

CONSOLIDATED FINANCIAL STATEMENTS

**PETROVIETNAM ENGINEERING CONSULTANCY
JOINT STOCK COMPANY**

For the fiscal year ended as at 31/12/2021
(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 31/12/2021.

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 year and to the reporting date are:

Mr. Ta Duc Tien	Chairman	Appointed on 04/05/2022
Mr. Le Huu Bon	Chairman	Resigned on 29/04/2022
Mr. Do Van Thanh	Member	
Mr. Ngo Ngoc Thuong	Member	Appointed on 29/04/2022
Mr. Tran Nguyen Song Han	Member	Appointed on 29/04/2022
Mr. Dinh Van Dinh	Member	Resigned on 29/04/2022
Mr. Fong Nyuk Loon	Member	
Mr. Le Thai Thanh	Independent member	Resigned on 29/04/2022

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

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

The members of the Board of Supervision are:

Mr. Bui Huu Giang	Head of Control Department	Appointed on 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 year. 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 2021, 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.

Ho Chi Minh City, 10 June 2022

On behalf of The Board of General Directors

General Director



Ngo Ngoc Thuong

9273
CÔNG TY
THIẾT KẾ
DẦU KHÍ
CÔNG TY
CỔ PHẦN
H. NHÀ BÈ
T. PHỐ CHI LÍNH

No.: /BCTC.HCM

200622-001

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 10 June 2022, as set out on pages 07 to 45, including: Consolidated Statement of Financial Position as at 31 December 2021, 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 audit opinion.

Basis for qualified opinion

We have fully conducted necessary audit procedures but we were unable to obtain sufficient appropriate audit evidences to evaluate the impacts of following matters onto the Consolidated Financial Statements for the fiscal year ended as at 31 December 2021:

- Because the time of appointment as an auditor is far from the end of the fiscal year, we were not able to conduct observation procedure the counting of cash, inventories, fixed assets with the value as at 31/12/2021 was VND 5,298,382,604, VND 833,743,595,523 and VND 672,121,108 respectively.

- As in Note No. 05 (note No. (1), (2), (3)) of the Consolidated Financial Statements, the Corporation has recorded the outstanding balance of trade receivables from Con Dao Wind Power, Bio Ethanol Binh Phuoc Plant, Block B O Mon projects for a long time with the total value of VND 53,193,280,261 as at 01/01/2021 and 31/12/2021, the provision for doubtful debts was VND 39,245,624,635. By provided documents and conducted audit procedures, we cannot assess the conformity of recording accumulated revenue, accumulated cost, provisions and recover ability of these receivables, consequently, we were unable to determine whether any adjustments to relevant items on the Consolidated Financial Statements for the fiscal year ended as at 31/12/2021 were necessary.

Regarding the above-mentioned projects, in 2021, the Corporation reversed the balance of the accrued cost of the Bio Ethanol Binh Phuoc project with the value of VND 15,837,879,528 due to the assessment of the Corporation that this volume of work will not be performed. Accordingly, the Short-term accrued payables item on the Consolidated Statement of Financial Position and the Cost of goods sold item on the Consolidated Statement of Income in 2021 were decreased by the same amount. We cannot assess the conformity of the reversal of the above expenses, nor the effect of this matter on the Consolidated Financial Statements for the fiscal year ended as at 31/12/2021.

- The Corporation has recorded the outstanding balance of receivables that were overdue for a long time with total value of VND 49,125,414,956 and VND 51,765,690,862 as at 01/01/2021 and 31/12/2021, respectively. We cannot assess the recoverability of these receivables, consequently, we were unable to determine whether any adjustments to relevant items on the Consolidated Financial Statements for the fiscal year ended as at 31/12/2021 were necessary.
- We can not assess the existence and net realizable value, the amount of provision for devaluation of inventories to be made for the Nghi Son – Thanh Hoa and Block B O Mon projects. The value of these works in progress has being presented on the item "Inventories" of the Consolidated Statement of Financial Position as at 01/01/2021 and 31/12/2021 with a value of VND 165,378,827,891 and VND 168,070,673,699, respectively (Detailed as in Note No. 09 of the Consolidated Financial Statements).
- As in Note No. 40 of the Consolidated Financial Statements, the Corporation and subsidiary, Petrovietnam Engineering (Malaysia) Sdn. Bhd, are in dispute with the general contractor of the RAPID refinery and petrochemical complex in Malaysia, related to extra charges that are in the process of being negotiated with the general contractor. At the reporting date of this Consolidated Financial Statements, the Economic Arbitration in Malaysia has verdicts, however, the parties have not yet accepted these verdicts and have submitted the case to International Chamber of Commerce Arbitration for further dispute settlement. We were unable to evaluate whether the Corporation's ability to win in the above case or not, therefore, we were unable to evaluate the impacts of such matters onto relevant items on Consolidated Financial Statements, including: short-term trade receivables and work in progress as presented in Note No. 5 and 9 of the Consolidated Financial Statements with the amount of VND 85,938,312,121 and VND 587,512,336,375, respectively, as at 31/12/2021.
- As in Note No. 7(b) of the Consolidated Financial Statements, the Corporation has presented contributed capital under Business cooperation contract ("BCC") between the Corporation, Petrovietnam Gas Joint Stock Corporation, Phu Long Real estate Joint Stock Company with the value of VND 134,696,621,048 as at 01/01/2021 and 31/12/2021. The total value of accumulated gain from BCC that the Corporation has recorded: VND 31,213,141,566 as at 31/12/2021, in which, the value of gain from BCC for the period from 2016 to 2020 with the total value of VND 20,117,767,977 that recorded into the Consolidated Statement of Income of 2020, instead of adjusting retrospectively into income summary of corresponding years in accordance with current Accounting System. On the other hand, we were unable to obtain sufficient appropriate evidence about income summary from BCC up to 31/12/2021, therefore, we were unable to determine whether any adjustments to these amounts were necessary, as well as the impacts of such matter onto the Consolidated Financial Statements for the fiscal year ended at as 31/12/2021.

The Corporation has not fully recorded expenses incurred in 2021 with a total value of VND 11,910,458,791. Accordingly, the Financial expenses and General administrative expenses items on the Consolidated Statement of Income are presented a lack of VND 7,400,841,088 and VND 4,509,617,703, respectively, the items on the Consolidated Statement of Financial Position: Short-term trade payables item, Short-term accrued expenses item and Other long-term payables are presented a lack of VND 5,523,617,634, VND 1,878,384,527 and VND 2,912,344,082 respectively; Short-term trade receivables and Retained earnings are reflected the excess with the amount of VND 1,596,112,548 and VND 11,910,458,791 respectively.

According to the content presented in Note No. 2.3 of the Notes to the Consolidated Financial Statements, the Consolidated Financial Statements for the fiscal year ended at as 31/12/2021 of the Corporation are prepared based on the going concern. However, as at 31/12/2021, the Corporation incurs an accumulated loss with a value of VND 74,237,683,539, the Liabilities item on the Consolidated Statement of Financial Position is 4.82 times larger than the Owner's Equity item, together with the above-mentioned 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. By conducted audit procedures, we were unable to obtain sufficient appropriate audit evidences to evaluate the conformity of basis for preparing the Consolidated Financial Statements based on the going concern assumption and its effect on the accompanying Consolidated Financial Statements.

Auditors' 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 2021, 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.

Emphasis of matter

We noted the users of the Financial Statements for the information presented as in Note No. 36 of Notes to the Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

Ho Chi Minh City, 20 June 2022

AASC Auditing Firm Company Limited

Deputy General Director



Ngô Minh Quy

Certificate of registration to audit practice

No.: 2434-2018-002-1

Auditor

Pham Van Sang

Certificate of registration to audit practice

No.: 3864-2020-002-1

CONSOLIDATED STATEMENT OF FINANCIAL POSITION*As at 31 December 2021*

Code	ASSETS	Note	31/12/2021 VND	01/01/2021 VND
100	A. CURRENT ASSETS		1,168,356,672,797	1,165,399,444,766
110	I. Cash and cash equivalents	03	52,254,353,332	36,300,705,664
111	1. Cash		51,254,353,332	36,300,705,664
112	2. Cash equivalents		1,000,000,000	-
120	II. Short-term financial investments	04	803,825,276	622,999,897
123	1. Held to maturity investments		803,825,276	622,999,897
130	III. Short-term receivables		276,581,887,327	291,034,075,691
131	1. Short-term trade receivables	05	216,932,338,936	231,630,403,476
132	2. Short-term prepayments to suppliers	06	15,748,835,446	21,268,264,395
136	3. Other short-term receivables	07	97,725,475,900	92,250,914,743
137	4. Short-term provision for doubtful debts		(53,824,762,955)	(54,115,506,923)
140	IV. Inventories	09	833,743,595,523	828,480,670,653
141	1. Inventories		833,743,595,523	828,480,670,653
150	V. Other short-term assets		4,973,011,339	8,960,992,861
151	1. Short-term prepaid expenses	12	114,143,334	203,981,222
152	2. Deductible VAT		4,858,496,453	8,387,025,749
153	3. Taxes and other receivables from State budget	16	371,552	369,985,890
200	B. NON- CURRENT ASSETS		150,656,384,017	160,434,279,753
210	I. Long-term receivables		134,842,345,683	134,907,141,048
216	1. Other long-term receivables	07	134,842,345,683	134,907,141,048
220	II. Fixed assets		672,121,108	8,327,554,632
221	1. Tangible fixed assets	10	447,344,662	7,934,047,212
222	- Historical costs		114,606,416,723	115,919,103,705
223	- Accumulated depreciation		(114,159,072,061)	(107,985,056,493)
227	2. Intangible fixed assets	11	224,776,446	393,507,420
228	- Historical costs		19,508,728,889	19,508,728,889
229	- Accumulated depreciation		(19,283,952,443)	(19,115,221,469)
250	IV. Long-term financial investments	04	202,000,000	-
255	1. Held to maturity investments		202,000,000	-
260	V. Other long-term assets		14,939,917,226	17,199,584,073
261	1. Long-term prepaid expenses	12	860,992,679	1,565,278,738
262	5. Deferred tax assets	31	14,078,924,547	15,634,305,335
270	TOTAL ASSETS		1,319,013,056,814	1,325,833,724,519

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(continued)

Code	CAPITAL	Note	31/12/2021 VND	01/01/2021 VND
300	C. LIABILITIES		1,092,432,179,194	1,073,888,733,220
310	I. Current liabilities		1,092,307,284,194	1,073,763,838,220
311	1. Short-term trade payables	14	338,014,939,784	322,941,758,819
312	2. Short-term advances from customers	15	11,105,374,057	18,247,624,723
313	3. Taxes and other payables to State budget	16	112,149,411,527	104,807,778,394
314	4. Payables to employees		29,197,416,432	35,889,147,620
315	5. Short-term accrued expenses	17	18,767,859,491	38,971,077,978
319	6. Other short-term payables	18	192,814,549,344	150,639,996,566
320	7. Short-term borrowings and financial lease liabilities	13	381,222,718,746	393,025,139,307
321	8. Short-term provisions for payables	19	2,800,771,675	2,800,771,675
322	9. Bonus and welfare fund		6,234,243,138	6,440,543,138
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		226,580,877,620	251,944,991,299
410	I. Owner's equity	20	226,580,877,620	251,944,991,299
411	1. Contributed capital		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	799,523,004	26,986,396,364
418	5. Development investment funds		24,754,339,515	24,754,339,515
421	6. Retained earnings		(74,237,683,539)	(75,125,086,529)
421a	RE accumulated by the end of the previous year		(75,125,086,529)	(55,837,379,076)
421b	RE for the current year		887,402,990	(19,287,707,453)
429	9. Non-controlling interests		12,242,844,413	12,307,487,722
440	TOTAL CAPITAL		1,319,013,056,814	1,325,833,724,519

Prepared by



Le Quang Thang


Chief Accountant



Nguyen Khắc Chuong

Ho Chi Minh City, 10 June 2022

General Director



Ngô Ngọc Thuong

Year 2021

Code	ITEMS	Note	Year 2021	Year 2020
			VND	VND
01	1. Revenue from sales of goods and rendering of services	23	246,249,303,048	210,871,230,408
02	2. Revenue deductions		-	-
10	3. Net revenue from sales of goods and rendering of services		246,249,303,048	210,871,230,408
11	4. Cost of goods sold	24	160,902,265,115	164,903,315,829
20	5. Gross profit from sales of goods and rendering of services		85,347,037,933	45,967,914,579
21	6. Financial income	25	4,913,739,754	25,301,623,691
22	7. Financial expenses	26	47,569,841,055	49,841,155,928
23	<i>In which: Interest expense</i>		47,469,254,245	48,092,104,538
24	8. Share of joint ventures and associates' profit or loss		-	-
26	10. General administrative expenses	27	27,759,280,198	36,128,964,747
30	11. Net profit from operating activities		14,931,656,434	(14,700,582,405)
31	12. Other income	28	92,612,622	51,447,557
32	13. Other expenses	29	5,891,005,699	2,942,610,768
40	14. Other profit		(5,798,393,077)	(2,891,163,211)
50	15. Total profit before tax		9,133,263,357	(17,591,745,616)
51	16. Current corporate income tax expense	30	7,319,885,367	2,500,030,474
52	17. Deferred corporate income tax expense	31	921,372,459	(833,237,758)
60	18. Profit after corporate income tax		892,005,531	(19,258,538,332)
61	19. Profit after tax attributable to non-controlling interest		4,602,541	29,169,121
62	20. Profit after tax attributable to owners of the parent		887,402,990	(19,287,707,453)
70	21. Basic earnings per share	32	35	(772)

Chief Accountant

Minh City, 10 June 2022
General Director



Le Quang Thang



Nguyen Khac Chuong

Ho Chi Minh City
General

Ngo Ngoc Thuong

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2021
(Under indirect method)

Code	ITEMS	Note	Year 2021 VND	Year 2020 VND
I. CASH FLOWS FROM OPERATING ACTIVITIES				
01	1. Profit before tax		9,133,263,357	(17,591,745,616)
	2. Adjustments for			
02	Depreciation of fixed assets and investment properties		7,686,933,524	11,290,869,089
03	Provisions		(290,743,968)	406,922,251
04	Exchange gains/losses from retranslation of monetary items denominated in foreign currency		49,002,825	770,756,805
05	Gains/losses from investment		(521,638,086)	(505,719,732)
06	Interest expense		47,469,254,245	48,092,104,538
08	3. Profit from operating activities before changes in working capital		63,526,071,897	42,463,187,335
09	Increase/Decrease in receivables		18,359,061,363	(21,462,027,822)
10	Increase/Decrease in inventories		(5,262,924,870)	(7,155,349,659)
11	Increase/Decrease in payables (excluding interest payables, enterprise income tax payables)		(16,009,993,630)	17,336,805,780
12	Increase/Decrease in prepaid expenses		794,123,947	533,405,971
14	Interest expenses paid		(7,045,827,500)	(3,396,250,582)
15	Corporate income tax paid		(821,581,804)	(200,868,704)
17	Other payments on operating activities		(206,300,000)	(301,166,000)
20	Net cash flows from operating activities		53,332,629,403	27,817,736,319
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		-	20,500,000
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		-	3,809,249,049
27	7. Interest and dividend received		508,877,911	485,219,732
30	Net cash flows from investing activities		94,552,532	4,314,968,781
III. CASH FLOWS FROM FINANCING ACTIVITIES				
33	3. Proceeds from borrowings		320,000,000	1,384,500,000
34	4. Repayment of principal		(12,122,420,561)	(26,738,832,759)
36	6. Dividends or profits paid to owners		-	(265,500,000)
40	Net cash flows from financing activities		(11,802,420,561)	(25,619,832,759)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year 2021
(Under indirect method)

Code ITEMS	Note	Year 2021	Year 2020
		VND	VND
50 Net cash flows within the year		41,624,761,374	6,512,872,341
60 Cash and cash equivalents at the beginning of the year		36,300,705,664	29,155,432,164
61 Effect of foreign exchange fluctuation		(25,671,113,706)	632,401,159
70 Cash and cash equivalents at the end of the year	03	<u>52,254,353,332</u>	<u>36,300,705,664</u>

Prepared by



Le Quang Thang

Chief Accountant



Nguyen Khac Chuong

Ho Chi Minh City, 10 June 2022

General Director



Ngo Ngoc Thuong

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year 2021

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/QD-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 2021: VND 250,000,000,000.

As at 31 December 2021, the Corporation had 291 employees (as at 01 January 2021: 337 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 year, the Corporation's revenue from operating activities increased by VND 35.38 billion, equivalent to a rise of 16.78% compared to the previous year. Moreover, the cost of goods sold and rendering of services decreased by VND 4 billion, equivalent to a decline of 2.43% compared to the previous year, mainly because the Corporation reversed the accrued cost of the Bio Ethanol Binh Phuoc project with a value of VND 15.83 billion, due to not continually performing this volume. Therefore, gross profit from sales of goods and rendering of services this year increased by VND 39.38 billion, equivalent to a rise of 85.67% compared to the previous year. Net profit from financial activities decreased by VND 18.12 billion, equivalent to a fall of 73.83% compared to the previous year, due to a decrease in profits distributed from BCC. Because of all the reasons mentioned above, the profit after corporate income tax risen by VND 20.15 billion, equivalent to a climb of 104.63% compared to the previous year.

Structure of enterprises

The Corporation's subsidiaries consolidated in Consolidated Financial Statements as at 31 December 2021 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

2.1 . 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.

2.2 . 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. 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 from 01/01/2021 to 31/12/2021. 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

The Consolidated Financial Statements have been prepared on the assumption that the Corporation will continue to operate on basis for a going concern. As presented in the Consolidated Financial Statements, as at 31/12/2021, the Corporation incurs an accumulated loss with a value of VND 74,237,683,539, the Liabilities item on the Consolidated Statement of Financial Position is 4.82 times larger than the Owner's Equity item. At the same time, the Corporation has outstanding balance of short-term receivables and the value of work in progress for a long time with the value of VND 104,958,971,123 and VND 168,070,673,699, the balance of overdue payables is VND 592,862,561,852. Moreover, the recovery possibility of outstanding balance of items related to subsidiary - Petrovietnam Engineering (Malaysia) Sdn. Bhd. - that worth VND 673,450,648,496 are uncertainly determined because of depending on the results of dispute settlement with the general contractor in Malaysia. These facts indicate the existence of a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern.

The Board of General Directors of the Corporation commits that the recovery of receivables and backlog work in progress are certain and is working with partners in order to accelerate project settlement to recover capital. At the date of these Consolidated Financial Statements, according to the information presented in Note No. 36, 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. As in Note No. 40, 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. In addition, 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. Based on these grounds, the Board of Management of the Corporation considers that it is appropriate to prepare the Financial statements of the Corporation on the going concern basis.

Therefore, the Consolidated Financial Statements do not include any adjustment entries relating to recoverability and classification of accounted assets, classification of liabilities that may be necessary in case of the Corporation is unable to continue operating on the going concern basis. This assumption is made on the basis of predictions of future events and the uncertain outcome of these events.

2.4 . Financial Instruments

Initial recognition

Financial assets

Financial assets of the Corporation include cash and cash equivalent, trade payables, 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

There are currently no regulations on revaluation of financial instruments after initial recognition.

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 year, 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 year are converted into Vietnam dong with the real exchange rate at the transaction date. Real exchange rates are determined as the following principles:

- When buying or selling foreign currency, applying the exchange rates specified in the contracts of foreign exchange sale between the Corporation and commercial banks;
- When recording receivables, applying the bid rate of the commercial bank stipulated by the Corporation for customers to make payment at the transaction time;
- When recording payables, applying the offer rate of the commercial bank where the Corporation expects to conduct transactions at the transaction time;
- When purchasing assets or paying immediately in foreign currency, applying the bid rate of the commercial bank where the Corporation makes payments.

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
- 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 year 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. In which, exchange gains from retranslation of monetary items denominated in foreign currencies are not used to distribute profit or pay dividends.

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.

Inventory is recorded by periodic method.

Method for valuation of work in process at the end of the year: 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 year.

Allowances for devaluation of inventories made at the end of the year 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.

2.14 . Prepaid expenses

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

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

Types of prepaid expenses of the Corporation include:

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

2.15 . 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.

2.16 . 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.

2.17 . 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.

2.18 . Borrowing costs

Borrowing costs are recognized as operating expenses in the year, 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.

2.19 . Accrued expenses

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

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

2.20 . 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.

2.21 . 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. The distribution of net profits is made when the net profit of the Corporation does not exceed the net profit presented on the Consolidated Financial Statements after eliminating the profits from cheap purchase. Retained earnings can be distributed to investors based on capital contribution rate after being approved by General Meeting of Shareholders and after being appropriated to funds in accordance with the Corporation's Articles of Incorporation and Vietnamese statutory requirements.

The Corporation's retained earnings is distributed to other funds according to recommendation of the Board of Management and approval of shareholders at annual General Meeting of Shareholders:

- Development and investment funds: The fund is reserved for the purpose of business expansion or in depth investment.
- Bonus and welfare fund and bonus for the Board of General Directors: The fund is reserved for the purpose of bonus, material incentives, common benefit and increasing welfare for employees and presented as a liability on the Consolidated Statement of Financial position.

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.

2.22 . Revenue

Sales of goods

Revenue from sales of goods shall be recognized when all the following conditions have been satisfied:

- Significant risks and rewards associated with the ownership of the goods have been transferred to the buyer;
- The Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from rendering of services shall be recognised when all the following conditions have been satisfied:

- The amount of the revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Corporation;
- The stage of the completion of the transaction at the end of the reporting period can be measured reliably;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The stage of the completion of the transaction may be determined by evaluating the volume of work performed.

Revenue from construction contract

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

When the outcome of a contract can be reliably estimated and certified by customers, contract revenue and contract costs are recognised over the period of the contract as revenue and expenses respectively. The Corporation uses the planned rate of return method to determine the appropriate amount of costs to be recognised in the fiscal year. The planned rate of return is measured by reference to the proportion of costs to the total estimated costs of each construction contract. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense.

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

When the outcome of a construction contract certified by customer but not yet billed is recognised as contraction contracts in - progress receivables.

Financial income

Revenue arising from interests, dividends and profits received and other financial incomes shall be recognized if they simultaneously satisfy the two (2) conditions below:

- 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.

2.23 . Cost of goods sold

The recognition of cost of goods sold is matched against revenue in the year 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 year.

2.24 . 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 year without offsetting against financial income.

2.25 . Corporate income tax

a) Deferred income tax asset

Deferred income tax asset is recognized for deductible temporary differences and the carrying forward of unused tax losses and unused tax credits.

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

Current corporate income tax expenses are determined based on taxable income during the year 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.

c) 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 fiscal year from 01 January 2021 to 31 December 2021.
- 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 fiscal year from 01 January 2021 to 31 December 2021.

2.26 . 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.

2.27 . 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 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

	31/12/2021	01/01/2021
	VND	VND
Cash on hand	5,298,382,604	8,188,009,623
Demand deposits ⁽¹⁾	45,955,970,728	28,112,696,041
Cash equivalents ⁽²⁾	1,000,000,000	-
	52,254,353,332	36,300,705,664

⁽¹⁾ As at 31/12/2021, 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 01/01/2021: VND 8,463,493,500).

⁽²⁾ As at 31/12/2021, 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 1,000,000,000 at the interest rate of 3.5%/year

4 . FINANCIAL INVESTMENT

Held to maturity investments

	31/12/2021		01/01/2021	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Short-term investments	803,825,276	-	622,999,897	-
- Term deposits ⁽¹⁾	803,825,276	-	622,999,897	-
	-	-	-	-
Long-term investments	202,000,000	-	-	-
- Term deposits ⁽²⁾	202,000,000	-	-	-
	-	-	-	-
	1,005,825,276	-	622,999,897	-

⁽¹⁾ As at 31/12/2021, short - term investments was term deposits with term from 06 months to 12 months with a value of VND 803,825,276 at commercial banks to be used as contract performance guarantees.

⁽²⁾ As at 31/12/2021, held to maturity investments was term deposits with a term of more than 12 months at Asia Commercial Joint Stock Bank - Dien Bien Phu Transaction Office with a value of VND 202,000,000 with an interest rate of 4.8%/year.

5 . SHORT- TERM TRADE RECEIVABLES

	31/12/2021		01/01/2021	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Trade receivables detailed by customers with large account balances				
- Tecnicas Reunidas Malaysia Sdn Bhd	52,085,280,799	-	53,581,215,835	-
- Samsung Engineering (M) Sdn Bhd	31,965,288,715	-	33,427,829,382	-
- Green Resources Technology Development JSC ⁽¹⁾	17,922,250,000 (17,922,250,000)		17,922,250,000 (17,922,250,000)	
- Public Toyo Thai Co., Ltd ⁽²⁾	21,594,397,285 (21,323,374,635)		21,594,397,285 (21,323,374,635)	
- Joint Venture Vietsovpetro ⁽³⁾	13,676,632,976	-	13,676,632,976	-
- Others	79,688,489,161 (8,108,332,638)		91,428,077,998 (8,399,076,606)	
	216,932,338,936	(47,353,957,273)	231,630,403,476	(47,644,701,241)
b) In which: Trade receivables from related parties	7,972,343,050	-	19,245,888,658	-
<i>(Detailed as in Note No. 38)</i>				

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

	31/12/2021		01/01/2021	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
Prepayments to suppliers detailed by customers with large account balances				
- 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	4,272,287,333	-	9,791,716,282	-
	15,748,835,446	(5,257,842,570)	21,268,264,395	(5,257,842,570)

(*) Detailed as in Note No. 17

7 . OTHER RECEIVABLES

	31/12/2021		01/01/2021	
	Value	Provision	Value	Provision
	VND	VND	VND	VND
a) Short-term				
- Insurance receivables	191,084,371	-	-	-
- Interest receivables	12,760,175	-	-	-
- Advances ⁽¹⁾	50,717,699,214	-	53,393,476,050	-
- Mortgages	289,614,425	-	340,575,512	-
- Dividends and profits receivable ⁽²⁾	28,508,155,018	-	24,880,664,409	-
- Others	18,006,162,697	(1,212,963,112)	13,636,198,772	(1,212,963,112)
	97,725,475,900	(1,212,963,112)	92,250,914,743	(1,212,963,112)
b) Long-term				
- Mortgages	145,724,635	-	210,520,000	-
- Contributed capital under BCC ⁽²⁾	134,696,621,048	-	134,696,621,048	-
	134,842,345,683	-	134,907,141,048	-
c) In which: Other receivables from related parties	163,225,281,687	-	159,597,397,158	-

(Detailed as in Note No. 38)

⁽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.

Upon the completion of the Project, the Corporation signed lease contracts with PV Gas to rent a part of the building to use as offices for the Corporation and subsidiaries at agreed rental price. In 2014, the Corporation and PV Gas adjusted the partnership's rental price applied for the BCC's partners.

Thereafter, according to the Announcement No. 1651/KVN-VP dated 8 August 2016 ("Announcement No.1651"), the Corporation and PV Gas adjusted the partnership rental unit price for the period from year 2011 to year 2013 and reallocation of asset depreciation and business results for the period from year 2011 to year 2015. In accordance with Announcement No. 1651/KVN-VP, the Corporation adjusted and recorded the profit divided for the period from year 2011 to year 2015 with the amount of VND 7,467,882,980. However, Announcement No. 1651 has not yet been approved by a party in BCC, Phu Long Real Estate Corporation. In 2020, the Corporation recorded gain from BCC for the period from year 2016 to year 2020 with the total value of VND 20,117,767,977 into income summary of year 2020. In year 2021, the Corporation recorded gain from BCC with a value of VND 3,627,490,609. However, at the reporting date of these Consolidated Financial Statements, PV Gas, as the Administrator of BCC and other parties have not yet confirmed business results from the BCC for the period from year 2016 to year 2021.

The Corporation has used the rights and benefits arising from BCC to mortgage for bank borrowings (Note No. 19). 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.

On 17/05/2022, the auction of contributed capital of the Corporation in BCC was completed. Successful auction price is VND 270,656,824,838 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.

8 . DOUBTFUL DEBTS

	31/12/2021		01/01/2021	
	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				
+ <i>Petroleum Equipment Assembly And Metal Structure Co., Ltd.</i>	1,919,953,506	900,000,000	2,303,469,581	-
+ <i>C.T Group Vietnam</i>	1,212,963,112	-	1,212,963,112	-
+ <i>Green Resources Technology Development JSC</i>	17,922,250,000	-	17,922,250,000	-
+ <i>Public Toyo Thai Co., Ltd</i>	21,323,374,635	-	21,323,374,635	-
+ <i>Basic Interior Co., Ltd</i>	5,257,842,570	-	5,257,842,570	-
+ <i>Others</i>	8,418,317,509	1,329,938,377	6,521,319,631	425,712,606
	<u>56,054,701,332</u>	<u>2,229,938,377</u>	<u>54,541,219,529</u>	<u>425,712,606</u>

9 . INVENTORIES

	31/12/2021		01/01/2021	
	Original cost	Provision	Original cost	Provision
	VND	VND	VND	VND
Raw material	2,320,000	-	2,320,000	-
Work in process (*)	833,741,275,523	-	828,478,350,653	-
	833,743,595,523	-	828,480,670,653	-

(*) Some projects with backlog balance as at 31 December 2021 are as follows:

	31/12/2021	01/01/2021
	VND	VND
- Nghi Son - Thanh Hoa Project ⁽¹⁾	114,591,802,744	114,591,802,744
- Block B O Mon Project ⁽²⁾	39,271,574,696	39,271,574,696
- Rapid - Malaysia Project ⁽³⁾	587,512,336,375	612,640,744,525
- Others	14,207,296,259	11,515,450,451
	755,583,010,074	778,019,572,416

⁽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. The Board of General Directors assesses that the possibility to settlement with the General contractor is strong because of the certain evidences.

⁽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. The Board of General Directors assesses that the possibility to settlement with the General contractor is strong because of the certain evidences.

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

At the reporting date of these Consolidated Financial Statements, the Board of General Directors has not created any provision for these projects because they consider net realizable value to be reasonable.

10 . TANGIBLE FIXED ASSETS

	Buildings, structures	Machinery, equipment	Transportation equipment	Management equipment	Others	Total
	VND	VND	VND	VND	VND	VND
Historical cost						
Beginning balance	17,054,243,583	82,094,179,638	6,768,877,751	9,605,254,856	396,547,877	115,919,103,705
- Purchase in the year	-	-	-	31,500,000	-	31,500,000
- Difference due to conversion of financial statements	(557,644,623)	(692,640,232)	(69,463,250)	(24,438,877)	-	(1,344,186,982)
Ending balance	16,496,598,960	81,401,539,406	6,699,414,501	9,612,315,979	396,547,877	114,606,416,723
Accumulated depreciation						
Beginning balance	17,054,243,583	74,652,481,860	6,276,528,317	9,605,254,856	396,547,877	107,985,056,493
- Depreciation for the year	58,108,404	7,135,331,936	252,367,103	72,395,107	-	7,518,202,550
- Difference due to conversion of financial statements	(557,644,623)	(692,640,232)	(69,463,250)	(24,438,877)	-	(1,344,186,982)
- Reclassified	(58,108,404)	99,003,511	-	(40,895,107)	-	-
Ending balance	16,496,598,960	81,194,177,075	6,459,432,170	9,612,315,979	396,547,877	114,159,072,061
Net carrying amount						
Beginning balance	-	7,441,697,778	492,349,434	-	-	7,934,047,212
Ending balance	-	207,362,331	239,982,331	-	-	447,344,662

In which:

- Cost of fully depreciated tangible fixed assets but still in use: VND 112,427,372,610.

11 . INTANGIBLE FIXED ASSETS

	Software	Total
	VND	VND
Historical cost		
Beginning balance	19,508,728,889	19,508,728,889
Ending balance	19,508,728,889	19,508,728,889
Accumulated depreciation		
Beginning balance	19,115,221,469	19,115,221,469
- Depreciation for the year	168,730,974	168,730,974
Ending balance	19,283,952,443	19,283,952,443
Net carrying amount		
Beginning balance	393,507,420	393,507,420
Ending balance	224,776,446	224,776,446

12 . PREPAID EXPENSES

	31/12/2021	01/01/2021
	VND	VND
a) Short-term		
- Software license	99,200,000	109,786,940
- Tools and supplies	5,973,334	42,741,666
- Others	8,970,000	51,452,616
	114,143,334	203,981,222
b) Long-term		
- Cost of interior decoration and office repair	724,295,656	1,455,140,566
- Tools and supplies	136,697,023	101,632,774
- Othes	-	8,505,398
	860,992,679	1,565,278,738

13 . SHORT-TERM BORROWINGS

	01/01/2021		During the year		31/12/2021	
	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⁾	316,399,983,832	316,399,983,832	-	2,590,420,561	313,809,563,271	313,809,563,271
- Vietnam Joint stock Commercial Bank for Industry and Trade ⁽²⁾	1,623,745,475	1,623,745,475	-	9,000,000	1,614,745,475	1,614,745,475
- Nam Song Hau Trading Investing Petroleum Joint Stock Company ⁽³⁾	4,500,000,000	4,500,000,000	-	500,000,000	4,000,000,000	4,000,000,000
- Individual ⁽⁴⁾	70,501,410,000	70,501,410,000	320,000,000	9,023,000,000	61,798,410,000	61,798,410,000
	393,025,139,307	393,025,139,307	320,000,000	12,122,420,561	381,222,718,746	381,222,718,746

b) Borrowings from related parties are as follows:

	Relation	31/12/2021		01/01/2021	
		Principal	Interest	Principal	Interest
		VND	VND	VND	VND
Borrowings					
- Mr. Do Van Thanh	Member of the Board of Management	53,435,150,000	7,860,095,494	57,895,150,000	6,426,073,901
- Mr. Ngo Ngoc Thuong	General Director	-	-	3,763,000,000	1,097,748,766
		53,435,150,000	7,860,095,494	61,658,150,000	7,523,822,667

c) Overdue borrowings

	31/12/2021		01/01/2021	
	Principal	Interest	Principal	Interest
	VND	VND	VND	VND
- Borrowings	376,270,618,111	114,194,259,616	323,652,554,791	67,188,473,429
	376,270,618,111	114,194,259,616	323,652,554,791	67,188,473,429

Detail information on short-term borrowings is as follows

Outstanding balance as at 31/12/2021 from following Credit contracts:

(1) Outstanding balance as at 31/12/2021 from following Credit contracts:

(1.1) Credit Contract No. 0033/1838/C-CTD dated 28/03/2018, with the following terms:

- Credit line: VND 354,500,000,000;
- Loan purpose: Supplementing working capital;
- Term of contract: According to each indebtedness receipts;
- Interest rate: According to each indebtedness receipts;
- Outstanding principal balance: VND 269,545,639,791;
- Type of security: The rights and benefits arising from BCC between the Corporation, PetroVietnam Gas Joint Stock Corporation and Phu Long Real Estate Corporation (detailed as in Note No. 7b). At the time of preparation of these Consolidated Financial Statements, the above-mentioned collateral had been successfully auctioned to fulfill the principal debt payment obligations of the Corporation and PVE Oil Gas Project Management Consultancy JSC according to the debt settlement notice of the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch.

(1.2) 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 from 7%/year to 8.5%/year and guaranteed by the Corporation to support short-term credit needs for business activities. Outstanding principal balance at the end of the year is VND 22,855,107,678.

(1.3) 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 year is VND 21,408,815,802.

(2) Credit Contract No. 0402/2019 - HDCVT/L/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 1,614,745,475;
- + 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.

14 . SHORT-TERM TRADE PAYABLES

		31/12/2021		01/01/2021	
		Outstanding balance	Amount can be paid	Outstanding balance	Amount can be paid
		VND	VND	VND	VND
a)	Trade payables detailed by suppliers with large account balances				
-	PetroVietnam Gas Joint Stock Corporation	80,062,166,788	80,062,166,788	73,093,049,367	73,093,049,367
-	Vung Tau Shipbuilding Industry and Trading JSC	-	-	12,457,425,640	12,457,425,640
-	Ninh Binh Petrovietnam Joint Stock Company	18,181,219,190	18,181,219,190	-	-
-	IDICO Machinery Erection Construction Investment Joint Stock Company	14,090,557,110	14,090,557,110	-	-
-	Recaa Insulation Systems SDN BHD	22,870,553,549	22,870,553,549	23,919,394,222	23,919,394,222
-	Sugiko Malaysia SDN BHD	13,892,746,224	13,892,746,224	14,529,865,796	14,529,865,796
-	Others	188,917,696,923	188,917,696,923	198,942,023,794	198,942,023,794
		338,014,939,784	338,014,939,784	322,941,758,819	322,941,758,819
b)	Trade payables to related parties <i>(Detailed as in Note No. 38)</i>	85,040,542,463	85,040,542,463	82,146,592,785	82,146,592,785

15 . SHORT-TERM PREPAYMENT FROM CUSTOMERS

		31/12/2021	01/01/2021
		VND	VND
-	Samsung Engineering – EPC Main contractor of Package C (PP) Long Son Project	-	8,450,666,426
-	PTSC Mechanical & Construction Limited Company	2,643,707,269	1,105,279,770
-	Others	8,461,666,788	8,691,678,527
		11,105,374,057	18,247,624,723
In which: Prepayment from related parties <i>(Detailed as in Note No. 38)</i>		3,503,758,655	2,358,972,022

16 . TAXES AND OTHER PAYABLES TO STATE BUDGET

	Tax receivable at the beginning of the year	Tax payable at the beginning of the year	Tax payable in the year	Tax paid in the year	Difference due to conversion of financial statements	Tax receivable at the end of the year	Tax payable at the end of the year
	VND	VND	VND	VND		VND	VND
- Value added tax	-	6,482,578,519	9,776,397,058	9,040,333,443	(1,124,880)	-	7,217,517,254
- Corporate income tax	359,570,143	39,393,901,641	7,319,885,367	821,581,804	(1,418,801,285)	-	44,113,833,776
- Personal income tax	388,552	48,289,160,698	3,609,338,608	1,244,581,100	(1,911,382,593)	371,552	48,742,518,613
- Property tax and land rental	-	6,002,977,475	2,266,876,157	700,000,000	-	-	7,569,853,632
- Other taxes	10,027,195	1,511,266,822	7,000,000	7,000,000	-	-	1,501,239,627
- Tax, charge, fee and other obligations	-	3,127,893,239	-	-	(123,444,614)	-	3,004,448,625
	<u>369,985,890</u>	<u>104,807,778,394</u>	<u>22,979,497,190</u>	<u>11,813,496,347</u>	<u>(3,454,753,372)</u>	<u>371,552</u>	<u>112,149,411,527</u>

At the reporting date of the Consolidated Financial Statements, overdue taxes is VND 102,397,684,125.

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

	31/12/2021	01/01/2021
	VND	VND
- Interest expenses	702,103,445	708,027,025
- Accrued cost of construction contracts (*)	15,924,152,117	36,267,484,504
- Others	2,141,603,929	1,995,566,449
	18,767,859,491	38,971,077,978

(*) 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

	31/12/2021	01/01/2021
	VND	VND
a) Short-term		
- Trade union fund	3,576,359,825	3,416,354,627
- Social insurance	11,505,753,706	13,163,573,904
- Expenses source for non-business	2,513,000,000	2,513,000,000
- Mutual support fund	3,758,762,717	4,619,476,030
- Interest expenses	115,013,199,790	74,583,849,465
- Dividends	42,638,297,326	42,638,297,326
- Short-term deposits received	32,006,977	32,006,977
- Others	13,777,169,003	9,673,438,237
	192,814,549,344	150,639,996,566
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 (*)	114,194,259,616	67,122,489,960
- Dividend	42,638,297,326	44,369,880,564
- Insurances	11,522,987,370	11,165,342,266
	168,355,544,312	122,657,712,790
d) In which: Other payables from related parties (Detailed as in Note No. 38)	2,513,000,000	2,513,000,000

19 . SHORT-TERM PROVISION FOR PAYABLES

	31/12/2021	01/01/2021
	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 year	250,000,000,000	11,421,558,415	1,600,295,812	25,376,400,318	24,754,339,515	(55,837,379,076)	12,338,251,839	269,653,466,823
Loss of the previous year	-	-	-	-	-	(19,287,707,453)	29,169,121	(19,258,538,332)
Difference due to conversion of financial statements	-	-	-	1,609,996,046	-	-	(59,933,238)	1,550,062,808
Ending balance of the previous year	250,000,000,000	11,421,558,415	1,600,295,812	26,986,396,364	24,754,339,515	(75,125,086,529)	12,307,487,722	251,944,991,299
Beginning balance of the current year	250,000,000,000	11,421,558,415	1,600,295,812	26,986,396,364	24,754,339,515	(75,125,086,529)	12,307,487,722	251,944,991,299
Profit for the current year	-	-	-	-	-	887,402,990	4,602,541	892,005,531
Difference due to conversion of financial statements	-	-	-	(26,186,873,360)	-	-	(69,245,850)	(26,256,119,210)
Ending balance of the current year	250,000,000,000	11,421,558,415	1,600,295,812	799,523,004	24,754,339,515	(74,237,683,539)	12,242,844,413	226,580,877,620

b) Details of owner's invested capital

	Ratio	31/12/2021	Ratio	01/01/2021
	%	VND	%	VND
Vietnam Oil and Gas Group	29%	72,500,000,000	29%	72,500,000,000
Technip Geoproduction Sdh Bhd	10%	25,000,000,000	10%	25,000,000,000
Others	61%	152,500,000,000	61%	152,500,000,000
	100%	250,000,000,000	100%	250,000,000,000

c) Capital transactions with owners

	Year 2021	Year 2020
	VND	VND
Owner's invested capital		
- At the beginning of the year	250,000,000,000	250,000,000,000
- At the end of the year	250,000,000,000	250,000,000,000

d) Share

	31/12/2021	01/01/2021
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

	31/12/2021	01/01/2021
	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 2021	Year 2020
	VND	VND
Beginning balance	26,986,396,364	25,376,400,318
Increases in the year	-	1,609,996,046
- Due to the translation of Financial Statements from foreign currency to VND	-	1,609,996,046
Decreases in the year	(26,186,873,360)	-
- Due to the translation of Financial Statements from foreign currency to VND	(26,186,873,360)	-
Ending balance	799,523,004	26,986,396,364

22 . OFF STATEMENT OF FINANCIAL POSITION ITEMS

a) Operating leased assets

The Corporation leases the office under the operating lease contract. As at 31/12/2021, future lease payments under operating lease contracts are presented as follows:

	31/12/2021	01/01/2021
	VND	VND
Total minimum future rental amount under irrevocable operating lease of fixed assets in each period:		
- Under 1 year	6,339,053,160	6,789,052,638
	<u>6,339,053,160</u>	<u>6,789,052,638</u>

b) Foreign currencies

	31/12/2021	01/01/2021
- USD	5,537.50	11,893.84
- Malaysian Ringgit	69,066.78	69,066.78

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

	Year 2021	Year 2020
	VND	VND
Revenue from rendering of engineering consultancy services	70,048,961,703	57,932,795,243
Revenue from construction contracts	155,669,432,408	132,306,508,102
Revenue from rendering of survey services	20,530,908,937	14,709,999,603
Others	-	5,921,927,460
	<u>246,249,303,048</u>	<u>210,871,230,408</u>

In which: Revenue from related parties
(Detailed as in Note No. 38)

	<u>21,785,140,194</u>	<u>60,992,094,566</u>
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24 . COST OF GOODS SOLD

	Year 2021	Year 2020
	VND	VND
Cost of engineering consultancy services	38,123,071,013	31,356,201,523
Cost of construction contracts	111,566,012,983	121,440,901,458
Cost of survey services	11,213,181,119	8,124,433,660
Others	-	3,981,779,188
	<u>160,902,265,115</u>	<u>164,903,315,829</u>

25 . FINANCIAL INCOME

	Year 2021	Year 2020
	VND	VND
Interest income, interest from loans	521,638,086	485,219,732
Dividends received (*)	3,627,490,609	20,117,767,977
Realised exchange gain	751,829,829	1,005,229
Unrealised exchange gain	12,781,230	4,143,701,115
Others	-	553,929,638
	4,913,739,754	25,301,623,691
In which: Financial income from related parties (Detailed as in Note No. 38)	3,627,490,609	20,117,767,977

(*) Interest from business cooperation for the year 2021. Detailed information as in Note No. 07.

26 . FINANCIAL EXPENSES

	Year 2021	Year 2020
	VND	VND
Interest expenses	47,469,254,245	48,092,104,538
Realised exchange loss	50,172,967	-
Unrealised exchange loss	49,002,825	770,756,805
Others	1,411,018	978,294,585
	47,569,841,055	49,841,155,928
In which: Financial expenses from related parties (Detailed as in Note No.38)	7,860,095,494	7,523,822,667

27 . GENERAL ADMINISTRATIVE EXPENSES

	Year 2021	Year 2020
	VND	VND
Raw materials	268,285,383	795,633,558
Labour expenses	11,231,930,057	14,139,447,522
Depreciation expenses	720,458,856	781,369,750
Reversal of provision/Provision expenses	(290,743,968)	406,922,251
Taxes, fees and charges	4,558,700	6,000,000
Expenses of outsourcing services	2,892,078,629	4,155,943,887
Other expenses in cash	12,932,712,541	15,843,647,779
	27,759,280,198	36,128,964,747
In which: General administrative expenses from related parties (Detailed as in Note No. 38)	5,948,503,686	11,320,070,332

28 . OTHER INCOME

	Year 2021	Year 2020
	VND	VND
Gain from liquidation, disposal of fixed assets	-	20,500,000
Others	92,612,622	30,947,557
	92,612,622	51,447,557

29 . OTHER EXPENSES

	Year 2021	Year 2020
	VND	VND
Fines	4,837,761,709	2,296,664,960
Others	1,053,243,990	645,945,808
	5,891,005,699	2,942,610,768

30 . CURRENT CORPORATE INCOME TAX EXPENSES

	Year 2021	Year 2020
	VND	VND
Current corporate income tax expense at the parent	6,926,625,052	2,298,023,729
Current corporate income tax expense at subsidiaries	393,260,315	202,006,745
- PVE Oil Gas Project Management Consultancy Joint Stock Company	363,959,658	156,225,084
- PVE Oil Gas Survey Consultancy Joint Stock Company	29,300,657	45,781,661
- Petrovietnam Engineering (Malaysia) Sdn. Bhd.	-	-
	7,319,885,367	2,500,030,474

31 . DEFERRED INCOME TAX

a) Deferred income tax assets

	Year 2021	Year 2020
	VND	VND
Corporate income tax rate used to determine deferred income tax assets	20%	20%
Deferred income tax assets related to deductible temporary differences	14,078,924,547	15,634,305,335
Deferred income tax assets	14,078,924,547	15,634,305,335

b) Deferred corporate income tax expense

	Year 2021	Year 2020
	VND	VND
Deferred CIT expense relating to reversal of deferred income tax assets	1,057,304,347	-
Deferred CIT income arising from deductible temporary differences	(135,931,888)	(833,237,758)
	921,372,459	(833,237,758)

32 BASIC EARNINGS PER SHARE

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

	Year 2021	Year 2020
	VND	VND
Profit after tax	887,402,990	(19,287,707,453)
Profit distributed to common shares	887,402,990	(19,287,707,453)
Average number of outstanding common shares in circulation in the year	25,000,000	25,000,000
Basic earnings per share	35	(772)

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 2021, the Corporation did not have shares with potential for dilutive earnings per share.

33 . BUSINESS AND PRODUCTIONS COST BY ITEMS

	Year 2021	Year 2020
	VND	VND
Raw materials	22,726,026,711	24,896,293,026
Labour expenses	73,177,094,234	76,136,757,421
Depreciation expenses	7,686,933,524	11,290,869,089
Expenses of outsourcing services	71,020,130,054	68,247,121,366
Other expenses in cash	19,314,285,660	27,616,589,333
	193,924,470,183	208,187,630,235

34 FINANCIAL INSTRUMENTS

The types of financial instruments of the Corporation include:

	Carrying amount			
	31/12/2021		01/01/2021	
	Original Cost	Provision	Original Cost	Provision
	VND	VND	VND	VND
Financial Assets				
Cash and cash equivalents	52,254,353,332	-	36,300,705,664	-
Trade and other receivables	449,500,160,519	(53,824,762,955)	458,788,459,267	(54,115,506,923)
Lendings	803,825,276	-	622,999,897	-
	502,558,339,127	(53,824,762,955)	495,712,164,828	(54,115,506,923)

	Carrying amount	
	31/12/2021	01/01/2021
	VND	VND
Financial Liabilities		
Borrowings and debts	381,222,718,746	393,025,139,307
Trade and other payables	530,954,384,128	473,706,650,385
Accrued expenses	18,767,859,491	38,971,077,978
	930,944,962,365	905,702,867,670

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, excluding provision for doubtful debts which are presented in relevant notes.

Financial risk management

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

Market risk

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

Exchange rate risk

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

Interest rate risk

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

Credit Risk

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

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2021				
Cash and cash equivalents	52,254,353,332	-	-	52,254,353,332
Trade and other receivables	260,833,051,881	134,842,345,683	-	395,675,397,564
Lendings	803,825,276	-	-	803,825,276
	313,891,230,489	134,842,345,683	-	448,733,576,172
As at 01/01/2021				
Cash and cash equivalents	36,300,705,664	-	-	36,300,705,664
Trade and other receivables	269,765,811,296	134,907,141,048	-	404,672,952,344
Lendings	622,999,897	-	-	622,999,897
	306,689,516,857	134,907,141,048	-	441,596,657,905

Liquidity Risk

Liquidity risk is the risk that the Corporation has trouble in settlement of its financial obligations due to the lack of funds. Liquidity risk of the Corporation is mainly from different maturity of its financial assets and liabilities.

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

	Under 1 year	From 1 to 5 years	From more than 5 years	Total
	VND	VND	VND	VND
As at 31/12/2021				
Borrowings and debts	381,222,718,746	-	-	381,222,718,746
Trade and other payables	530,829,489,128	124,895,000	-	530,954,384,128
Accrued expenses	18,767,859,491	-	-	18,767,859,491
	<u>930,820,067,365</u>	<u>124,895,000</u>	<u>-</u>	<u>930,944,962,365</u>
As at 01/01/2021				
Borrowings and debts	393,025,139,307	-	-	393,025,139,307
Trade and other payables	473,581,755,385	124,895,000	-	473,706,650,385
Accrued expenses	38,971,077,978	-	-	38,971,077,978
	<u>905,577,972,670</u>	<u>124,895,000</u>	<u>-</u>	<u>905,702,867,670</u>

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

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

	Year 2021	Year 2020
	VND	VND
a) Proceeds from borrowings during the year		
Proceeds from ordinary contracts	320,000,000	1,384,500,000
b) Actual repayments on principal during the year		
Repayment on principal from ordinary contracts	12,122,420,561	26,738,832,759

36 . SUBSEQUENT EVENTS AFTER THE REPORTING YEAR

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.

On 17 May 2022, Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch ("VCB") completed 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 (Detailed as in Section No. 1.1, Note No. 13). The successful auction price is VND 270,656,824,838 according to Notice No. 5085/HCM-KHDN2 dated 17/05/2022 of VCB.

Except for the above-mentioned events, there has been no significant event occurring after the reporting year, 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	70,048,961,703	155,669,432,408	20,530,908,937	246,249,303,048
Profit from business activities	31,925,890,690	44,103,419,425	9,317,727,818	85,347,037,933
Segment assets	371,206,252,869	824,929,667,558	108,798,211,840	1,304,934,132,267
Unallocated assets				14,078,924,547
Total assets	371,206,252,869	824,929,667,558	108,798,211,840	1,319,013,056,814
Segment liabilities	310,757,183,620	690,594,024,732	91,080,970,842	1,092,432,179,194
Total liabilities	310,757,183,620	690,594,024,732	91,080,970,842	1,092,432,179,194

Under geographical areas:

	Domestic	Overseas	Elimination	Grant total
	VND	VND	VND	VND
Net revenue from sales to external customers	318,621,140,408	-	(72,371,837,360)	246,249,303,048
Segment assets	1,179,465,921,648	648,488,603,004	(523,020,392,385)	1,304,934,132,267

38 . TRANSACTION WITH RELATED PARTIES

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

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

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

Transactions during the year:

	Year 2021	Year 2020
	VND	VND
Revenue from sales of goods and rendering of services	21,785,140,194	60,992,094,566
- Fellow group subsidiaries of Petrovietnam	21,785,140,194	60,992,094,566
Purchases of goods or services	5,948,503,686	11,320,070,332
- Fellow group subsidiaries of Petrovietnam	5,948,503,686	11,320,070,332
Gain from business cooperation	3,627,490,609	20,117,767,977
- Fellow group subsidiaries of Petrovietnam	3,627,490,609	20,117,767,977
Interest expenses	7,860,095,494	7,523,822,667
- Other related parties	7,860,095,494	7,523,822,667

Outstanding balances up to the reporting date are as follows:

	31/12/2021	01/01/2021
	VND	VND
Short-term trade receivables	7,972,343,050	19,245,888,658
- Fellow group subsidiaries of Petrovietnam	7,972,343,050	19,245,888,658
Other short-term receivables	28,528,660,639	24,900,776,110
- Fellow group subsidiaries of Petrovietnam	28,528,660,639	24,900,776,110
Other long-term receivables	134,696,621,048	134,696,621,048
- Fellow group subsidiaries of Petrovietnam	134,696,621,048	134,696,621,048
Short-term trade payables	85,040,542,463	82,146,592,785
- Fellow group subsidiaries of Petrovietnam	84,964,128,195	81,966,501,785
- Technip VietNam Company Limited	76,414,268	180,091,000
Short-term advances from customers	3,503,758,655	2,358,972,022
- Fellow group subsidiaries of Petrovietnam	3,503,758,655	2,358,972,022
Other short-term payables	2,513,000,000	2,513,000,000
- Vietnam Oil and Gas Group	2,513,000,000	2,513,000,000
Short-term borrowings	53,435,150,000	61,658,150,000
- Other related parties	53,435,150,000	61,658,150,000

Transactions with other related parties:

	Relation	Year 2021 VND	Year 2020 VND
Salaries and Remuneration			
Mr. Le Huu Bon	Chairman	641,785,021	689,242,136
Mr. Do Van Thanh	Member of BOM	654,985,021	718,917,577
Mr. Dinh Van Dinh	Member of BOM	-	394,637,295
Mr. Fong Nyuk Loon	Member of BOM	-	-
Mr. Le Thai Thanh	Member of BOM	-	-
Mr. Ngo Ngoc Thuong	General Director	654,925,387	706,727,741
Mr. Le Viet Hoai	Vice General Director	627,552,543	636,575,232

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

39 . GUARANTEE COMMITMENT

a) At Petrovietnam Engineering Consultancy Joint Stock Company

As at 31 December 2021 and 01 January 2021, 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

b) At PVE Oil Gas Survey Consultancy Joint Stock Company

The Corporation commits to guarantee the performance of the contract signed with Linde Vietnam Co., Ltd dated 18 October 2019, related to the installation service of electrical equipment and tools, by deposit contract at JSC Bank for Investment and Development of Vietnam - Binh Chanh Branch worth VND 162,800,000.

The Corporation commits to guarantee warranty for the Contract No. 117/2020/KVT/TMHD-PVE.SC/D dated 29 April 2020 with Branch of PetroVietnam Gas Joint Stock Corporation - PV Gas Vung Tau on the "Installation of pump inverters P-102A/C and P-108A/B at KCTV pressure storage" by the amount of VND 65,494,969 deposited at Joint stock Commercial Bank for Investment and Development of Viet Nam – Binh Chanh Branch.

40 . OTHER INFORMATION

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

41 . COMPARATIVE FIGURES

The comparative figures are figures in the Consolidated Financial Statements for the fiscal year ended as at 31 December 2020, which was audited by AASC Auditing Firm Company Limited.

Prepared by



Le Quang Thang

Chief Accountant



Nguyen Khac Chuong

Ho Chi Minh City, 10 June 2022
General Director



Ngo Ngoc Thuong