables		47,388,419	-	12,760,175	-
- Advances ⁽¹⁾		37,638,709,993	(8,355,433,930)	50,717,699,214	-
- Dividends and profits receivable ⁽²⁾		13,403,350,368	-	28,508,155,018	-
- Others		15,767,499,805	(2,471,453,473)	18,295,777,122	(1,212,963,112)
		67,048,032,956	(11,017,971,774)	97,725,475,900	(1,212,963,112)
a.2) Detailed by subject					
Related parties					
- PetroVietnam Gas Joint Stock Corporation		13,403,350,368	-	28,528,660,639	-
Other parties					
- Others		53,644,682,588	(11,017,971,774)	69,196,815,261	(1,212,963,112)
		67,048,032,956	(11,017,971,774)	97,725,475,900	(1,212,963,112)
b) Long-term					
b.1) Detailed by content					
- Mortgages		7,724,635	-	145,724,635	-
- Contributed capital under BCC ⁽²⁾		-	-	134,696,621,048	-
- Others		251,980,000	-	-	-
		259,704,635	-	134,842,345,683	-
b.2) Detailed by subject					
Related parties					
- PetroVietnam Gas Joint Stock Corporation		-	-	134,696,621,048	-
Other parties					
- Others		259,704,635	-	145,724,635	-
		259,704,635	-	134,842,345,683	-

⁽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⁾ 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>

(Detailed as in Note No. 25)

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

(Detailed as in Note No. 13)

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 Consolidated 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.

8. DOUBTFUL DEBTS

	31/12/2022		01/01/2022	
	Original cost	Recoverable value	Original cost	Recoverable value
	VND	VND	VND	VND
Total value of receivables and debts that are overdue or not due but difficult to be recovered				
+ 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	-
+ Orient Bio-Fuels Co., Ltd	21,323,374,635	-	21,323,374,635	-
+ Basic Interior Co., Ltd	13,676,632,976	7,272,727,273	13,676,632,976	13,676,632,976
+ Others	5,257,842,570	-	5,257,842,570	-
	26,352,939,676	1,093,914,974	8,418,317,509	1,329,938,377
	<u>86,737,770,778</u>	<u>8,366,642,247</u>	<u>69,731,334,308</u>	<u>15,906,571,353</u>

9 . INVENTORIES

	31/12/2022		01/01/2022 (Reclassified)	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	2,320,000	-	2,320,000	-
Work in process ^(*)	766,438,470,872	(158,376,809,159)	833,741,275,523	(158,376,809,159)
	766,440,790,872	(158,376,809,159)	833,743,595,523	(158,376,809,159)

^(*) Some projects with backlog balance as at 31 December 2022 are as follows:

	31/12/2022		01/01/2022(Reclassified)	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
- Nghi Son - Thanh Hoa Project ⁽¹⁾	118,341,958,279	(116,284,037,479)	118,341,958,279	(116,284,037,479)
- Block B O Mon Project ⁽²⁾	39,271,574,696	(39,271,574,696)	39,271,574,696	(39,271,574,696)
- Rapid - Malaysia Project ⁽³⁾	575,401,690,402	-	587,512,336,375	-
- Others	28,790,525,576	(2,821,196,984)	14,207,296,259	(2,821,196,984)
	761,805,748,953	(158,376,809,159)	759,333,165,609	(158,376,809,159)

⁽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.

⁽³⁾ Information detailed as in Note No. 40.

10 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	16,496,598,960	81,401,539,406	6,699,414,501	9,612,315,979	396,547,877	114,606,416,723
- Difference due to conversion of financial statements	(196,290,907)	(243,809,362)	(24,451,064)	(8,602,485)	-	(473,153,818)
- Liquidation, disposal	-	(7,161,606,439)	(868,987,810)	(2,974,416,961)	-	(11,005,011,210)
Ending balance	16,300,308,053	73,996,123,605	5,805,975,627	6,629,296,533	396,547,877	103,128,251,695
Accumulated depreciation						
Beginning balance	16,496,598,960	81,194,177,075	6,459,432,170	9,612,315,979	396,547,877	114,159,072,061
- Depreciation in the period	43,388,360	180,658,814	-	39,862,216	-	263,909,390
- Difference due to conversion of financial statements	(196,290,907)	(243,809,362)	(24,451,064)	(8,602,485)	-	(473,153,818)
- Liquidation, disposal	-	(7,161,606,439)	(868,987,810)	(2,974,416,961)	-	(11,005,011,210)
- Reclassified	(43,388,360)	-	83,250,576	(39,862,216)	-	-
Ending balance	16,300,308,053	73,969,420,088	5,649,243,872	6,629,296,533	396,547,877	102,944,816,423
Net carrying amount						
Beginning balance	-	207,362,331	239,982,331	-	-	447,344,662
Ending balance	-	26,703,517	156,731,755	-	-	183,435,272

In which:

- Cost of fully depreciated tangible fixed assets but still in use: VND 101,750,325,469.

11 . INTANGIBLE FIXED ASSETS

	Software VND	Total VND
Historical cost		
Beginning balance	19,508,728,889	19,508,728,889
- Liquidation, disposal	(8,089,790,444)	(8,089,790,444)
Ending balance	11,418,938,445	11,418,938,445
Accumulated depreciation		
Beginning balance	19,283,952,443	19,283,952,443
- Depreciation	85,134,322	85,134,322
- Liquidation, disposal	(8,089,790,444)	(8,089,790,444)
Ending balance	11,279,296,321	11,279,296,321
Net carrying amount		
Beginning balance	224,776,446	224,776,446
Ending balance	139,642,124	139,642,124

12 . PREPAID EXPENSES

	31/12/2022 VND	01/01/2022 VND
a) Short-term		
- Insurance expenses	62,500,000	99,200,000
- Tools and supplies	2,223,341	5,973,334
- Others	133,116,830	8,970,000
	197,840,171	114,143,334
b) Long-term		
- Cost of interior decoration and office repair	272,375,669	724,295,656
- Tools and supplies	280,355,207	136,697,023
	552,730,876	860,992,679

13 . SHORT-TERM BORROWINGS

	01/01/2022		Interim		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 ⁽¹⁾	313,809,563,271	313,809,563,271	-	283,778,520,995	30,031,042,276	30,031,042,276
- Vietnam Joint stock Commercial Bank for Industry and Trade ⁽²⁾	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 ⁽³⁾	4,000,000,000	4,000,000,000	-	-	4,000,000,000	4,000,000,000
- Individual ⁽⁴⁾	61,798,410,000	61,798,410,000	-	4,057,260,000	57,741,150,000	57,741,150,000
	381,222,718,746	381,222,718,746	-	287,950,529,470	93,272,189,276	93,272,189,276

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 of the Board of Management	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	93,222,189,276	139,501,148,178	376,270,618,111	114,194,259,616
	93,222,189,276	139,501,148,178	376,270,618,111	114,194,259,616

Detail information on short-term borrowings is as follows

Outstanding balance as at 31/12/2022 from following Credit contracts:

(1) Outstanding balance as at 31/12/2022 from following Credit contracts:

(1.1) Short-term borrowing from Joint Stock Commercial Bank for Foreign Trade of Vietnam with a credit line of VND 30 billion at its subsidiary - PVE Oil Gas Survey Consultancy JSC with interest rate of 9%/year and guaranteed by the Corporation to support short-term credit needs for business activities. Outstanding principal balance at the end of the period is VND 21,034,425,457.

(1.2) Short-term borrowing from Joint Stock Commercial Bank for Foreign Trade of Vietnam with a credit line of VND 80 billion at its subsidiary - PVE Oil Gas Project Management Consultancy JSC with interest rate from 9%/year and guaranteed by the Corporation to support short-term credit needs for business activities. Outstanding principal balance at the end of the period is VND 8,996,616,819.

(2) Credit Contract No. 0402/2019 - HDCVTN/NHCT924 - PVE dated 05/04/2019, with the following terms:

- + Credit line: VND 40,000,000,000;
- + Borrowing purpose: Supplementing working capital;
- + Term of contract: 09 months from the next day of the first disbursement date;
- + Interest rate: 9%/year;
- + Outstanding principal balance: VND 1,499,997,000;
- + Type of security: Mortgage of third party's land use rights and debt collection rights arising from Economic contract No. 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/HDDB/NHCT924-PVE dated 05/04/2019.

(3) Credit Contract dated 09/04/2019, with the following terms:

- + Credit line: VND 20,000,000,000;
- + Borrowing purpose: Supplementing working capital;
- + Term of contract: 12 months;
- + Interest rate: 9.5%/year;
- + Outstanding principal balance: VND 4,000,000,000;
- + Type of security: Unsecured.

(4) 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.

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
Related parties	100,242,220,211	100,242,220,211	84,497,316,035	84,497,316,035
- Fellow group subsidiaries of Petrovietnam	100,165,805,943	100,165,805,943	84,420,901,767	84,420,901,767
- Technip Vietnam Co., Ltd	76,414,268	76,414,268	76,414,268	76,414,268
Other parties	224,954,521,766	224,954,521,766	258,027,241,452	258,027,241,452
- Ninh Binh Petrovietnam Joint Stock Company	-	-	18,181,219,190	18,181,219,190
- Recaa Insulation Systems SDN BHD	22,495,967,595	22,495,967,595	22,870,553,549	22,870,553,549
- Sugiko Malaysia SDN BHD	13,665,203,519	13,665,203,519	13,892,746,224	13,892,746,224
- Others	188,793,350,652	188,793,350,652	203,082,722,489	203,082,722,489
	325,196,741,977	325,196,741,977	342,524,557,487	342,524,557,487

14 . 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
b)	Unpaid overdue payables				
-	PetroVietnam Gas Joint Stock Corporation	94,325,786,404	94,325,786,404	80,062,166,788	80,062,166,788
-	Others	211,873,426,936	211,873,426,936	212,640,207,352	212,640,207,352
		<u>306,199,213,340</u>	<u>306,199,213,340</u>	<u>292,702,374,140</u>	<u>292,702,374,140</u>

15 . SHORT-TERM PREPAYMENT FROM CUSTOMERS

		31/12/2022	01/01/2022
		VND	VND
<i>Related parties</i>			
-	Fellow group subsidiaries of Petrovietnam	417,400,000	-
-	PVE Project Management Consultancy (Malaysia) SDN BHD	247,278,101	-
<i>Other parties</i>			
-	PTSC Mechanical & Construction Limited Company	803,196,392	2,643,707,269
-	Others	3,898,410,655	8,461,666,788
		<u>5,366,285,148</u>	<u>11,105,374,057</u>

16 . TAXES AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at the beginning of the period	Tax payable at the beginning of the period (Reclassified)	Tax payable in the period	Tax paid in the period	Difference due to conversion of Financial Statements	Tax receivable at the end of the period	Tax payable at the end of the period
	VND	VND	VND	VND		VND	VND
- Value added tax	-	7,217,517,254	11,270,169,079	16,579,858,177	(401,743)	-	1,907,426,413
- Corporate income tax	-	43,482,487,298	5,584,411,023	998,745,366	(506,714,745)	-	47,561,438,210
- Personal income tax	371,552	48,742,518,613	4,465,463,818	4,064,807,158	(682,636,728)	365,568	48,460,532,561
- Property tax and land rental	-	7,569,853,632	2,648,200,955	1,200,000,000	-	-	9,018,054,587
- Other taxes	-	1,501,239,627	11,000,000	11,000,000	-	-	1,501,239,627
- Tax, charge, fee and other obligations	-	3,004,448,625	-	-	(44,087,362)	-	2,960,361,263
	<u>371,552</u>	<u>111,518,065,049</u>	<u>23,979,244,875</u>	<u>22,854,410,701</u>	<u>(1,233,840,578)</u>	<u>365,568</u>	<u>111,409,052,661</u>

At the reporting date of the Consolidated Financial Statements, overdue taxes is VND 96,654,426,473.

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 Consolidated 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 construction contracts (*)	42,432,610,544	15,924,152,117
- Others	3,842,512,748	2,141,603,929
	46,275,123,292	18,767,859,491

(*) 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	3,562,407,581	3,576,359,825
- Social insurance	13,512,697,846	11,505,753,706
- Expenses source for non-business	2,513,000,000	2,513,000,000
- Mutual support fund	5,792,729,271	3,758,762,717
- Interest expenses	143,929,899,871	115,013,199,790
- Dividends	43,474,577,326	42,638,297,326
- Short-term deposits received	-	32,006,977
- Others	13,490,790,761	13,777,169,003
	226,276,102,656	192,814,549,344
b) Long-term		
- Long-term deposits received	10,000,000	10,000,000
- Others	114,895,000	114,895,000
	124,895,000	124,895,000
c) Unpaid overdue payables		
- Interest expenses	139,501,148,178	114,194,259,616
- Dividend	41,706,593,678	42,638,297,326
- Insurances	9,284,493,593	11,522,987,370
	190,492,235,449	168,355,544,312
d) In which: Other payables from related parties		
- Vietnam Oil and Gas Group	2,513,000,000	2,513,000,000
	2,513,000,000	2,513,000,000

19 . SHORT-TERM PROVISION FOR PAYABLES

	31/12/2022	01/01/2022 (Reclassified)
	VND	VND
- Warranty provision for construction projects	2,800,771,675	2,800,771,675
	2,800,771,675	2,800,771,675

20 . OWNER'S EQUITY

a) Increase and decrease in owner's equity

	Contributed capital	Share premium	Other capital	Exchange rate differences	Investment and development funds	Retained earnings	Non – Controlling Interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Beginning balance of the previous period	250,000,000,000	11,421,558,415	1,600,295,812	26,986,396,364	24,754,339,515	(227,748,729,214)	6,554,321,248	93,568,182,140
Loss of the previous period	-	-	-	-	-	(2,990,868,235)	4,602,541	(2,986,265,694)
Difference due to conversion of financial statements	-	-	-	(26,186,873,360)	-	-	(69,245,850)	(26,256,119,210)
Ending balance of the previous period	250,000,000,000	11,421,558,415	1,600,295,812	799,523,004	24,754,339,515	(230,739,597,449)	6,489,677,939	64,325,797,236
Beginning balance of the current period	250,000,000,000	11,421,558,415	1,600,295,812	799,523,004	24,754,339,515	(230,739,597,449)	6,489,677,939	64,325,797,236
Profit for the current period	-	-	-	-	-	7,342,037,266	173,968,777	7,516,006,043
Difference due to conversion of financial statements	-	-	-	(8,311,219,708)	-	-	(22,787,078)	(8,334,006,786)
Other increase, decrease	-	-	-	-	-	(123,726,442)	(49,053,483)	(172,779,925)
Ending balance of the current period	250,000,000,000	11,421,558,415	1,600,295,812	(7,511,696,704)	24,754,339,515	(223,521,286,625)	6,591,806,155	63,335,016,568

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 and distribution of dividends and profits

	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

d) Share

	31/12/2022	01/01/2022 (Reclassified)
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) Corporation's funds

	31/12/2022	01/01/2022 (Reclassified)
	VND	VND
Investment and development funds	24,754,339,515	24,754,339,515
	24,754,339,515	24,754,339,515

21 . EXCHANGE DIFFERENCES

	Year 2022
	VND
Beginning balance	799,523,004
Increases in the period	-
Decreases in the period	(8,311,219,708)
- Due to the translation of Financial Statements from foreign currency to VND	(8,311,219,708)
Ending balance	(7,511,696,704)

22 . OFF STATEMENT OF FINANCIAL POSITION ITEMS AND OPERATING LEASE COMMITMENT

a) Operating leased assets

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
Total minimum future rental amount under irrevocable operating lease of fixed assets in each period:		
- Under 1 year	5,691,265,200	6,339,053,160
	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	69,066.78	69,066.78

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

	Year 2022	Year 2021
	VND	VND
Revenue from rendering of engineering consultancy services	65,925,960,921	70,048,961,703
Revenue from construction contracts	171,951,212,429	155,669,432,408
Revenue from rendering of survey services	33,920,763,878	20,530,908,937
	271,797,937,228	246,249,303,048
In which: Revenue from related parties (Detailed as in Note No. 38)	45,666,696,937	60,992,094,566

24 . COST OF GOODS SOLD

	Year 2022	Year 2021
	VND	VND
Cost of engineering consultancy services	57,825,841,560	38,123,071,013
Cost of construction contracts	182,030,221,222	111,566,012,983
Cost of survey services	30,717,272,128	11,213,181,119
	270,573,334,910	160,902,265,115

25 . FINANCIAL INCOME

	Year 2022	Year 2021
	VND	VND
Interest income, interest from loans	393,464,766	521,638,086
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	12,781,230
Gain from transferring contributed capital in BCC (*)	153,573,961,802	-
	156,343,242,919	4,913,739,754
In which: Financial income from related parties	153,573,961,802	3,627,490,609
<i>(Detailed as in Note No. 38)</i>		

(*) Gain from transferring the contributed capital in Dragon Tower office building project, detailed as in Note No. 07.

26 . FINANCIAL EXPENSES

	Year 2022	Year 2021
	VND	VND
Interest expenses	29,667,905,399	47,469,254,245
Realised exchange loss	2,431,667	50,172,967
Unrealised exchange loss	-	49,002,825
Others	21,752,617	1,411,018
	29,692,089,683	47,569,841,055
In which: Financial expenses from related parties	7,612,236,973	7,523,822,667
<i>(Detailed as in Note No.38)</i>		

27 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2022	01/01/2022 (Reclassified)
	VND	VND
Raw materials	1,192,693,993	268,285,383
Labour expenses	12,973,053,105	11,231,930,057
Depreciation expenses	145,755,788	720,458,856
Reversal of provision/Provision expenses	24,546,365,576	(290,743,968)
Taxes, fees and charges	6,000,000	4,558,700
Expenses of outsourcing services (*)	55,750,412,243	7,401,696,332
Other expenses in cash	11,674,702,976	12,932,712,541
	106,288,983,681	32,268,897,901
In which: General administrative expenses from related parties	48,406,565,354	11,320,070,332
<i>(Detailed as in Note No. 38)</i>		

(*) 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. 40).

28 . OTHER INCOME

	Year 2022	Year 2021
	VND	VND
Gain from liquidation, disposal of fixed assets	127,686,364	-
Others	131,955,717	92,612,622
	<u>259,642,081</u>	<u>92,612,622</u>

29 . OTHER EXPENSE

	Year 2022	Year 2021 (Reclassified)
	VND	VND
Fines	2,917,394,618	4,837,761,709
Others	809,556,702	1,053,243,990
	<u>3,726,951,320</u>	<u>5,891,005,699</u>

30 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2022	Year 2021 (Reclassified)
	VND	VND
Current corporate income tax expense at the parent	4,487,494,407	6,295,278,574
Current corporate income tax expense at subsidiaries	729,393,337	393,260,315
	<u>5,216,887,744</u>	<u>6,688,538,889</u>

31 . DEFERRED INCOME TAX

a) Deferred income tax assets

	31/12/2022	01/01/2022
	VND	VND
Corporate income tax rate used to determine deferred income tax assets	20%	20%
Deferred income tax assets related to deductible temporary differences	8,448,793,161	14,078,924,547
Deferred income tax assets	<u>8,448,793,161</u>	<u>14,078,924,547</u>

b) Deferred corporate income tax expense

	Year 2022	Year 2021
	VND	VND
Deferred CIT expense relating to taxable temporary difference	5,160,000,000	-
Deferred CIT expense relating to reversal of deferred income tax assets	3,569,774,101	921,372,459
Deferred CIT income arising from deductible temporary differences	(3,343,205,254)	-
	<u>5,386,568,847</u>	<u>921,372,459</u>

32 . BASIC EARNINGS PER SHARE

Earning per share distributed to common shareholders of the Corporation is calculated as follows :

	Year 2022	Year 2021
	VND	VND
Profit after tax	7,342,037,266	(2,990,868,235)
Profit distributed to common shares	7,342,037,266	(2,990,868,235)
Average number of outstanding common shares in circulation in the period	25,000,000	25,000,000
Basic earnings per share	294	(120)

The Corporation has not planned to make any distribution to Bonus and welfare fund, bonus for the Board of General Directors from the net profit after tax at the date of preparing the Consolidated Financial Statements.

As at 31 December 2022, the Corporation did not have shares with potential for dilutive earnings per share.

33 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2022	Year 2021
	VND	VND
Raw materials	11,473,431,898	22,726,026,711
Labour expenses	105,128,794,154	73,177,094,234
Depreciation expenses	349,043,712	7,686,933,524
Expenses of outsourcing services	139,718,862,743	71,020,130,054
Other expenses in cash	28,343,015,857	19,314,285,660
	285,013,148,364	193,924,470,183

34 . 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 VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2022				
Cash and cash equivalents	32,293,923,753	-	-	32,293,923,753
Trade and other receivables	234,415,971,709	259,704,635	-	234,675,676,344
	266,709,895,462	259,704,635	-	266,969,600,097
As at 01/01/2022				
Cash and cash equivalents	52,254,353,332	-	-	52,254,353,332
Trade and other receivables	266,090,894,451	134,842,345,683	-	400,933,240,134
	318,345,247,783	134,842,345,683	-	453,187,593,466

Liquidity Risk

Liquidity risk is the risk that the Corporation has trouble in settlement of its financial obligations due to the 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 VND	From 1 to 5 years VND	Over 5 years VND	Total VND
As at 31/12/2022				
Borrowings and debts	93,272,189,276	-	-	93,272,189,276
Trade and other payables	551,472,844,633	124,895,000	-	551,597,739,633
Accrued expenses	46,275,123,292	-	-	46,275,123,292
	691,020,157,201	124,895,000	-	691,145,052,201
As at 01/01/2022				
Borrowings and debts	381,222,718,746	-	-	381,222,718,746
Trade and other payables	535,339,106,831	124,895,000	-	535,464,001,831
Accrued expenses	18,767,859,491	-	-	18,767,859,491
	935,329,685,068	124,895,000	-	935,454,580,068

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.

35 . ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Year 2022	Year 2021
	VND	VND
a) Proceeds from borrowings during the period		
Proceeds from ordinary contracts	-	320,000,000
b) Actual repayments on principal during the period		
Repayment on principal from ordinary contracts	287,950,529,470	12,122,420,561

36 . SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

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

37 . SEGMENT REPORTING

Under business fields:

	Consultant and engineering services	Construction	Others	Grant total
	VND	VND	VND	VND
Net revenue from sales to external customers	65,925,960,921	171,951,212,429	33,920,763,878	271,797,937,228
Profit from business activities	8,100,119,361	(10,079,008,793)	3,203,491,750	1,224,602,318
Segment assets	217,033,521,089	566,077,104,796	111,669,859,940	894,780,485,826
Unallocated assets				8,448,793,161
Total assets	217,033,521,089	566,077,104,796	111,669,859,940	903,229,278,987
Segment liabilities	203,720,590,696	531,353,689,465	104,819,982,258	839,894,262,419
Total liabilities	203,720,590,696	531,353,689,465	104,819,982,258	839,894,262,419

Under geographical areas:

	Domestic	Overseas	Elimination	Total
	VND	VND	VND	VND
Net revenue from sales to external	332,937,788,183	-	(61,139,850,955)	271,797,937,228
Segment assets	763,543,544,841	634,580,945,851	(503,344,004,866)	894,780,485,826

38 . TRANSACTION WITH RELATED PARTIES

List and relation between related parties and the Corporation as follow:

Related parties	Relation
Vietnam Oil and Gas Group (Petro Viet Nam)	Major shareholder
Technip VietNam Company Limited	Related party of Major shareholder

During the period, the Corporation has the transactions and balances with related parties as follows:

Transactions during the period:

	Year 2022 VND	Year 2021 VND
Revenue from sales of goods and rendering of services	45,666,696,937	60,992,094,566
- Fellow group subsidiaries of Petrovietnam	45,666,696,937	60,992,094,566
Purchases of goods or services	48,406,565,354	11,320,070,332
- Fellow group subsidiaries of Petrovietnam	48,406,565,354	11,320,070,332
Gain from business cooperation	1,850,752,987	20,117,767,977
- Fellow group subsidiaries of Petrovietnam	1,850,752,987	20,117,767,977
Interest expenses	7,612,236,973	7,523,822,667
- Other related parties	7,612,236,973	7,523,822,667
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
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 period, other related parties do not have the transactions and balances at the end of the period with the Corporation.

39 . GUARANTEE COMMITMENT

At Petrovietnam Engineering Consultancy Joint Stock Company

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

40 . 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 Consolidated 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-DHDCD passed on 29 April 2022 and Resolution No. 29/NQ-TKDK-DHDCD 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 Consolidated Financial Statements, the case has not been resolved according to appellate procedures.

41 . COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated 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 Consolidated 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 some projects with the amount of VND 158,376,809,159 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 158,376,809,159.

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 Consolidated Income Statement in 2021 with an amount of VND 4,509,617,703, which increases the balance of Accounts Payable short-term sale 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 Consolidated Statement of Income and the item of Taxes and payables to the State on the Consolidated 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:

	Code	Figures in the Consolidated Financial Statements of previous year	Adjusted figures	Difference
		VND	VND	VND
Consolidated Statement of Financial Position				
Provision for devaluation of inventories	149	-	(158,376,809,159)	(158,376,809,159)
Short-term trade payables	311	338,014,939,784	342,524,557,487	4,509,617,703
Taxes and other payables to State budget	313	112,149,411,527	111,518,065,049	(631,346,478)
Retained earnings	421	(74,237,683,539)	(230,739,597,449)	(156,501,913,910)
<i>RE accumulated by the end of the previous year</i>	421a	(75,125,086,529)	(227,748,729,214)	(152,623,642,685)
<i>RE for the current year</i>	421b	887,402,990	(2,990,868,235)	(3,878,271,225)
Non-controlling interests	429	12,242,844,413	6,489,677,939	(5,753,166,474)
Consolidated Statement of Income				
General administrative expenses	26	27,759,280,198	32,268,897,901	4,509,617,703
Total profit before tax	50	9,133,263,357	4,623,645,654	(4,509,617,703)
Current corporate income tax expense	51	7,319,885,367	6,688,538,889	(631,346,478)
Profit after corporate income tax	60	892,005,531	(2,986,265,694)	(3,878,271,225)
Profit after tax attributable to owners of the parent	62	887,402,990	(2,990,868,235)	(3,878,271,225)
Basic earnings per share	70	35	(120)	(155)

	Code	Figures in the Consolidated Financial Statements of previous year	Adjusted figures	Difference
		VND	VND	VND
Consolidated Statement of Cash flows				
Profit before tax	01	9,133,263,357	4,623,645,654	(4,509,617,703)
Profit from operating activities before changes in working capital	08	63,526,071,897	59,016,454,194	(4,509,617,703)
Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)	11	(16,009,993,630)	(11,500,375,927)	4,509,617,703

Prepared by



Le Quang Thang

Chief Accountant



Nguyen Khac Chuong

Ho Chi Minh City, 30 March 2023

General Director



Nguyen Ngoc Thuong