

Deloitte.



**PETROVIETNAM CHEMICAL AND SERVICES JOINT STOCK
CORPORATION**

(Incorporated in the Socialist Republic of Vietnam)

**AUDITED SEPARATE
FINANCIAL STATEMENTS**

For the year ended 31 December 2024

PETROVIETNAM CHEMICAL AND SERVICES JOINT STOCK CORPORATION

6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh, Cau Giay

Hanoi, S.R. Vietnam

TABLE OF CONTENTS

<u>CONTENTS</u>	<u>PAGE(S)</u>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
BALANCE SHEET	5 - 6
INCOME STATEMENT	7
CASH FLOW STATEMENT	8 - 9
NOTES TO THE SEPARATE FINANCIAL STATEMENTS	10 - 34

PETROVIETNAM CHEMICAL AND SERVICES JOINT STOCK CORPORATION

6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh, Cau Giay
Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT

The Board of Management of PetroVietNam Chemical and Services Joint Stock Corporation (the "Corporation") presents this report together with the Corporation's separate financial statements for the year ended 31 December 2024.

THE BOARDS OF DIRECTORS AND MANAGEMENT

The members of the Boards of Directors and Management of the Corporation during the year and to the date of this report are as follows:

The Board of Directors

Mr. Truong Dai Nghia	Chairman
Mr. Phan Cong Thanh	Member (resigned on 25 January 2024)
Mr. Duong Tri Hoi	Member (appointed on 26 April 2024)
Mr. Nguyen Ngoc Quynh	Member
Mr. Ha Duy Tan	Member
Mr. Tran Hong Kien	Independent Member

The Board of Management

Mr. Duong Tri Hoi	Chief Executive Officer (CEO) (appointed on 25 January 2024)
Mr. Phan Cong Thanh	CEO (resigned on 25 January 2024)
Mr. Pham Ngoc Khue	Deputy CEO
Mr. Bui Tuan Ngoc	Deputy CEO
Mr. Vu An	Deputy CEO (resigned on 12 December 2024)
Mr. Tran Van Trinh	Chief Accountant

THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The Board of Management of the Corporation is responsible for preparing the separate financial statements, which give a true and fair view of the financial position of the Corporation as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these separate financial statements, the Board of Management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the separate financial statements;
- Prepare the separate financial statements on the going concern basis unless it is inappropriate to presume that the Corporation will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the separate financial statements so as to minimize errors and frauds.



PETROVIETNAM CHEMICAL AND SERVICES JOINT STOCK CORPORATION

6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh, Cau Giay
Hanoi, S.R. Vietnam

STATEMENT OF THE BOARD OF MANAGEMENT (Continued)

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

The Board of Management confirms that the Corporation has complied with the above requirements in preparing these separate financial statements.

For and on behalf of the Board of Management, 




Dương Trí Hoi
Chief Executive Officer

14 March 2025

No.: 0609 /VN1A-HN-BC

INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders, the Boards of Directors and Management
PetroVietNam Chemical and Services Joint Stock Corporation**

We have audited the accompanying separate financial statements of PetroVietNam Chemical and Services Joint Stock Corporation (the "Corporation"), prepared on 14 March 2025 as set out from page 05 to page 34, which comprise the balance sheet as at 31 December 2024, the income statement and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Management's Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Corporation's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Corporation as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matter

The separate financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 18 March 2024.



Tran Xuan Anh
Deputy General Director
Audit Practising Registration Certificate
No. 0723-2023-001-1

DELOITTE VIETNAM AUDIT COMPANY LIMITED

14 March 2025
Hanoi, S.R. Vietnam

Pham Quynh Hoa
Auditor
Audit Practising Registration Certificate
No. 0910-2023-001-1

BALANCE SHEET
As at 31 December 2024

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
A. CURRENT ASSETS	100		909,911,572,756	1,470,316,387,811
I. Cash and cash equivalents	110	4	177,513,572,081	191,725,672,290
1. Cash	111		57,513,572,081	181,725,672,290
2. Cash equivalents	112		120,000,000,000	10,000,000,000
II. Short-term financial investments	120	5	138,600,000,000	133,600,000,000
1. Held-to-maturity investments	123		138,600,000,000	133,600,000,000
III. Short-term receivables	130		563,523,313,251	1,027,253,440,663
1. Short-term trade receivables	131	6	549,991,608,460	930,418,956,384
2. Short-term advances to suppliers	132		16,337,451,268	23,356,193,939
3. Other short-term receivables	136	7	29,070,944,299	105,400,285,116
4. Provision for short-term doubtful debts	137	8	(31,876,690,776)	(31,921,994,776)
IV. Inventories	140	9	23,983,748,794	103,388,907,229
1. Inventories	141		32,286,054,067	127,360,134,619
2. Provision for devaluation of inventories	149		(8,302,305,273)	(23,971,227,390)
V. Other short-term assets	150		6,290,938,630	14,348,367,629
1. Short-term prepayments	151		163,942,562	6,751,565,546
2. Value added tax deductibles	152		5,328,906,114	7,596,802,083
3. Taxes and other receivables from the State budget	153	15	798,089,954	-
B. NON-CURRENT ASSETS	200		554,562,129,162	562,934,242,570
I. Long-term receivables	210		2,221,405,159	2,472,038,271
1. Other long-term receivables	216	7	2,221,405,159	2,472,038,271
II. Fixed assets	220		30,267,325,127	105,923,384,172
1. Tangible fixed assets	221	10	28,466,088,960	86,674,084,747
- Cost	222		140,671,147,471	268,124,086,389
- Accumulated depreciation	223		(112,205,058,511)	(181,450,001,642)
2. Intangible assets	227	11	1,801,236,167	19,249,299,425
- Cost	228		4,435,520,468	29,093,071,492
- Accumulated amortisation	229		(2,634,284,301)	(9,843,772,067)
III. Investment property	230	12	61,682,560,758	-
- Cost	231		151,876,088,685	-
- Accumulated depreciation	232		(90,193,527,927)	-
IV. Long-term assets in progress	240		379,918,725	1,098,685,478
1. Long-term construction in progress	242		379,918,725	1,098,685,478
V. Long-term financial investments	250		458,738,300,006	450,896,700,006
1. Investments in subsidiaries	251	13	458,738,300,006	455,738,300,006
2. Investments in joint-ventures, associates	252	13	12,769,655,880	12,769,655,880
3. Provision for impairment of long-term financial investments	254	13	(12,769,655,880)	(17,611,255,880)
VI. Other long-term assets	260		1,272,619,387	2,543,434,643
1. Long-term prepayments	261		1,272,619,387	2,543,434,643
TOTAL ASSETS (270=100+200)	270		1,464,473,701,918	2,033,250,630,381

The accompanying notes are an integral part of these separate financial statements

BALANCE SHEET (Continued)

As at 31 December 2024

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
C. LIABILITIES	300		555,830,617,674	1,124,880,110,064
I. Current liabilities	310		552,491,424,859	1,121,566,265,949
1. Short-term trade payables	311	14	202,057,215,922	238,892,749,990
2. Short-term advances from customers	312		6,174,818,116	5,927,239,972
3. Taxes and amounts payable to the State budget	313	15	1,088,076,908	5,012,569,701
4. Payables to employees	314		9,289,300,432	9,019,148,740
5. Short-term accrued expenses	315	16	10,886,732,605	79,472,604,633
6. Other current payables	319	17	21,066,632,651	6,320,661,921
7. Short-term loans and obligations under finance leases	320	18	301,851,460,731	776,733,524,329
8. Bonus and welfare funds	322		77,187,494	187,766,663
II. Long-term liabilities	330		3,339,192,815	3,313,844,115
1. Long-term provisions	342	19	3,339,192,815	3,313,844,115
D. EQUITY	400		908,643,084,244	908,370,520,317
I. Owner's equity	410	20	908,643,084,244	908,370,520,317
1. Owner's contributed capital	411		811,944,630,000	811,944,630,000
- Ordinary shares carrying voting rights	411a		811,944,630,000	811,944,630,000
2. Share premium	412		39,728,981,618	39,728,981,618
3. Investment and development fund	418		50,690,540,088	50,690,540,088
4. Retained earnings	421		6,278,932,538	6,006,368,611
- Retained earnings accumulated to the prior year end	421a		-	5,397,931
- Retained earnings of the current year	421b		6,278,932,538	6,000,970,680
TOTAL RESOURCES (440=300+400)	440		1,464,473,701,918	2,033,250,630,381

Dao Thi Duc Hanh
Preparer

Tran Van Trinh
Chief Accountant

Duong Tri Hoi
Chief Executive Officer

14 March 2025

The accompanying notes are an integral part of these separate financial statements

INCOME STATEMENT

For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01	22	1,629,578,155,216	2,202,500,792,513
2. Net revenue from goods sold and services rendered (10=01)	10		1,629,578,155,216	2,202,500,792,513
3. Cost of sales	11	23	1,579,594,657,964	2,153,858,530,641
4. Gross profit from goods sold and services rendered (20=10-11)	20		49,983,497,252	48,642,261,872
5. Financial income	21	26	45,265,698,669	62,401,778,135
6. Financial expenses	22	27	2,172,770,550	20,087,033,057
- In which: Interest expense	23		1,746,216,286	1,414,702,849
7. Selling expenses	25	24	29,374,388,206	24,849,392,771
8. General and administration expenses	26	24	59,766,048,347	63,734,049,584
9. Operating profit (30=20+(21-22)-(25+26))	30		3,935,988,818	2,373,564,595
10. Other income	31		6,745,943,598	6,577,520,485
11. Other expenses	32		3,797,104,124	2,950,114,400
12. Profit from other activities (40=31-32)	40		2,948,839,474	3,627,406,085
13. Accounting profit before tax (50=30+40)	50		6,884,828,292	6,000,970,680
14. Current corporate income tax expense	51	28	605,895,754	-
15. Net profit after corporate income tax (60=50-51)	60		6,278,932,538	6,000,970,680



Dao Thi Duc Hanh
Preparer



Tran Van Trinh
Chief Accountant



Dương Tri Hoi
Chief Executive Officer

14 March 2025

The accompanying notes are an integral part of these separate financial statements

CASH FLOW STATEMENT
(Indirect method)
For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	6,884,828,292	6,000,970,680
2. Adjustments for:			
Depreciation and amortisation of fixed assets and investment properties	02	14,034,078,287	14,391,247,699
Provisions	03	(20,530,477,417)	14,519,327,717
Foreign exchange losses arising from translating foreign currency items	04	236,903,639	9,371,600,995
Gain from investing activities	05	(37,600,290,445)	(55,274,681,682)
Interest expense	06	1,746,216,286	1,414,702,849
3. Operating losses before movements in working capital	08	(35,228,741,358)	(9,576,831,742)
Decreases in receivables	09	480,078,796,245	75,258,249,551
Decrease/(increase) in inventories	10	95,074,080,552	(47,834,289,420)
Decreases in payables (excluding accrued loan interest and corporate income tax payable)	11	(85,274,469,931)	(62,047,627,576)
Decrease/(increase) in prepaid expenses	12	7,858,438,240	(7,004,827,383)
Interest paid	14	(1,732,899,361)	(4,572,680,710)
Corporate income tax paid	15	(605,895,754)	-
Other cash inflows	16	200,000,000	2,000,000
Other cash outflows	17	(383,899,945)	(1,967,215,467)
Net cash generated by/(used in) operating activities	20	459,985,408,688	(57,743,222,747)
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(133,969,036)	(1,317,754,076)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	37,620,000	194,081,818
3. Cash outflow for lending, buying debt instruments of other entities	23	(185,000,000,000)	(296,500,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	180,000,000,000	275,000,000,000
5. Equity investments in other entities	25	(3,000,000,000)	(252,000,000,000)
6. Interest earned, dividends and profits received	27	22,778,816,587	27,577,939,384
Net cash generated by/(used in) investing activities	30	14,682,467,551	(247,045,732,874)

The accompanying notes are an integral part of these separate financial statements

CASH FLOW STATEMENT (Continued)
(Indirect method)
 For the year ended 31 December 2024

Unit: VND

ITEMS	Codes	Current year	Prior year
III. CASH FLOWS FROM FINANCING ACTIVITIES			
1. Proceeds from share issue and owners' contributed capital	31	-	211,574,950,000
2. Proceeds from borrowings	33	324,521,663,884	1,104,296,246,579
3. Repayment of borrowings	34	(808,712,185,637)	(924,218,297,591)
4. Dividends and profits paid	36	(4,899,246,807)	(8,710,373,628)
Net cash (used in)/generated by financing activities	40	(489,089,768,560)	382,942,525,360
Net (decrease)/increase in cash (50=20+30+40)	50	(14,421,892,321)	78,153,569,739
Cash and cash equivalents at the beginning of the year	60	191,725,672,290	113,690,656,510
Effects of changes in foreign exchange rates	61	209,792,112	(118,553,959)
Cash and cash equivalents at the end of the year (70=50+60+61)	70	177,513,572,081	191,725,672,290


 Dao Thi Duc Hanh
 Preparer


 Tran Van Trinh
 Chief Accountant


 Duong Tri Hoi
 Chief Executive Officer

14 March 2025

JOINT STOCK CORPORATION

6th Floor, Vietnam Petroleum Institute Building,
No. 167 Trung Kinh, Cau Giay, Hanoi, S.R. Vietnam

Issued under Circular No.200/2014/TT-BTC
dated 22 December 2014 of the Ministry of Finance

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION**Structure of ownership**

PetroVietNam Chemical and Services Joint Stock Corporation (the "Corporation"), formerly known as Petroleum Drilling Fluids and Chemicals Joint Stock Company, was established and operates under Decision No. 1544/QĐ-TCCB dated 28 April 2005, by the Minister of Industry (now the Ministry of Industry and Trade), based on the equitization of Petroleum Drilling Fluids and Chemicals Joint Stock Company, which was a state-owned enterprise and an independent accounting member unit of Vietnam Oil and Gas Group. Additionally, the Company operates under Joint Stock Company Business Registration Certificate No. 0103009579 dated 18 October 2005, issued by the Hanoi Authority for Planning and Investment.

The Corporation's shares are listed on Hanoi Securities Trading Center (currently known as Hanoi Stock Exchange) under the trading code 'PVC', according to Listing License No. 11/GCN-TTGDHN issued by the State Securities Commission on 09 November 2007.

The Corporation was granted under the 28th amended Business Registration Certificate on 06 June 2024 by the Hanoi Authority for Planning and Investment with a charter capital of VND 811,944,630,000, equivalent to 81,944,630 shares.

The total number of employees of the Corporation as at 31 December 2024 was 128 (as at 31 December 2023: 132).

Operating industry

The Company's operating industry includes trading of chemicals and oil services.

Principal activities

The principal activities of the Corporation are as follows:

- Research on technology transfer, providing drilling fluid services, oil and gas well completion and repair services, reservoir treatment, enhancement of oil recovery, and other oil and gas technical services;
- Collection, treatment, and recycling of scrap and waste from the oil and gas industry;
- Environmental treatment and technology transfer for environmental treatment;
- Trading in chemicals (excluding those banned by the State), chemical products, equipment, raw materials, and devices for exploration, drilling, extraction, transportation, storage, and processing of oil and gas, and other economic sectors;
- Import and export of chemicals (excluding those banned by the State), chemical products, equipment, raw materials, and supplies for the oil and gas industry, environmental treatment and pollution control, and other industries;
- Trading in materials for industrial use;
- Trading in gas and gas products, biofuels;
- Trading in additives for drilling fluids;
- Warehousing and storage services;
- Trading in industrial and domestic machinery and spare parts, measuring equipment and instruments; and
- Trading in textiles, apparel, and footwear.

Normal business cycle

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

The Company's structure

The Corporation has its head office at the 6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Cau Giay, Hanoi.

Detailed information about the subsidiaries and joint ventures of the Corporation as at 31 December 2024 includes:

Name of companies	Place of incorporation and operation	Proportion of ownership interest (%)	Proportion of voting power (%)	Principal activities
Subsidiaries				
Drilling Fluids and Oilfield Services Company Limited	Ba Ria - Vung Tau	100	100	Providing drilling fluids and well services
PVChem - Tech Company Limited	Hanoi	100	100	Providing technical services and scientific and technological services
M-I Vietnam Oil and Gas Services Company Limited	Ba Ria - Vung Tau	51	51	Providing oil and gas technical services and petroleum engineering services
DMC - Southern Petroleum Chemicals Joint Stock Company	Ba Ria - Vung Tau	51	51	Providing products/services for the oil and gas industry
PVChem Industrial Technical Services Company Limited	Hanoi	100	100	Providing industrial technical services and maintenance services
PVChem - CS Company Limited (Previously: Petroleum Chemical Services Company Limited)	Hochiminh	100	100	Wholesale of industrial chemicals; trading in chemicals and chemical products
Joint Venture				
DMC-VTS Joint Venture Company Limited (*)	Lao	38.61	30	Mining and processing of barite minerals

(*) According to Resolution No. 582/NQ-PVChem dated 17 May 2023 and Resolution No. 586/NQ-PVChem dated 19 May 2023, the Corporation is in process of finding investors to transfer its contributed capital in accordance with the legal regulations of Vietnam and Laos. As at 31 December 2024, the Corporation has not yet determined the recoverable amount related to this transfer.

Detailed information about the branches of the Corporation as at 31 December 2024 includes:

Name of Branches	Address
Branch of PetroVietnam Chemical and Oil Services Corporation - Joint Stock Company - Industrial Technical Services Branch (PVChem-ITS)	12th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City
Branch of PetroVietnam Chemical and Oil Services Corporation - Joint Stock Company - Oil and Gas Chemical Services Branch (PVChem-CS)	No. 163 Hai Ba Trung Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City
Branch of PetroVietnam Chemical and Oil Services Corporation - Joint Stock Company - Research and Application Center for Technical Services (PVChem-RT)	6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City
Branch of DMC Corporation - Drilling Fluids and Well Services Company (DMC-WS)	No. 35, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province

Disclosure of information comparability in the separate financial statements

Comparative figures are the figures of the separate financial statements for the year ended 31 December 2023 which were audited by another auditor.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

The accompanying separate financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The separate financial statements are intended to present the financial position of the Corporation as at 31 December 2024, as well as the results of operations and cash flows for the financial year then ended. Therefore, the Corporation does not consolidate investments in subsidiaries in these separate financial statements. The Company's investments are recognized in accordance with the Corporation's policy and are disclosed in Note 3.

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

The Corporation also prepared the consolidated financial statements. Users should read these separate financial statements together with the consolidated financial statements for the year ended 31 December 2024 in order to have a better understanding of the Corporation's overall operation.

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of separate financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the separate financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Management's best knowledge, actual results may differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank demand deposits and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial investments

Held-to-maturity investments

Held-to-maturity investments comprise investments that the Corporation has the positive intent or ability to hold to maturity including term deposits at bank.

Post-acquisition interest income from held-to-maturity investments is recognised in the income statement on accrual basis.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for impairment of held-to-maturity investments is made in accordance with prevailing accounting regulations.

Investments in subsidiaries, joint ventures, associates

Investments in subsidiaries

A subsidiary is an entity over which the Corporation has control. Control is achieved where the Corporation has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Interests in joint ventures

A joint venture is a contractual arrangement whereby the Corporation and other parties undertake an economic activity that is subject to joint control, i.e., the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Corporation's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Corporation's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Corporation and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities

Receivables

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchases and other directly attributable expenses (for trading activities) or cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition (for service provision activities). The Corporation applies perpetual method to account for inventories. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

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

	Years
Buildings, structures	5 - 25
Machinery and equipment	3 - 20
Motor vehicles	6 - 10
Office equipment	3 - 10
Others	4 - 5

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between the net proceeds from sales or disposals of assets and their carrying amount and is recognised in the income statement.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental income from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease.

Rental expenses from operating leases is recognised in the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation. Intangible assets represent accounting software, management software, and copyrights of other software (collectively referred to as "computer software") and land use rights.

Computer software is amortised using the straight-line method over the estimated useful lives of 3 years. Land use rights are amortised using the straight-line method over the duration of the right to use the land from 27 to 40 years.

Investment properties

Investment properties held by the Corporation to earn rentals that are stated at cost less accumulated depreciation. The costs of purchased investment properties comprise their purchase prices and any directly attributable expenditures, such as professional fees for legal services, property transfer taxes and other related transaction costs. The costs of self-constructed investment properties are the finally accounted construction or directly attributable costs of the properties. Investment properties held to earn rentals are depreciated using the straight-line method over their estimated useful lives.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for other purposes, are carried at cost including costs that are necessary to form the assets in accordance with the Corporation's accounting policy. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Prepayments

Prepayments are expenses which have already been paid but relate to results of operations of multiple financial years, including premises rental, repair costs, and other prepayments which are expected to provide future economic benefits to the Corporation. These expenditures have been capitalised as prepayments and are allocated to the income statement using the straight-line method in accordance with the prevailing accounting regulations.

Payable provisions

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

Severance allowance

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Corporation for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the 6 consecutive months nearest to the date of the financial statements at the end of each reporting period. The increase or decrease in the accrued amount shall be recorded in the income statement.

Revenue recognition

Revenue from the sales of goods

Revenue from the sales of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Corporation; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the rendering of services

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several year, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) the amount of revenue can be measured reliably;
- (b) it is probable that the economic benefits associated with the transaction will flow to the Corporation;
- (c) the percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Financial income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Corporation's right to receive payment has been established.

Foreign currencies

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Corporation usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the income statement.

Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their

intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is recognized on significant differences between carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognized for all temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilized.

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

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

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

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

Funds at the Corporation

Parts of profits are used to allocate to bonus and welfare funds, bonus for the management and other funds under the decision-making competence of the General Meeting of Shareholders. The allocation ratio shall be decided by the General Meeting of Shareholders as per request of the Board of Directors.

4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Cash on hand	763,441,371	558,147,392
Bank demand deposits (i)	56,750,130,710	181,167,524,898
Cash equivalents (ii)	120,000,000,000	10,000,000,000
	<u>177,513,572,081</u>	<u>191,725,672,290</u>

- (i) Bank demand deposits include a deposit at Modern Bank of Vietnam Limited (formerly known as Ocean Commercial One Member Limited Liability Bank) with an amount of VND 653,427,713 which is restricted from use.

- (ii) Cash equivalents represent deposits at domestic credit institutions with original maturities of no more than 3 months at the interest rate ranging from 4.5% to 4.75% per annum.

5. SHORT-TERM FINANCIAL INVESTMENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Held-to-maturity investments		
Time deposits	138,600,000,000	133,600,000,000
	<u>138,600,000,000</u>	<u>133,600,000,000</u>

Representing time deposits at domestic credit institutions with original maturities of more than 3 months and remaining maturities of no more than 12 months from the reporting date at an interest rate from 4.2% per annum to 6.2% per annum.

Held to maturity investments include a deposit at Modern Bank of Vietnam Limited (formerly known as Ocean Commercial One Member Limited Liability Bank) with an amount of VND 8,600,000,000 which is restricted from use.

6. SHORT-TERM TRADE RECEIVABLES

a. Short-term trade receivables

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Stavian Chemicals Joint Stock Company	332,274,772,064	727,082,868,024
Nghi Sơn Refining and Petrochemical Company Limited	66,292,423,186	95,863,536,453
PetroVietnam Group - Operator of Blocks 01/97 & 02/97	37,326,434,019	6,813,747,490
PVChem - CS Company Limited	28,315,423,523	-
Others	85,782,555,668	100,658,804,417
	<u>549,991,608,460</u>	<u>930,418,956,384</u>

b. Short-term trade receivables from related parties

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Subsidiaries		
PVChem - CS Company Limited	28,315,423,523	-
DMC - Southern Petroleum Chemicals Joint Stock Company	4,198,081,753	22,235,200
PVChem Industrial Technical Services Company Limited	1,022,237,066	-
Drilling Fluids and Oilfield Services Company Limited	-	51,159,405
M-I Vietnam Oil and Gas Services Company Limited	-	2,352,000
Other related parties		
Nghi Son Refining and Petrochemical Company Limited	66,292,423,186	95,863,536,453
Vietnam Oil and Gas Group – Operator of Blocks 01/97 & 02/97	37,326,434,019	6,813,747,490
Domestic Petroleum Operating Branch - PetroVietnam Exploration Production Corporation Limited - Block 05.1A	8,808,289,380	-
Binh Son Refining and Petrochemical Company Limited	8,700,708,512	23,140,643,936
Other related parties	33,361,829,060	52,477,893,664
	<u>188,025,426,499</u>	<u>178,371,568,148</u>

7. OTHER RECEIVABLES

a. Other receivables

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Short-term		
- Receivables related to dividends and profits received	11,489,875,205	22,500,000,000
- Receivables from interest on deposits	3,824,025,551	2,761,508,152
- Advances to employees	1,498,203,039	1,861,024,444
- Deposits and mortgages	861,065,286	33,499,403,024
- Other receivables	11,397,775,218	44,778,349,496
	<u>29,070,944,299</u>	<u>105,400,285,116</u>
Long-term		
- Deposits and mortgages	2,216,592,500	2,467,225,612
- Other receivables	4,812,659	4,812,659
	<u>2,221,405,159</u>	<u>2,472,038,271</u>

b. Other short-term receivables from related parties

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Drilling Fluids and Oilfield Services Company Limited	9,800,176,563	22,500,000,000
PVChem - CS Company Limited	1,974,944,542	-
PTSC Thanh Hoa Technical Services Company	9,266,015,798	-
PVChem - CS Company Limited	1,974,944,542	44,375,006,473
Other related parties	<u>22,061,876,259</u>	<u>66,875,006,473</u>

8. PROVISION FOR SHORT-TERM DOUBTFUL DEBTS

	Overdue period	Closing balance			Opening balance		
		Cost	Provision	Recoverable amount	Cost	Provision	Recoverable amount
VND							
Total amount of receivables past due or not past due but impaired							
DMC-VTS Joint Venture Company Limited	> 3 years	6,209,044,462	(6,209,044,462)	-	6,209,044,462	(6,209,044,462)	-
Plastic Packaging Export Company Limited	> 3 years	2,838,995,257	(2,838,995,257)	-	2,838,995,257	(2,838,995,257)	-
Hanoi Petroleum Construction Joint Stock Company	> 3 years	2,737,079,920	(2,737,079,920)	-	2,737,079,920	(2,737,079,920)	-
Minh Xuan Joint Stock Company	> 3 years	1,745,273,640	(1,745,273,640)	-	1,745,273,640	(1,745,273,640)	-
Others	> 3 years	4,606,898,329	(4,606,898,329)	-	4,606,898,329	(4,606,898,329)	-
Total amount of advances to suppliers past due or not past due but impaired							
DMC-VTS Joint Venture Company Limited	> 3years	8,771,274,472	(8,771,274,472)	-	8,771,274,472	(8,771,274,472)	-
Vietnam Industrial Steel Joint Stock Company	> 3 years	2,005,169,290	(2,005,169,290)	-	2,005,169,290	(2,005,169,290)	-
Truong Thinh Company Limited	> 3 years	1,782,116,825	(1,782,116,825)	-	1,782,116,825	(1,782,116,825)	-
Others	> 3 years	1,180,838,581	(1,180,838,581)	-	1,245,558,581	(1,226,142,581)	19,416,000
		31,876,690,776	(31,876,690,776)	-	31,941,410,776	(31,921,994,776)	19,416,000

9. INVENTORIES

	Closing balance		Opening balance	
	VND		VND	
	Cost	Provision	Cost	Provision
Goods in transit	-	-	4,099,669,649	-
Work in progress	7,359,168,288	-	23,837,256,062	-
Merchandise	24,455,170,579	(8,302,305,273)	99,423,208,908	(23,971,227,390)
Goods on consignment	471,715,200	-	-	-
	32,286,054,067	(8,302,305,273)	127,360,134,619	(23,971,227,390)

During the year, VND 15,668,922,117 (prior year: made provision of VND 15,059,779,754) was reversed as a provision for devaluation of inventories since some inventories that had been provisioned as at 31 December 2023 were sold to customers or disposed during the year.

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles and transmission equipment	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
Opening balance	105,021,945,081	137,310,940,631	3,364,528,711	22,385,671,966	41,000,000	268,124,086,389
Additions	-	60,580,000	-	-	-	60,580,000
Transfer to investment property	(77,336,499,068)	(36,642,825,135)	(272,580,000)	(12,966,633,458)	-	(127,218,537,661)
Disposals	-	(294,981,257)	-	-	-	(294,981,257)
Closing balance	27,685,446,013	100,433,714,239	3,091,948,711	9,419,038,508	41,000,000	140,671,147,471
ACCUMULATED DEPRECIATION						
Opening balance	61,608,830,976	96,601,966,527	2,178,375,908	21,019,828,231	41,000,000	181,450,001,642
Charge for the year	1,204,062,906	8,349,073,344	39,734,499	311,255,907	-	9,904,126,656
Transfer to investment property	(40,229,186,081)	(25,418,964,334)	(239,304,657)	(12,966,633,458)	-	(78,854,088,530)
Disposals	-	(294,981,257)	-	-	-	(294,981,257)
Closing balance	22,583,707,801	79,237,094,280	1,978,805,750	8,364,450,680	41,000,000	112,205,058,511
NET BOOK VALUE						
Opening balance	43,413,114,105	40,708,974,104	1,186,152,803	1,365,843,735	-	86,674,084,747
Closing balance	5,101,738,212	21,196,619,959	1,113,142,961	1,054,587,828	-	28,466,088,960

The cost of tangible fixed assets includes VND 36,305,141,481 of tangible fixed assets which have been fully depreciated but are still in use as at 31 December 2024 (as at 31 December 2023: VND 58,523,446,750).

During the year, the Corporation reclassified all tangible fixed assets related to Cai Mep Plant as investment property due to a change in the purpose of the assets from being used for the owner's production and business activities to being leased to generate income.

11. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Computer software VND	Total VND
COST			
Opening balance	27,590,746,610	1,502,324,882	29,093,071,492
Transfer to investment property	(24,657,551,024)	-	(24,657,551,024)
Closing balance	2,933,195,586	1,502,324,882	4,435,520,468
ACCUMULATED AMORTIZATION			
Opening balance	8,341,447,185	1,502,324,882	9,843,772,067
Charge for the year	264,187,437	-	264,187,437
Transfer to investment property	(7,473,675,203)	-	(7,473,675,203)
Closing balance	1,131,959,419	1,502,324,882	2,634,284,301
NET BOOK VALUE			
Opening balance	19,249,299,425	-	19,249,299,425
Closing balance	1,801,236,167	-	1,801,236,167

The cost of intangible assets includes VND 1,502,324,882 of intangible assets which have been fully amortised but are still in use as at 31 December 2024 (as at 31 December 2023: VND 1,502,324,882).

During the year, the Corporation reclassified all intangible assets related to Cai Mep Plant as investment property due to a change in the purpose of the assets from being used for the owner's production and business activities to being leased to generate income.

12. INCREASES, DECREASES IN INVESTMENT PROPERTIES

	Building, Machinery, and Equipment VND	Land use rights VND	Total VND
COST			
Opening balance	-	-	-
Additions	127,218,537,661	24,657,551,024	151,876,088,685
Closing balance	127,218,537,661	24,657,551,024	151,876,088,685
ACCUMULATED DEPRECIATION			
Opening balance	-	-	-
Transfer from fixed assets	78,854,088,530	7,473,675,203	86,327,763,733
Charge for the year	3,403,435,112	462,329,082	3,865,764,194
Closing balance	82,257,523,642	7,936,004,285	90,193,527,927
NET BOOK VALUE			
Opening balance	-	-	-
Closing balance	44,961,014,019	16,721,546,739	61,682,560,758

The cost of investment properties includes VND 29,685,714,968 of investment properties which have been fully depreciated but are still under the lease as at 31 December 2024 (as at 31 December 2023: VND 0).

According to the regulations of Vietnamese Accounting Standard No. 05 - Investment Property, the fair value of investment property as at 31 December 2024 needs to be disclosed. However, the Corporation has not yet determined this fair value, so the fair value of investment property has not been presented in the Notes to the separate financial statements. To determine this fair value, the Corporation will need to hire an independent valuation firm to evaluate the investment property's fair value. Currently, the Company has not yet found a suitable consulting company to carry out this task.

13. LONG-TERM FINANCIAL INVESTMENTS

	Closing balance			Opening balance		
	Cost	Fair value (*)	Provision	Cost	Fair value (*)	Provision
			VND			VND
- Investments in subsidiaries	458,738,300,006	-	-	455,738,300,006	-	(4,841,600,000)
M-I Vietnam Oil and Gas Services Company Limited	63,338,300,006	-	-	63,338,300,006	-	-
PVChem - Tech Company Limited	70,000,000,000	-	-	70,000,000,000	-	-
PVChem Industrial Technical Services Company Limited (PVChem - ITS)	60,000,000,000	-	-	58,000,000,000	-	-
PVChem - CS Company Limited	125,000,000,000	-	-	124,000,000,000	-	-
Drilling Fluids and Oilfield Services Company Limited	120,000,000,000	-	-	120,000,000,000	-	-
DMC - Southern Petroleum Chemicals Joint Stock Company	20,400,000,000	-	-	20,400,000,000	-	(4,841,600,000)
- Investments in joint ventures, associates	12,769,655,880	-	(12,769,655,880)	12,769,655,880	-	(12,769,655,880)
DMC-VTS Joint Venture Company Limited (i)	12,769,655,880	-	(12,769,655,880)	12,769,655,880	-	(12,769,655,880)
	471,507,955,886	-	(12,769,655,880)	468,507,955,886	-	(17,611,255,880)

(i) DMC-VTS Joint Venture Company Limited was established in the Lao People's Democratic Republic based on joint control between the Vietnamese side, including PetroVietnam Chemical and Oil Services Corporation – Joint Stock Company and New Generation Debt Trading Joint Stock Company, with the Company representing, and VTS Group Company in Laos. As of the reporting date, DMC-VTS Limited Liability Joint Venture Company has ceased operations.

(*) The Corporation has not been able to determine the fair value of these investments due to the lack of specific guidance in current regulations for determining the fair value of financial investments in non-listed companies.

Details of significant transactions with subsidiaries and joint ventures are disclosed in Note 30.

The operation status of subsidiaries and joint ventures for the year ended 31 December 2024 is as follows:

Name of companies	Current year	Prior year
Subsidiaries		
M-I Vietnam Oil and Gas Services Company Limited	Operating at profit	Operating at profit
PVChem - Tech Company Limited	Operating at profit	Operating at profit
PVChem Industrial Technical Services Company Limited	Operating at profit	Operating at profit
PVChem - CS Company Limited	Operating at profit	Operating at profit
Drilling Fluids and Oilfield Services Company Limited	Operating at profit	Operating at profit
DMC - Southern Petroleum Chemicals Joint Stock Company		
Joint venture		
DMC-VTS Joint Venture Company Limited	Operating at loss	Operating at loss

14. SHORT-TERM TRADE PAYABLES

a) Short-term trade payables

	Closing balance		Opening balance	
	Amount	VND	Amount	VND
		Amount able to be paid off		Amount able to be paid off
Viet Tri Chemicals Joint Stock Company	46,073,573,712	46,073,573,712	14,814,085,410	14,814,085,410
Binh Son Refining and Petrochemical Joint Stock Company	38,697,943,988	38,697,943,988	40,870,490,767	40,870,490,767
Drilling Fluids and Oilfield Services Company Limited	27,407,949,736	27,407,949,736	19,535,695,653	19,535,695,653
Vinomig Singapore Pte, Ltd	22,847,959,710	22,847,959,710	-	-
H.K.T Trading Services Company Limited	18,646,656,600	18,646,656,600	1,770,131,000	1,770,131,000
PVChem Industrial Technical Services Company Limited	7,726,057,092	7,726,057,092	-	-
HUTHACO Construction and Trade Service Company Limited	-	-	21,776,018,115	21,776,018,115
Ngan Hai Chemicals and Services Joint Stock Company	-	-	20,000,000,000	20,000,000,000
Other suppliers	40,657,075,084	40,657,075,084	120,126,329,045	120,126,329,045
	202,057,215,922	202,057,215,922	238,892,749,990	238,892,749,990

b) Short-term trade payables to related parties

	Closing balance		Opening balance	
	VND		VND	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
Subsidiaries				
Drilling Fluids and Oilfield Services Company Limited	27,407,949,736	27,407,949,736	19,535,695,653	19,535,695,653
PVChem Industrial Technical Services Company Limited	7,726,057,092	7,726,057,092	-	-
PVChem - Tech Company Limited	4,914,296,013	4,914,296,013	25,260,751,124	25,260,751,124
PVChem - CS Company Limited	3,830,229,600	3,830,229,600	-	-
DMC - Southern Petroleum Chemicals Joint Stock Company	45,336,856	45,336,856	13,868,193	13,868,193
Other related parties				
Binh Son Refining and Petrochemical JSC	38,697,943,988	38,697,943,988	40,870,490,767	40,870,490,767
Other related parties	7,920,184,526	7,920,184,526	44,476,142,864	44,476,142,864
	90,541,997,811	90,541,997,811	130,156,948,601	130,156,948,601

15. TAXES AND OTHER PAYABLES TO THE STATE BUDGET

	Opening balance	Receivable/Payable during the year	Paid during the year	Closing balance
	VND	VND	VND	VND
a. Receivables				
Other taxes and charges	-	798,089,954	-	798,089,954
	-	798,089,954	-	798,089,954
b. Payables				
Value added tax	3,980,173,103	38,344,720,058	41,732,416,799	592,476,362
Corporate income tax	-	605,895,754	605,895,754	-
Import tax	-	1,302,108,991	1,302,108,991	-
Personal income tax	1,014,874,334	3,225,936,033	3,760,316,497	480,493,870
Other taxes and charges	17,522,264	894,368,323	896,783,911	15,106,676
	5,012,569,701	44,373,029,159	48,297,521,952	1,088,076,908

16. SHORT-TERM ACCRUAL EXPENSES

	Closing balance	Opening balance
	VND	VND
Fees payable related to LC UPAS	3,145,125,991	29,855,238,161
Accruals for purchasing technical services	2,052,033,492	44,847,823,892
Accruals for interest expenses	40,818,401	27,501,476
Other accruals	5,648,754,721	4,742,041,104
	10,886,732,605	79,472,604,633

17. OTHER SHORT-TERM PAYABLES

	Closing balance	Opening balance
	VND	VND
Trade union fee	65,633,429	213,778,385
Dividends payable	1,374,429,689	1,402,008,716
Others	19,626,569,533	4,704,874,820
	21,066,632,651	6,320,661,921

PETROVIETNAM CHEMICAL AND SERVICES JOINT STOCK CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

18. SHORT-TERM LOANS

	Opening balance	In the period			Closing balance
	VND		VND		VND
	Amount/Amount able to be paid off	Increases	Decreases	Exchange rate difference	Amount/Amount able to be paid off
Joint Stock Commercial Bank for Investment and Development of Vietnam - Transaction Office No. 3 (VND) (i)	65,000,000,000	280,886,208,214	87,670,203,153	-	258,216,005,061
Joint Stock Commercial Bank for Foreign Trade of Vietnam - West Hanoi Branch (VND) (ii)	193,207,700,323	43,635,455,670	193,207,700,323	-	43,635,455,670
Military Commercial Joint Stock Bank - Thang Long Branch (VND)	14,965,460,412	-	14,965,460,412	-	-
Joint Stock Commercial Bank for Investment and Development of Vietnam - Transaction Office No. 3 (USD) (i)	238,530,677,464	-	238,675,839,445	145,161,981	-
Military Commercial Joint Stock Bank - Thang Long Branch (USD)	265,029,686,130	-	274,192,982,304	9,163,296,174	-
	776,733,524,329	324,521,663,884	808,712,185,637	9,308,458,155	301,851,460,731

(i) Short-term loans at Joint Stock Commercial Bank for Investment and Development of Vietnam - Transaction Office No. 3, under Loan Agreement No. 01/2024/2436791/HDTDHM dated 30 October 2024, with a limit of VND 500 billion, are used to supplement working capital of the Company. The loans are secured by the rights and interests of the Corporation arising from all commercial business contracts owned by the Corporation, which are partially or fully financed by the bank loans and are executed according to the credit limit or credit agreement, with loan terms ranging from 165 to 276 days, and interest rates specified on each debt receipt. The VND loans have interest rates ranging from 5% per annum to 5.2% per annum.

(ii) Short-term loans at Joint Stock Commercial Bank for Foreign Trade of Vietnam - West Hanoi Branch, under Loan Agreement No. 56/23/QLN/HM/VCBTHN dated 16 November 2023, with a limit of VND 200 billion, are used to supplement the working capital to serve the business activities of the Company. The validity of the credit limit has been extended until 15 February 2025. The loans are secured by the rights and interests of the Corporation arising from all commercial business contracts owned by the Corporation, which are partially or fully financed by the bank loans and are executed according to the credit limit or credit agreement, with a loan term of 9 months and interest rates specified on each debt receipt. The VND loans have interest rates of 4.6% per annum.

19. LONG-TERM PROVISIONS

	Warranty provision	Provision for severance allowance	Total
	VND	VND	VND
Opening balance	1,483,551,585	1,830,292,530	3,313,844,115
Additional provision for the year	-	25,348,700	25,348,700
Closing balance	1,483,551,585	1,855,641,230	3,339,192,815

PETROVIETNAM CHEMICAL AND SERVICES JOINT STOCK CORPORATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

20. OWNERS' EQUITY

	Owners' contributed capital	Share premium	Investment development fund	Retained earnings	Total
	VND	VND	VND	VND	VND
Prior period's opening balance	500,000,000,000	40,104,031,618	150,685,170,088	11,005,397,931	701,794,599,637
Capital increase from issuing shares	211,950,000,000	(375,050,000)	-	-	211,574,950,000
Increase capital from Investment development fund	99,994,630,000	-	(99,994,630,000)	-	-
Profit for the year	-	-	-	6,000,970,680	6,000,970,680
Appropriation to bonus and welfare fund	-	-	-	(2,000,000,000)	(2,000,000,000)
Dividends declared	-	-	-	(9,000,000,000)	(9,000,000,000)
Current period's opening balance	811,944,630,000	39,728,981,618	50,690,540,088	6,006,368,611	908,370,520,317
Profit for the year	-	-	-	6,278,932,538	6,278,932,538
Appropriation to bonus and welfare fund (i)	-	-	-	(1,134,700,831)	(1,134,700,831)
Dividends declared (i)	-	-	-	(4,871,667,780)	(4,871,667,780)
Current period's closing balance	811,944,630,000	39,728,981,618	50,690,540,088	6,278,932,538	908,643,084,244

- (i) During the year, the Corporation has appropriated to funds and distributed dividends from the 2023 profit after tax according to Resolution No. 509/NQ-PVChem of the General Meeting of Shareholders on 26 April 2024. During the year, the Corporation has paid VND 4,899,246,807 to shareholders in cash.



Shares

The number of the Corporation's outstanding shares in circulation as at 31 December 2024 is as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
Number of shares issued to the public	81,194,463	81,194,463
Ordinary shares	81,194,463	81,194,463
Number of outstanding shares in circulation	81,194,463	81,194,463
Ordinary shares	81,194,463	81,194,463

An ordinary share has par value of VND 10,000/share.

Charter capital

According to the Corporation's amended Investment Certificate, the Corporation's charter capital are VND 811,944,630,000. The charter capital contributions by the shareholders as at 31 December 2024 had been fully made as follows:

	<u>Contributed capital</u>			
	<u>Closing balance</u>		<u>Opening balance</u>	
	VND	%	VND	%
PetroVietnam Oil and Gas Group	292,313,800,000	36	292,313,800,000	36
Others	519,630,830,000	64	519,630,830,000	64
	811,944,630,000	100	811,944,630,000	100

21. OFF-BALANCE-SHEET ITEMS

	<u>Currency</u>	<u>Closing balance</u>	<u>Opening balance</u>
Foreign currencies			
+ United States Dollar	USD	304,228.37	4,518,446.83
+ Japanese Yen	JPY	-	23,433
+ Russian Ruble	RUB	-	4,505

22. REVENUE FROM GOODS SOLD AND SERVICES RENDERED

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Sales of merchandise and services		
- Sales of merchandise	1,481,887,204,230	1,778,463,107,339
- Rendering of services	147,690,950,986	424,037,685,174
	1,629,578,155,216	2,202,500,792,513
<i>In which:</i>		
Revenue from related parties (Details stated in Note 30)	758,075,798,758	828,651,971,604

23. COST OF SALES

	<u>Current year</u>	<u>Prior year</u>
	<u>VND</u>	<u>VND</u>
Cost of merchandise sold	1,448,284,427,305	1,723,361,286,339
Cost of services rendered	146,979,152,776	415,437,464,548
(Reversal of)/Addition to provision for inventory devaluation	(15,668,922,117)	15,059,779,754
	1,579,594,657,964	2,153,858,530,641

24. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

General and administration expenses

	Current year	Prior year
	VND	VND
Labour	27,617,254,857	31,449,611,343
Depreciation and amortisation	120,144,087	137,979,419
Reversal of provision	(45,304,000)	(1,979,359,793)
House rentals	5,752,595,713	5,859,523,852
Out-sourced services	10,831,974,080	11,049,165,845
Others	15,489,383,610	17,217,128,918
	59,766,048,347	63,734,049,584

Selling expenses

	Current year	Prior year
	VND	VND
Labour	1,778,487,914	5,623,368,748
Depreciation and amortisation	755,272,199	762,692,424
Transportation	11,882,472,461	1,977,978,263
Warehouse rental	1,730,788,531	2,108,971,513
Out-sourced services	7,957,600,976	7,517,546,156
Others	5,269,766,125	6,858,835,667
	29,374,388,206	24,849,392,771

25. PRODUCTION COSTS BY NATURE

	Current year	Prior year
	VND	VND
Labour	40,634,371,321	47,292,753,346
Depreciation and amortisation	14,034,078,287	14,391,247,699
Reverl of provision	(45,304,000)	(1,979,359,793)
Out-sourced services	150,843,284,890	415,990,864,236
Other monetary expenses	47,444,273,440	175,366,439,076
	252,910,703,938	651,061,944,564

26. FINANCIAL INCOME

	Current year	Prior year
	VND	VND
Interest income	10,098,873,986	14,451,922,180
Dividends and profits received	27,501,416,459	40,628,677,684
Foreign exchange gain	7,292,282,766	6,886,272,791
Other financial income	373,125,458	434,905,480
	45,265,698,669	62,401,778,135

In which:

*Financial income with related parties
(details in Note 30)*

29,732,259,532 42,750,559,691

27. FINANCIAL EXPENSE

	Current year	Prior year
	VND	VND
Interest expense	1,746,216,286	1,414,702,849
Foreign exchange loss	2,335,026,169	10,613,426,508
(Reversal of)/Addition to provision for impairment of investments	(4,841,600,000)	4,841,600,000
Other financial expenses	2,933,128,095	3,217,303,700
	2,172,770,550	20,087,033,057

28. CORPORATE INCOME TAX EXPENSE

	Current year	Prior year
	VND	VND
Current corporate income tax expense		
Corporate income tax expense based on taxable profit in the current year	-	-
Adjustments for corporate income tax expense in previous years to the current year	605,895,754	-
Total current corporate income tax expense	605,895,754	-

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

	Current year	Prior year
	VND	VND
Profit before tax	6,884,828,292	6,000,970,680
Adjustments for taxable profit		
Less: non-taxable income	(27,501,416,459)	(8,125,735,537)
Add back: non-deductible expenses	6,051,542,839	1,096,527,047
Taxable profit	(14,565,045,328)	(1,028,237,810)
Corporate income tax rate	20%	20%
Corporate income tax expense in the current year	-	-

29. COMMITMENTS

	Current year	Prior year
	VND	VND
The rental expenses have been recorded in the income statement for the year	5,752,595,713	5,859,523,852
	5,752,595,713	5,859,523,852

At the end of the financial year ended, the Corporation has non-cancellable commitments for warehouse rental, office rental, and laboratory rental with the following payment schedule:

	Closing balance	Opening balance
	VND	VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	6,045,152,145	6,479,474,880
In the second to fifth year inclusive	20,135,873,188	19,403,860,320
After five years	140,858,762,754	148,330,072,800
	167,039,788,088	174,213,408,000

30. RELATED PARTY TRANSACTIONS AND BALANCES

List of related parties with significant transactions and balances for the year:

<u>Related parties</u>	<u>Relationship</u>
PVChem - CS Company Limited	Subsidiary
Drilling Fluids and Oilfield Services Company Limited	Subsidiary
DMC - Southern Petroleum Chemicals Joint Stock Company	Subsidiary
PVChem - Tech Company Limited	Subsidiary
PVChem Industrial Technical Services Company Limited	Subsidiary
M-I Vietnam Oil and Gas Services Company Limited	Subsidiary
Vietnam Oil and Gas Group	Shareholder
Member companies within Vietnam Oil and Gas Group	Related parties of shareholder

During the year, the Corporation entered into the following significant transactions with its related parties:

	Current year	Prior year
	VND	VND
Sales	758,075,798,758	828,651,971,604
PVChem - CS Company Limited	39,813,982,212	-
DMC - Southern Petroleum Chemicals Joint Stock Company	4,039,881,130	194,959,273
Drilling Fluids and Oilfield Services Company Limited	2,361,962,956	7,130,575,525
PVChem Industrial Technical Services Company Limited	1,659,225,391	-
PVChem - Tech Company Limited	1,406,742,332	433,590,476
M-I Vietnam Oil and Gas Services Company Limited	864,000	7,667,084,722
Nghi Son Refining and Petrochemical Company Limited	314,391,192,850	454,300,217,853
PetroVietnam Oil and Gas Group - Operator of Blocks 01/97 & 02/97	96,994,332,875	6,194,315,900
Binh Son Refining and Petrochemical Joint Stock Company	56,504,707,854	57,737,818,245
Petrochemical and Fertilizer Corporation - Joint Stock Company - Petrochemical Business Branch	51,793,164,631	-
PetroVietnam Oil and Gas Group - Operator of Blocks 01 & 02	44,418,580,000	43,022,740,000
Cuu Long Operating Joint Venture Company (BL 15-1)	40,593,240,542	66,171,487,942
Vietsovpetro Vietnam - Russia Joint Venture	30,371,187,871	68,583,508,447
Quang Ngai Petroservice Joint Stock Company (PTSC)	21,393,305,592	67,713,522,296
Petrochemical and Fertilizer Corporation - Joint Stock Company	20,497,420,921	2,171,985,286
Other related parties	31,836,007,601	47,330,165,639
Purchases	475,632,683,966	421,454,954,652
Binh Son Refining and Petrochemical Joint Stock Company	248,596,534,157	285,874,455,226
Drilling Fluids and Oilfield Services Company Limited	142,329,139,500	48,772,865,891
PVChem - CS Company Limited	30,593,993,080	-
PVChem - Tech Company Limited	18,777,335,587	45,075,858,362
PVChem Industrial Technical Services Company Limited	8,490,257,557	-
Other related parties	26,845,424,085	41,731,775,173
Capital contribution		
PVChem Industrial Technical Services Company Limited (PVChem - ITS)	2,000,000,000	58,000,000,000
PVChem - CS Company Limited	1,000,000,000	124,000,000,000
PVChem - Tech Company Limited	-	44,000,000,000
Drilling Fluids and Oilfield Services Company Limited	-	30,000,000,000
Interest income		
Vietnam Public Joint Stock Commercial Bank	2,230,843,073	2,101,882,007

During the year, the Corporation entered into the following significant transactions with its related parties (Continued):

	Current year	Prior year
	VND	VND
Pay dividends		
Vietnam Oil and Gas Group	1,753,882,800	3,239,931,420
Distributed profits, dividend		
M-I Vietnam Oil and Gas Services Company Limited	13,742,460,000	13,622,630,400
Drilling Fluids and Oilfield Services Company Limited	9,800,176,563	22,904,980,798
PVChem - CS Company Limited	1,689,698,642	-
PVChem - Tech Company Limited	1,135,850,053	2,693,066,486
PVChem Industrial Technical Services Company Limited	725,231,201	-
DMC - Southern Petroleum Chemicals Joint Stock Company	408,000,000	1,428,000,000
Other income		
PVChem-Tech Company Limited	151,889,615	239,906,914
Drilling Fluids and Oilfield Services Company Limited	-	7,386,750

Receivables and payables with related parties are presented accordingly in Notes 6, 7, and 14.

Remuneration paid to the Corporation's Boards of Management and Directors during the period was as follows:

	Current year	Prior year
	VND	VND
Chairman of the Board of Directors	886,460,480	1,137,350,000
CEO and full-time member of the Board of Directors	921,354,991	993,364,955
Full-time member of the Board of Directors	1,477,135,360	1,895,200,000
Independent member of the Board of Directors	684,280,533	911,012,000
Other members of the Executive Board	2,203,860,787	2,553,960,326
	6,173,092,151	7,490,887,281

The above figures represent salaries, bonuses, and allowances (before personal income tax) paid in 2024 (from 01 January 2024 to 31 December 2024) for personnel (including payments from the 2023 salary fund disbursed in 2024 and the 2024 salary fund disbursed in 2024).

Dao Thi Duc Hanh
Preparer

Tran Van Trinh
Chief Accountant

Duong Tri Hoi
Chief Executive Officer

14 March 2025

