



## Chapter 7

# FINANCIAL STATEMENTS

## REACHING NEW HEIGHTS

PVFCCo, with its two decades of growth, robust internal resources, and unwavering fortitude, believes that it can continue to attain even greater accomplishments in the next phase of development. With a well-defined development strategy and concrete solutions in place, PVFCCo is committed to upholding food security and promoting socio-economic development, thereby making a significant contribution to the nation's progress.



**PETROVIETNAM FERTILIZER  
AND CHEMICALS CORPORATION - JSC**  
*(Incorporated in the Socialist Republic of Vietnam)*

**AUDITED CONSOLIDATED  
FINANCIAL STATEMENTS**  
*For the year ended 31 december 2022*

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## STATEMENT OF THE EXECUTIVE BOARD

The Executive Board of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") presents this report together with the Corporation's consolidated financial statements for the year ended 31 December 2022.

### THE BOARD OF DIRECTORS AND EXECUTIVE BOARD

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

Board of Directors	
Mr. Hoang Trong Dung	Chairman
Mr. Le Cu Tan	Member
Mr. Louis T.Nguyen	Member
Mr. Duong Tri Hoi	Member
Mr. Trinh Van Khiem	Member
Executive Board	
Mr. Le Cu Tan	Chief Executive Officer
Ms. Tran Thi Phuong Thao	Executive Officer
Mr. Le Van Quoc Viet	Executive Officer
Ms. Le Thi Thu Huong	Executive Officer
Mr. Cao Trung Kien	Executive Officer
Mr. Dao Van Ngoc	Executive Officer
Mr. Ta Quang Huy	Executive Officer
Board of Supervisors	
Mr. Huynh Kim Nhan	Head of Board of Supervisors
Mr. Le Vinh Van	Member
Mr. Luong Phuong	Member

### THE EXECUTIVE BOARD'S STATEMENT OF RESPONSIBILITY

The Executive Board of the Corporation is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Corporation as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Executive Board 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 consolidated financial statements;
- » prepare the consolidated 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 consolidated financial statements so as to minimize errors and frauds.

## STATEMENT OF THE EXECUTIVE BOARD (Continued)

The Executive Board of the Corporation is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the consolidated financial position of the Corporation and that the consolidated financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. The Executive Board 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 Executive Board confirms that the Corporation has complied with the above requirements in preparing these consolidated financial statements.

### APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been approved by the Board of Directors on 28 February 2023.

For and on behalf of the Executive Board,



Le Cu Tan  
Chief Executive Officer

28 February 2023  
Ho Chi Minh City, S.R. Vietnam

## INDEPENDENT AUDITORS' REPORT

No: 0492/VN1A-HN-BC

**TO: THE SHAREHOLDERS  
THE BOARD OF DIRECTORS AND THE EXECUTIVE BOARD  
PETROVIETNAM FERTILIZER AND CHEMICALS CORPORATION - JSC**

We have audited the accompanying consolidated financial statements of PetroVietnam Fertilizer and Chemicals Corporation - JSC (the "Corporation") prepared on 28 February 2023, as set out from page 120 to page 158, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated statement of income, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting and for such internal control as management determines is necessary to enable the preparation 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 ethical requirements and 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 auditors' 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 auditors consider internal control relevant to the Corporation's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



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

DELOITTE VIETNAM AUDIT COMPANY LIMITED

28 February 2023  
Hanoi, S.R. Vietnam



Luong Tuan Dat  
Auditor  
Audit Practising Registration Certificate  
No. 4370-2023-001-1

**CONSOLIDATED BALANCE SHEET**

As at 31 December 2022

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>13,578,923,480,222</b>	<b>9,519,579,701,251</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>2,083,841,053,069</b>	<b>2,524,115,312,966</b>
1. Cash	111		307,981,912,328	567,149,383,517
2. Cash equivalents	112		1,775,859,140,741	1,956,965,929,449
<b>II. Short-term financial investments</b>	<b>120</b>		<b>6,880,000,000,000</b>	<b>3,455,000,000,000</b>
1. Held-to-maturity investments	123	5	6,880,000,000,000	3,455,000,000,000
<b>III. Short-term receivables</b>	<b>130</b>		<b>458,327,989,385</b>	<b>488,926,629,172</b>
1. Short-term trade receivables	131	6	234,657,477,739	262,942,321,240
2. Short-term advances to suppliers	132	7	90,137,615,251	137,517,046,753
3. Other short-term receivables	136	8	366,959,646,684	321,676,658,968
4. Provision for short-term doubtful debts	137	9	(233,426,873,759)	(233,476,873,759)
5. Deficits in assets awaiting solution	139		123,470	267,475,970
<b>IV. Inventories</b>	<b>140</b>	<b>10</b>	<b>3,871,453,604,350</b>	<b>2,775,533,988,246</b>
1. Inventories	141		4,010,984,671,397	2,778,813,854,584
2. Provision for devaluation of inventories	149		(139,531,067,047)	(3,279,866,338)
<b>V. Other short-term assets</b>	<b>150</b>		<b>285,300,833,418</b>	<b>276,003,770,867</b>
1. Short-term prepayments	151	11	20,104,181,210	15,329,149,739
2. Value added tax deductibles	152		256,414,054,424	257,422,886,104
3. Taxes and other receivables from the State budget	153	15	8,782,597,784	3,251,735,024
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>4,119,872,255,554</b>	<b>4,398,350,543,150</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>1,154,100,000</b>	<b>849,874,000</b>
1. Other long-term receivables	216	8	1,154,100,000	849,874,000
<b>II. Fixed assets</b>	<b>220</b>		<b>3,254,819,127,727</b>	<b>3,716,965,004,749</b>
1. Tangible fixed assets	221	12	2,434,307,412,659	2,883,489,798,863
- Cost	222		11,487,943,997,171	11,546,905,383,342
- Accumulated depreciation	223		(9,053,636,584,512)	(8,663,415,584,479)
2. Intangible assets	227	13	820,511,715,068	833,475,205,886
- Cost	228		1,156,764,897,293	1,155,791,328,193
- Accumulated amortisation	229		(336,253,182,225)	(322,316,122,307)
<b>III. Investment property</b>	<b>230</b>	<b>14</b>	<b>200,140,392,532</b>	<b>209,845,313,863</b>
- Cost	231		317,953,542,202	317,953,542,202
- Accumulated depreciation	232		(117,813,149,670)	(108,108,228,339)
<b>IV. Long-term assets in progress</b>	<b>240</b>		<b>218,938,454,705</b>	<b>174,082,187,941</b>
1. Construction in progress	242	16	218,938,454,705	174,082,187,941
<b>V. Long-term financial investments</b>	<b>250</b>		<b>41,768,055,625</b>	<b>44,656,956,639</b>
1. Investments in joint-ventures, associates	252	17	29,279,430,994	28,619,663,470
2. Equity investments in other entities	253	5	20,502,000,000	20,502,000,000
3. Provision for impairment of long-term financial investments	254	5	(8,013,375,369)	(4,464,706,831)
<b>VI. Other long-term assets</b>	<b>260</b>		<b>403,052,124,965</b>	<b>251,951,205,958</b>
1. Long-term prepayments	261	11	41,988,497,354	25,697,331,132
2. Deferred tax assets	262		187,897,314,223	79,187,651,840
3. Long-term reserved spare parts	263	10	150,228,832,256	124,128,741,854
4. Other long-term assets	268		22,937,481,132	22,937,481,132
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>17,698,795,735,776</b>	<b>13,917,930,244,401</b>

**CONSOLIDATED BALANCE SHEET**

As at 31 December 2022 (Continued)

FORM B 01-DN/HN

Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>3,681,356,971,208</b>	<b>3,204,770,523,758</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>2,995,517,551,891</b>	<b>2,151,651,816,461</b>
1. Short-term trade payables	311	18	869,008,139,154	771,382,083,149
2. Short-term advances from customers	312	19	71,911,963,956	124,292,938,370
3. Taxes and amounts payable to the State budget	313	15	296,882,468,676	389,655,826,646
4. Payables to employees	314		219,267,116,813	173,860,882,277
5. Short-term accrued expenses	315	20	802,572,736,521	337,883,833,828
6. Short-term unearned revenue	318		18,181,819	18,181,819
7. Other current payables	319	21	69,965,282,982	74,252,202,749
8. Short-term loans and obligations under finance leases	320	22	202,043,481,704	200,133,810,219
9. Short-term provisions	321	23	375,437,729,910	20,327,222,568
10. Bonus and welfare funds	322		88,410,450,356	59,844,834,836
<b>II. Long-term liabilities</b>	<b>330</b>		<b>685,839,419,317</b>	<b>1,053,118,707,297</b>
1. Other long-term payables	337	21	3,385,964,000	8,526,946,700
2. Long-term loans and obligations under finance leases	338	24	505,108,697,415	700,468,329,150
3. Deferred tax liabilities	341		132,540,000,000	132,540,000,000
4. Long-term provisions	342	23	-	165,486,270,110
5. Scientific and technological development fund	343		44,804,757,902	46,097,161,337
<b>D. EQUITY</b>	<b>400</b>		<b>14,017,438,764,568</b>	<b>10,713,159,720,643</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>25</b>	<b>14,017,438,764,568</b>	<b>10,713,159,720,643</b>
1. Owners' contributed capital	411		3,914,000,000,000	3,914,000,000,000
- Ordinary shares carrying voting rights	411a		3,914,000,000,000	3,914,000,000,000
2. Share premium	412		21,179,913,858	21,179,913,858
3. Treasury shares	415		(2,296,824,120)	(2,296,824,120)
4. Investment and development fund	418		3,497,039,984,859	3,497,039,984,859
5. Retained earnings	421		6,401,099,929,390	3,085,566,955,137
- Retained earnings accumulated to the prior year end	421a		962,657,286,718	53,257,339,727
- Retained earnings of the current year	421b		5,438,442,642,672	3,032,309,615,410
6. Non-controlling interests	429		186,415,760,581	197,669,690,909
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>17,698,795,735,776</b>	<b>13,917,930,244,401</b>

Tran Xuan Thao  
PreparerVo Ngoc Phuong  
Chief AccountantLe Cu Tan  
Chief Executive Officer

28 February 2023

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2022

FORM B 02-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		18,744,713,575,383	12,881,680,840,632
2. Deductions	02		117,534,031,118	95,539,647,280
3. <b>Net revenue from goods sold and services rendered (10=01-02)</b>	10	28	18,627,179,544,265	12,786,141,193,352
4. Cost of sales	11	28	10,788,959,662,813	8,000,602,438,317
5. <b>Gross profit from goods sold and services rendered (20=10-11)</b>	20	28	7,838,219,881,452	4,785,538,755,035
6. Financial income	21	30	365,063,532,585	175,513,945,627
7. Financial expenses	22	31	85,257,284,733	74,648,067,031
- In which: Interest expense	23		64,787,709,845	69,266,472,919
8. Share of net profit from joint-ventures, associates	24		2,662,097,523	2,503,197,142
9. Selling expenses	25	32	977,707,327,576	817,762,955,253
10. General and administration expenses	26	32	556,278,720,793	424,973,596,372
11. <b>Operating profit (30=20+(21-22)+24-(25+26))</b>	30		6,586,702,178,458	3,646,171,279,148
12. Other income	31		21,118,924,268	155,255,174,993
13. Other expenses	32		2,239,166,716	1,955,231,521
14. <b>Profit from other activities (40=31-32)</b>	40		18,879,757,552	153,299,943,472
15. <b>Accounting profit before tax (50=30+40)</b>	50		6,605,581,936,010	3,799,471,222,620
16. Current corporate income tax expense	51	33	1,129,400,312,150	605,412,217,929
17. Deferred corporate tax (income)/expense	52	33	(108,709,662,383)	22,542,704,132
18. <b>Net profit after corporate income tax (60=50-51-52)</b>	60		5,584,891,286,243	3,171,516,300,559
In which:				
18.1 Profit after tax attributable to Parent Company	61		5,564,877,377,993	3,117,133,794,101
18.2 Profit after tax attributable to non-controlling shareholders	62		20,013,908,250	54,382,506,458
19. <b>Basic earnings per share</b>	70	34	13,897	7,324



Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

28 February 2023

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2022

FORM B 03-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. <b>Profit before tax</b>	01	6,605,581,936,010	3,799,471,222,620
2. <b>Adjustments for:</b>			
Depreciation and amortisation of fixed assets and investment properties	02	514,801,559,639	536,986,110,692
Provisions	03	329,374,106,479	36,040,728,360
Foreign exchange loss/(gain) arising from translating foreign currency items	04	4,492,199,435	(4,822,786,402)
Gain from investing activities	05	(330,771,138,384)	(168,460,157,280)
Interest expense	06	64,787,709,845	69,266,472,919
Other adjustments	07	-	20,000,000,000
3. <b>Operating profit before movements in working capital</b>	08	7,188,266,373,024	4,288,481,590,909
Increase, decrease in receivables	09	80,003,832,513	(149,969,462,576)
Increase, decrease in inventories	10	(1,258,270,907,215)	(1,278,636,166,868)
Increase, decrease in payables (excluding accrued loan interest and corporate income tax payable)	11	516,135,552,056	189,583,186,815
Increase, decrease in prepaid expenses	12	(21,066,197,693)	16,446,824,039
Interest paid	14	(64,435,955,328)	(73,836,553,165)
Corporate income tax paid	15	(1,209,088,866,037)	(302,161,819,901)
Other cash outflows	17	(270,280,230,233)	(173,836,027,596)
<b>Net cash generated by operating activities</b>	20	4,961,263,601,087	2,516,071,571,657
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets and other long-term assets	21	(77,483,959,653)	(221,937,019,045)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	2,494,306,734	298,617,437
3. Cash outflow for lending, buying debt instruments of other entities	23	(11,790,000,000,000)	(5,640,000,000,000)
4. Cash recovered from lending, selling debt instruments of other entities	24	8,365,000,000,000	4,370,000,000,000
5. Interest earned, dividends and profits received	27	273,435,614,320	172,717,516,126
<b>Net cash used in investing activities</b>	30	(3,226,554,038,599)	(1,318,920,885,482)
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	1,059,193,105,000	724,557,695,286
2. Repayment of borrowings	34	(1,258,761,624,358)	(869,427,255,390)
3. Dividends and profits paid	36	(1,977,035,742,700)	(557,564,743,740)
<b>Net cash used in financing activities</b>	40	(2,176,604,262,058)	(702,434,303,844)
<b>Net (decrease)/increase in cash (50=20+30+40)</b>	50	(441,894,699,570)	494,716,382,331
Cash and cash equivalents at the beginning of the year	60	2,524,115,312,966	2,029,198,585,342
Effects of changes in foreign exchange rates	61	1,620,439,673	200,345,293
<b>Cash and cash equivalents at the end of the year (70=50+60+61)</b>	70	2,083,841,053,069	2,524,115,312,966



Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

28 February 2023

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN  
Issued under Circular No. 202/2014/TT-BTC  
dated 22 December 2014 of the Ministry of Finance

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

### 1. GENERAL INFORMATION

#### Structure of ownership

PetroVietnam Fertilizer and Chemicals Corporation - JSC (hereinafter referred to as the "Corporation"), formerly known as PetroVietnam Fertilizer and Chemicals Joint Stock Company, was established under Business Registration Certificate No. 4103007696 dated 31 August 2007 and the 14<sup>th</sup> amendment dated 16 January 2019 issued by the Department of Planning and Investment of Ho Chi Minh City. On 01 September 2008, the Corporation officially transformed its operation into parent-subsidiary model in accordance with Resolution No. 01/NQ-DHDCD passed at the Shareholders' General Meeting. Accordingly, the Holding Company - PetroVietnam Fertilizer and Chemicals Corporation - JSC was established from functional departments of PetroVietnam Fertilizer and Chemicals Joint Stock Company, project management units and Phu My Fertilizer Plant.

As at 31 December 2022, the Corporation's charter capital was VND 3,914,000,000,000, equivalent to 391,400,000 ordinary shares, each share has par value of VND 10,000. The Corporation's shares are listed on Ho Chi Minh City Stock Exchange from 05 November 2007 with the stock symbol "DPM".

The parent company of the Corporation is Vietnam Oil and Gas Group (the "Group" or "PVN") who holds 59.58% of its charter capital as at 31 December 2022.

#### Operating industries and principal activities

The business activities of the Corporation include:

- » Production and trade of fertilizer, liquid ammonia, industrial gas, other chemicals;
- » Provision of technical services relating to production and trade of fertilizer and other related chemicals (excluding heavily toxic chemicals);
- » Architectural activities and related technical consultancy;
- » Production, transmission and distribution of electricity;
- » Trade of real estates, land use rights held as owner, user or lessor;
- » Wholesale of agricultural and forestry products (excluding wood, bamboo) and living animals;
- » Goods transport services by road and by inbound waterway, processing of oil and gas-related products and minerals;
- » Vocational training;
- » Supporting services for waterway transportation; loading and unloading goods at seaports and inland terminals;
- » Acting as vessel agent and shipping agency and providing warehousing services.

The principal activities of the Corporation are production and trade of fertilizers used in agriculture.

#### Normal production and business cycle

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

FORM B 09-DN/HN

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### The Corporation's structure

As at 31 December 2022, the Corporation's dependent units are as follows:

No	Name	Address
1	Phu My Fertilizer Plant	Phu My 1 Industrial Park, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province, Vietnam
2	Ho Chi Minh City Branch	No. 27, Dinh Bo Linh, Ward 24, Binh Thanh District, Ho Chi Minh City, Vietnam
3	Cambodia Branch (i)	Phnom Penh, Cambodia
4	Fertilizer and Petrochemical Project Management Unit	Phu My 1 Industrial Zone, Phu My Ward, Phu My Town, Ba Ria - Vung Tau Province, Vietnam

- (i) According to Decision of the Board of Directors No. 313/QD-PBHC dated 26 June 2014, the Corporation's Board of Directors approved the plan to liquidate the Corporation's branch in Cambodia. As at the date of these consolidated financial statements, the Corporation is in process of liquidating its branch in Cambodia.

Details of subsidiaries and associates of the Corporation as at 31 December 2022 is as follows:

Subsidiary/associate	Location	Proportion of ownership interest (%)	Proportion of voting power held (%)	Main business
<b>Subsidiaries</b>				
1. Central PetroVietnam Fertilizer and Chemicals JSC	Binh Dinh Province	75.00	75.00	Trading of fertilizer and chemicals
2. SouthWest PetroVietnam Fertilizer and Chemicals JSC	Can Tho City	75.00	75.00	Trading of fertilizer and chemicals
3. SouthEast PetroVietnam Fertilizer and Chemicals JSC	Ho Chi Minh City	75.00	75.00	Trading of fertilizer and chemicals
4. Northern PetroVietnam Fertilizer and Chemicals JSC	Hanoi	75.00	75.00	Trading of fertilizer and chemicals
<b>Associates</b>				
1. Dam Phu My Packaging Joint Stock Company	Ba Ria - Vung Tau Province	43.34	43.34	Production of packages
2. PetroVietnam Urban Development JSC	Can Tho City	35.63	35.63	Construction and installation of civil and industrial works and services provision
3. PetroVietnam Petrochemical and Textile Fiber JSC	Hai Phong City	25.99	25.99	Production and sale of polyester fibers

### Disclosure of information comparability in the consolidated financial statements

Comparative figures are the figures of the Corporation's audited consolidated financial statements for the year ended 31 December 2021.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

#### Accounting convention

The accompanying consolidated 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 consolidated financial reporting.

The Corporation's Branch in Cambodia uses United States Dollar (USD) as currency unit in accounting. The Corporation has translated all remaining balances of its branch in Cambodia for the year ended 31 December 2022 into VND under Vietnamese Accounting Standards, accounting regime for enterprises and related legal regulations.

The accompanying consolidated 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.

#### 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 consolidated financial statements, are as follows:

#### Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting requires the Executive Board 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 consolidated financial statements and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Executive Board's best knowledge, actual results may differ from those estimates.

#### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and enterprises controlled by the Corporation (its subsidiaries) up to 31 December 2022. This 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.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Corporation.

All significant inter-company transactions and balances between the Corporation and its subsidiaries and among subsidiaries are eliminated on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

### Business combinations

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the period of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

### Investments in associates

An associate is an entity over which the Corporation has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Interests in associates are carried in the consolidated balance sheet at cost as adjusted by post-acquisition changes in the Corporation's share of the net assets of the associate. Losses of an associate in excess of the Corporation's interest in that associate (which includes any long-term interests that, in substance, form part of the Corporation's net investment in the associate) are not recognised.

Where a group entity transacts with an associate of the Corporation, unrealised profits and losses are eliminated to the extent of the Corporation's interest in the relevant associate.

### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments (less than 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 banks held to maturity to earn periodic interest.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for impairment of investments (if any).

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

### Equity investments in other entities

Equity investments in other entities represent the Corporation's investments in ordinary shares of the entities over which the Corporation has no control, joint control or significant influence.

Equity investments in other entities are carried at cost less provision for impairment of such investments.

Provisions for impairment of investments in other entities are made in accordance with prevailing accounting regulations.

### 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 recorded under the perpetual method. Inventories are stated at the lower of cost and net realisable value. 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. Issue cost is calculated using the weighted average method, except for issue cost of materials that is calculated using the FIFO 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 consolidated 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 conditions and locations for their intended use. The costs of tangible fixed assets formed from construction investment by contractual mode or self-construction or self-generating process are the settled costs of the invested construction projects in accordance with the prevailing State's regulations on investment and construction management, directly-related expenses and registration fee (if any). In the event the construction project has been completed and put into use but the settled costs thereof have not been approved, the cost of tangible fixed assets is recognized at the estimated cost based on the actual cost incurred. The estimated cost will be adjusted according to the settled costs approved by competent authorities.

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

	Years
Buildings, structures	3 - 25
Machinery, equipment	3 - 15
Motor vehicles	5 - 10
Office equipment	3 - 9
Others	3 - 15

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

### Operating leases

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.

#### The Corporation as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

#### The Corporation as lessee

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivables as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

### Intangible assets and amortization

#### Land use rights

Intangible assets represent land use rights which are stated at cost less accumulated amortization. Land use rights are amortised using the straight-line method over the duration of the right to use the land, indefinite-term land use rights are not amortized.

	Years
Indefinite land use rights	No amortization
Definite land use rights	32 - 50

#### Copyrights

The copyrights are initially recognized at purchase price and amortised using the straight-line basis over their estimated useful lives.

#### Computer software and other intangible assets

Computer software and other intangible assets are initially recognized at purchase price and amortised using the straight-line basis from 3 to 6 years.

### Investment properties

Investment properties are composed of land use rights, buildings and structures held by the Corporation to earn rentals. Investment properties held to earn rentals 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.

These investment properties are depreciated using the straight-line method over their estimated useful lives.

	Years
Land use right	50
Buildings, structures	7 - 25



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**(Continued)****Construction in progress**

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost. The cost includes any costs that are necessary to form the asset including construction cost, equipment cost, interest expense and other related costs in accordance with the Corporation's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

According to the State's regulations on investment and construction management, the settled costs of completed construction projects are subject to approval by appropriate level of competent authorities. The final costs of these completed construction projects may vary depending on the final approval by competent authorities.

**Prepayments**

Prepayments are expenses which have already been paid but relate to results of operations of multiple accounting periods, including tank rental cost, land and office rentals, tools and supplies allocated, expenses for hardware and software support services and other types of prepayments.

Tank rental cost and land and office rentals represent tank, land and office rentals that have been paid in advance and allocated into consolidated income statement based on the straight-line basic over the rental term.

The costs of tools and supplies allocated comprise costs of small tools, supplies and spare parts issued for consumption which are expected to provide future economic benefits to the Corporation and are charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

Expenses for hardware and software support services are recognized based on contract purchase price and amortized to the consolidated income statement on a straight-line basis over a specified period in hardware and software support service contracts.

Other types of prepayments comprise of expenses for supporting services and other prepaid expenses which are expected to provide future economic benefits to the Corporation. These prepaid expenses are charged to the consolidated income statement on the straight-line basis in accordance with the current prevailing accounting regulations.

**Payable provisions**

Payable provisions are recognized 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.

Phu My Fertilizer Plant accrued the estimated repair cost to annual expense for fixed assets which have annual overhaul. If actual amount is higher than accrued amount, the difference is included in reasonable cost. If actual amount is lower than the accrued amount, the difference is recorded as a decrease in expense during the year.

**Scientific and technological development fund**

Scientific and technological development fund is made from 2014 in order to finance science and technology activities of the Corporation. This fund was formed on the basis of the Corporation's demand for research and development and technology innovation and is recognized in the consolidated income statement according to Joint Circular No.12/2016/TTLT-BKHHCN-BTC issued by Minister of Science and Technology on 28 June 2016, amended and supplemented by Circular No.05/2022/TT-BKHHCN issued by Minister of Science and Technology on 31 May 2022 and Circular No. 67/2022/TT-BTC issued by the Ministry of Finance on 07 November 2022. Accordingly, the Corporation bases on the capital demand for scientific and technological activities to appropriate a maximum of 10% of the taxable profit for this fund.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****(Continued)****Revenue recognition***Revenue from sale of goods*

Revenue from the sale 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 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 years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the consolidated 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 consolidated 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.

*Revenue from leasing investment properties*

Revenue from leasing investment properties is recognized in profit or loss on the straight-line basis over the lease term.

*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 on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

Under the guidance of Official Letter No. 4360/DKVN-TCKT dated 31 December 2015 and Official Letter No. 3124/DKVN-TCKT dated 13 May 2015 issued by Vietnam Oil and Gas Group, the Corporation applied the buying rate announced by the Joint Stock Commercial Bank for Foreign Trade of Vietnam to translate monetary items denominated in foreign currencies as at 31 December 2022. The above mentioned rate differs from that stated in Circular No. 200/2014/TT-BTC issued on 22 December 2014 by the Ministry of Finance guiding the accounting regime for enterprises ("Circular 200"). However, such difference has no material influence on the Corporation's consolidated financial statements for the year ended 31 December 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

### 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 consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated 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 recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

(Continued)

### 4. CASH AND CASH EQUIVALENTS

	Closing balance VND	Opening balance VND
Cash on hand	2,515,509,016	2,852,493,739
Bank demand deposits	305,466,403,312	564,296,889,778
Cash equivalents (i)	1,775,859,140,741	1,956,965,929,449
	<b>2,083,841,053,069</b>	<b>2,524,115,312,966</b>

(i) As at 31 December 2022, cash equivalents represent time deposits with original terms from 01 to 03 months at commercial banks with interest rates ranging from 3.0% to 6.0% per annum (as at 31 December 2021: interest rates ranging from 3.0% to 3.7% per annum).

As at 31 December 2022, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official Letter No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. Interest income from these deposits has been paid by Ocean Commercial One Member Limited Liability Bank from 01 October 2015 to present. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 5. FINANCIAL INVESTMENTS

	Closing balance		Opening balance	
	Cost	VND Carrying amount	Cost	VND Carrying amount
<b>a. Held-to-maturity investments</b>				
Term deposits (i)	6,880,000,000,000	6,880,000,000,000	3,455,000,000,000	3,455,000,000,000
	6,880,000,000,000	6,880,000,000,000	3,455,000,000,000	3,455,000,000,000
<b>b. Investments in other entities</b>				
Petroleum Information Technology Telecom and Automation JSC	3,600,000,000	(ii)	-	(ii)
Uf Xi Aquatic Products Processing JSC	16,902,000,000	(8,013,375,369)	(4,464,706,831)	(ii)
	20,502,000,000	(8,013,375,369)	(4,464,706,831)	(ii)

(i) Held-to-maturity investments as at 31 December 2022 represent time deposits with original terms of more than 3 months and remaining terms of less than 12 months from the consolidated balance sheet date at commercial banks with interest rates ranging from 3.9% to 9.5% per annum (as at 31 December 2021: interest rates ranging from 3.5% to 5.0% per annum).

(ii) For the investments in other entities, these companies have not had their shares listed on a stock exchange yet and the Corporation was unable to determine their fair values as at the consolidated balance sheet date since there is no comprehensive guidance of relevant prevailing regulations on determination of fair value on these financial investments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 6. SHORT-TERM TRADE RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Short-term trade receivables</b>		
Minh Dung Trading and Service One Member Limited Company	59,139,170,671	-
Tuan Vu Fertilizer Commercial Services Company Limited	24,957,337,700	-
F.A Joint Stock Company	14,426,449,918	34,003,455,213
Nam Du Gia Lai Company Limited	1,682,913,000	52,698,813,348
Liven Agrichem Pte. Ltd.	-	36,377,540,000
Others	98,936,775,533	119,917,692,371
	199,142,646,822	242,997,500,932
<b>b. Receivables from related parties</b> (Details stated in Note 36)	35,514,830,917	19,944,820,308
	35,514,830,917	19,944,820,308
<b>Total</b>	234,657,477,739	262,942,321,240

### 7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance VND	Opening balance VND
<b>a. Short-term advances to suppliers</b>		
Ngoc Lan Production Trade Company Limited	9,153,800,000	9,153,800,000
Tuong Nguyen Import-Export Trading Service Company Limited	-	44,000,000,000
Hung Thanh Agricultural Materials Company Limited	-	27,216,000,000
Others	68,556,688,063	19,686,350,752
	77,710,488,063	100,056,150,752
<b>b. Advances to related parties</b> (Details stated in Note 36)	12,427,127,188	37,460,896,001
	12,427,127,188	37,460,896,001
<b>Total</b>	90,137,615,251	137,517,046,753

### 8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Other short-term receivables</b>		
PetroVietnam Petrochemical and Textile Fiber Joint Stock Company (i)	114,209,081,543	114,209,081,543
PetroVietnam Trade Union Finance Investment Corporation (PVFI) (ii)	110,093,267,289	110,143,267,289
Accrued interest income from term deposits	83,932,273,536	23,928,462,200
Other short-term receivables	58,725,024,316	73,395,847,936
	366,959,646,684	321,676,658,968
<b>b. Other long-term receivables</b>		
Long-term deposits	1,154,100,000	849,874,000
	1,154,100,000	849,874,000
In which:		
<b>Other receivables from related parties</b> (Details stated in Note 36)	224,818,294,037	225,802,905,773

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(i) The balance of the other short-term receivable from PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY") as at 31 December 2022 represents a payment under the reciprocal guarantee commitment for medium-term and long-term loans of VNPOLY and other supports to VNPOLY. Payment obligations arose from the fact that the Corporation signed two reciprocal guarantee commitments with PVN relating to the guarantee obligations of PVN for medium-term and long-term loans of VNPOLY.

According to the Memorandum among PVN, VNPOLY and the Corporation, PVN shall be responsible for collecting the principal of and interest on the guarantees having paid by parties on behalf of VNPOLY. Within 07 days from when PVN receives debt payments from VNPOLY (including both the principal and interest), PVN will return an amount which is calculated based on the Corporation's capital proportion in VNPOLY to the Corporation. The interest rate is determined at the rate equal to demand deposit interest rate announced by Joint Stock Commercial Bank for Foreign Trade of Vietnam. The interest calculation period starts from when the Corporation pays the reciprocal guarantee amount to PVN.

As at 31 December 2022, the Executive Board assessed the recoverability of this receivable at low level as the accumulated losses of VNPOLY had exceeded its equity, and VNPOLY is unable to meet its financial obligations as and when they fall due.

(ii) The balance of the other short-term receivables from PetroVietnam Trade Union Finance Investment Corporation ("PVFI") as at 31 December 2022 represents an investment trust and interest with the amount of VND 101,597,868,000 and VND 8,495,399,289 respectively. The Executive Board assessed the recoverability of this receivable at low level due to the difficult situation of PVFI.

### 9. BAD DEBTS

	Closing balance		Opening balance	
	Cost	Recoverable amount	Cost	Recoverable amount
				VND Overdue time
PetroVietnam Trade Union Finance Investment Corporation	110,093,267,289	-	110,143,267,289	-
Ngoc Lan Production Trade Company Limited	9,153,800,000	-	9,153,800,000	-
PetroVietnam Petrochemical and Textile Fiber JSC	115,725,753,648	1,545,947,178	115,725,753,648	1,545,947,178
- <i>Receivables relating to reciprocal guarantee commitments</i>	<i>107,786,937,303</i>	-	<i>107,786,937,303</i>	-
- <i>Other receivables</i>	<i>7,938,816,345</i>	<i>1,545,947,178</i>	<i>7,938,816,345</i>	<i>1,545,947,178</i>
	<b>234,972,820,937</b>	<b>1,545,947,178</b>	<b>235,022,820,937</b>	<b>1,545,947,178</b>

The recoverable amount is determined at cost less the provisions for doubtful debts made.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 10. INVENTORIES

	Closing balance		Opening balance	
	Cost	VND Provision	Cost	VND Provision
<b>a. Inventory</b>				
Goods in transit	267,561,155,169	-	137,303,973,626	-
Raw materials	735,311,999,640	(290,262,998)	557,871,471,999	(480,008,618)
Tools and supplies	4,986,330,742	-	8,671,907,245	-
Work in progress	273,274,432,238	-	215,990,588,117	-
Finished goods	2,003,744,144,579	(69,018,424,938)	821,955,029,260	(2,799,857,720)
Merchandise	726,106,609,029	(70,222,379,111)	1,037,020,884,337	-
	<b>4,010,984,671,397</b>	<b>(139,531,067,047)</b>	<b>2,778,813,854,584</b>	<b>(3,279,866,338)</b>
<b>b. Long-term reserved spare parts</b>	<b>150,228,832,256</b>	<b>-</b>	<b>124,128,741,854</b>	<b>-</b>

In the year, the Corporation made the provision for devaluation of inventories with the amount of VND 136,251,200,709 (2021 reversed the provision for devaluation of inventories with the amount of VND 23,025,209,822).

### 11. PREPAYMENTS

	Closing balance VND	Opening balance VND
<b>a. Current</b>		
Cost of hardware and software support services	9,211,220,787	8,764,839,132
Tools and supplies	1,743,971,610	1,774,165,242
Tank rental costs	3,500,000,000	-
Others	5,648,988,813	4,790,145,365
	<b>20,104,181,210</b>	<b>15,329,149,739</b>
<b>b. Non-current</b>		
Tools and supplies	18,505,218,044	12,053,362,959
Land and office rentals	5,612,342,663	3,547,395,469
Others	17,870,936,647	10,096,572,704
	<b>41,988,497,354</b>	<b>25,697,331,132</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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### 12. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures VND	Machinery and equipment VND	Motor vehicles VND	Office equipment VND	Others VND	Total VND
<b>COST</b>						
Opening balance	2,336,763,530,193	8,173,270,858,052	92,733,958,000	322,119,534,899	622,017,502,198	11,546,905,383,342
Additions	801,676,827	17,548,196,727	5,089,976,502	17,382,543,268	3,639,715,825	44,462,109,149
Transfer to Tools and supplies	-	-	-	(95,216,756,255)	-	(95,216,756,255)
Disposals	-	(1,637,856,157)	(4,850,709,365)	(1,606,091,043)	(112,082,500)	(8,206,739,065)
Closing balance	2,337,565,207,020	8,189,181,198,622	92,973,225,137	242,679,230,869	625,545,135,523	11,487,943,997,171
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	1,527,094,652,174	6,404,658,494,858	79,902,594,330	281,582,778,056	370,177,065,061	8,663,415,584,479
Charge for the year	110,150,356,790	256,170,849,316	3,716,335,389	27,065,428,231	93,717,608,664	490,820,578,390
Transfer to Tools and supplies	-	-	-	(92,392,839,292)	-	(92,392,839,292)
Disposals	-	(1,637,856,157)	(4,850,709,365)	(1,606,091,043)	(112,082,500)	(8,206,739,065)
Closing balance	1,637,245,008,964	6,659,191,488,017	78,768,220,354	214,649,275,952	463,782,591,225	9,053,636,584,512
<b>NET BOOK VALUE</b>						
Opening balance	809,668,878,019	1,768,612,363,194	12,831,363,670	40,536,756,843	251,840,437,137	2,883,489,798,863
Closing balance	700,320,198,056	1,529,989,710,605	14,205,004,783	28,029,954,917	161,762,544,298	2,434,307,412,659

As stated in Note 24, the Corporation has pledged all the factories, machinery and equipment under the project on productivity enhancement of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant by applying chemical technology, which have the carrying value as at 31 December 2022 of VND 1,828,121,206,774 (31 December 2021: VND 2,079,267,047,450) to secure bank loans.

The cost of the Corporation's tangible fixed assets as at 31 December 2022 includes VND 6,723,529,088,073 (31 December 2021: VND 6,377,667,352,749) of tangible fixed assets which have been fully depreciated but are still in use.

### 13. INCREASES, DECREASES IN INTANGIBLE ASSETS

	Land use rights VND	Copyrights VND	Computer software VND	Others VND	Total VND
<b>COST</b>					
Opening balance	863,853,207,162	159,315,893,074	116,870,874,803	15,751,353,154	1,155,791,328,193
Additions	-	-	1,312,569,100	-	1,312,569,100
Decreases	-	-	(339,000,000)	-	(339,000,000)
Closing balance	863,853,207,162	159,315,893,074	117,844,443,903	15,751,353,154	1,156,764,897,293
<b>ACCUMULATED AMORTISATION</b>					
Opening balance	49,729,285,228	159,315,893,074	101,392,770,429	11,878,173,576	322,316,122,307
Charge for the year	4,847,325,217	15,647,866	8,932,723,075	480,363,760	14,276,059,918
Decreases	-	-	(339,000,000)	-	(339,000,000)
Closing balance	54,576,610,445	159,331,540,940	109,986,493,504	12,358,537,336	336,253,182,225
<b>NET BOOK VALUE</b>					
Opening balance	814,123,921,934	-	15,478,104,374	3,873,179,578	833,475,205,886
Closing balance	809,276,596,717	(15,647,866)	7,857,950,399	3,392,815,818	820,511,715,068

The cost of the Corporation's intangible assets as at 31 December 2022 includes VND 266,581,371,663 (31 December 2021: VND 238,161,541,728) of intangible assets which have been fully amortized but are still in use.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 17. INVESTMENTS IN ASSOCIATES

	Closing balance VND	Opening balance VND
Cost of investments in associates	680,903,000,000	680,903,000,000
Share of post-acquisition losses less net of dividends received	(651,623,569,006)	(652,283,336,530)
	<b>29,279,430,994</b>	<b>28,619,663,470</b>

## 18. SHORT-TERM TRADE PAYABLES

	Closing balance VND		Opening balance VND	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
<b>a. Short-term trade payables</b>				
Regas Trading FZE	30,576,737,400	30,576,737,400	-	-
Baconco Limited Company	-	-	75,059,625,444	75,059,625,444
Duc Giang - Lao Cai Chemicals JSC	-	-	71,326,012,800	71,326,012,800
Others	257,628,977,870	257,628,977,870	258,795,349,852	258,795,349,852
	<b>288,205,715,270</b>	<b>288,205,715,270</b>	<b>405,180,988,096</b>	<b>405,180,988,096</b>
<b>b. Trade payables to related parties</b> (Details stated in Note 36)	580,802,423,884	580,802,423,884	366,201,095,053	366,201,095,053
	<b>580,802,423,884</b>	<b>580,802,423,884</b>	<b>366,201,095,053</b>	<b>366,201,095,053</b>
<b>Total</b>	<b>869,008,139,154</b>	<b>869,008,139,154</b>	<b>771,382,083,149</b>	<b>771,382,083,149</b>

## 19. SHORT-TERM ADVANCES FROM CUSTOMERS

	Closing balance VND	Opening balance VND
<b>a. Short-term advances from customers</b>		
Tuan Vu Fertilizer Commercial Services Company Limited	24,205,652,205	-
Huynh Chau Private Enterprise	6,618,499,680	6,618,499,680
Tan Tri Phat Service Trading Company Limited	5,030,702,300	-
Danang Agricultural Materials Joint Stock Company No. II	4,485,860,125	-
Viet My Company Limited	-	21,187,500,000
Minh Dung Trade and Services One Member Limited Liability Company	-	18,124,074,799
Kim Ngoan Trade & Services Limited Company	-	6,415,272,954
Others	31,268,417,290	71,260,322,553
	<b>71,609,131,600</b>	<b>123,605,669,986</b>
<b>b. Advances from related parties</b> (Details stated in Note 36)	302,832,356	687,268,384
	<b>302,832,356</b>	<b>687,268,384</b>
<b>Total</b>	<b>71,911,963,956</b>	<b>124,292,938,370</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

## 20. SHORT-TERM ACCRUED EXPENSES

	Closing balance VND	Opening balance VND
Gas transportation expenses	469,082,932,421	1,516,548,821
Transportation and loading expenses	7,110,365,817	25,730,721,605
Accruals for construction in progress	126,967,023,088	157,710,578,386
Accrued interest	25,736,073,137	25,870,992,080
Other accruals	173,676,342,058	127,054,992,936
	<b>802,572,736,521</b>	<b>337,883,833,828</b>
In which:		
Short-term accruals with related parties (Details stated in Note 36)	<b>633,850,591,589</b>	<b>138,139,721,334</b>

## 21. OTHER PAYABLES

	Closing balance VND	Opening balance VND
<b>a. Current</b>		
Dividend payables	32,673,967,009	26,650,909,709
Short-term deposits received	7,172,519,938	7,366,977,144
Others	30,118,796,035	40,234,315,896
	<b>69,965,282,982</b>	<b>74,252,202,749</b>
<b>b. Non-current</b>		
Long-term deposits received	3,385,964,000	8,526,946,700
	<b>3,385,964,000</b>	<b>8,526,946,700</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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### 22. SHORT-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year		Closing balance	
	Amount	VND Amount able to be paid off	Increases	VND Decreases	Amount	VND Amount able to be paid off
<b>Short-term loans</b>	-	-	1,059,193,105,000	1,059,193,105,000	-	-
Joint Stock Commercial Bank for Industry and Trade of Vietnam - Can Tho Branch	-	-	48,000,000,000	48,000,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam- Hochiminh City Branch	-	-	250,000,000,000	250,000,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam- Can Tho City Branch	-	-	232,610,000,000	232,610,000,000	-	-
Joint Stock Commercial Bank for Investment and Development of Viet Nam - Ngoc Khanh Branch	-	-	14,850,000,000	14,850,000,000	-	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam- Ba Dinh Branch	-	-	175,060,000,000	175,060,000,000	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Binh Dinh Branch	-	-	40,000,000,000	40,000,000,000	-	-
Joint Stock Commercial Bank for Investment and Development of Viet Nam - Binh Dinh Branch	-	-	197,576,000,000	197,576,000,000	-	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Branch No. 7, Hochiminh City	-	-	101,097,105,000	101,097,105,000	-	-
<b>Current portion of long-term loans</b> (see Note 24)	200,133,810,219	200,133,810,219	202,043,481,704	200,133,810,219	202,043,481,704	202,043,481,704
	<b>200,133,810,219</b>	<b>200,133,810,219</b>	<b>1,261,236,586,704</b>	<b>1,259,326,915,219</b>	<b>202,043,481,704</b>	<b>202,043,481,704</b>

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 23. PROVISIONS

#### a. Short-term payable provisions

	Provision for maintenance costs for Gas Turbine VND	Provision for repair and maintenance costs for Phu My Fertilizer Plant VND	Total VND
Opening balance	20,327,222,568	-	20,327,222,568
Additional provision for the year	22,854,884,621	214,239,876,162	237,094,760,783
Reclassification from long-term provision to short-term provision	-	165,486,270,110	165,486,270,110
Utilisation of provisions	(42,755,951,746)	(4,714,571,805)	(47,470,523,551)
<b>Closing balance</b>	<b>426,155,443</b>	<b>375,011,574,467</b>	<b>375,437,729,910</b>

#### b. Long-term payable provisions

	Provision for repair and maintenance costs for Phu My Fertilizer Plant VND
Opening balance	165,486,270,110
Reclassification to short-term provision	(165,486,270,110)
<b>Closing balance</b>	<b>-</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

### 24. LONG-TERM LOANS AND OBLIGATIONS UNDER FINANCE LEASES

	Opening balance		In the year			Opening balance	
	Amount	VND Amount able to be paid off	Increases	Decreases	Revaluation of foreign exchange rate	Amount	VND Amount able to be paid off
<b>Long-term loans</b>							
Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh Branch (i)	900,602,139,369	900,602,139,369	-	199,568,519,358	6,118,559,108	707,152,179,119	707,152,179,119
<b>In which:</b>	<b>900,602,139,369</b>	<b>900,602,139,369</b>	<b>-</b>	<b>199,568,519,358</b>	<b>6,118,559,108</b>	<b>707,152,179,119</b>	<b>707,152,179,119</b>
- Amount due for settlement within 12 months	200,133,810,219	200,133,810,219				202,043,481,704	202,043,481,704
- Amount due for settlement after 12 months	700,468,329,150	700,468,329,150				505,108,697,415	505,108,697,415

(i) The balances of loans and obligations under finance leases as at 31 December 2022 represent the long-term loan between Vietnam Public Joint Stock Commercial Bank - Ho Chi Minh City Branch and the Corporation with the credit limit of VND 1,752,000,000,000 or USD equivalent at the exchange rate at the time of disbursement. The purpose of the loan is to finance the Corporation's projects on productivity enhancement of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant applying chemical technology. The disbursement term is until June 2021 inclusive. The maximum loan term is 108 months, the grace period is 24 months from the first disbursement date (09 February 2017) or an earlier date as determined by the lender when these projects are completed and start generating revenue. The interest rate is determined by the reference interest rate plus the margin interest rate (2.5% per annum). The interest is calculated based on the actual outstanding balance and payable every 6 months. The Corporation has pledged the entire value of factories and machinery and equipment under the projects on productivity enhancement of NH3 workshop of Phu My Fertilizer Plant and construction of NPK Fertilizer Production Plant applying chemical technology to secure the loans as presented in Note 12 and Note 16.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Long-term loans are repayable as follows:

	Closing balance VND	Opening balance VND
On demand or within one year	202,043,481,704	200,133,810,219
In the second year	202,043,481,704	200,133,810,219
In the third to fifth year inclusive	303,065,215,711	500,334,518,931
	<b>707,152,179,119</b>	<b>900,602,139,369</b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	202,043,481,704	200,133,810,219
<b>Amount due for settlement after 12 months</b>	<b>505,108,697,415</b>	<b>700,468,329,150</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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### 25. OWNERS' EQUITY

#### Changes in owners' equity

	Owners' contributed capital VND	Share premium VND	Treasury shares VND	Investment and development fund VND	Retained earnings VND	Subtotal VND	Non-controlling interests VND	Total VND
Prior year's opening balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	654,776,859,274	8,084,699,933,871	162,799,407,017	8,247,499,340,888
Profit for the year	-	-	-	-	3,117,133,794,101	3,117,133,794,101	54,382,506,458	3,171,516,300,559
Distributions to bonus and welfare funds	-	-	-	-	(138,475,734,238)	(138,475,734,238)	(10,524,722,566)	(149,000,456,804)
Dividends paid by cash	-	-	-	-	(547,867,964,000)	(547,867,964,000)	(8,987,500,000)	(556,855,464,000)
Prior year's closing balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	3,085,566,955,137	10,515,490,029,734	197,669,690,909	10,713,159,720,643
Current year's opening balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	3,085,566,955,137	10,515,490,029,734	197,669,690,909	10,713,159,720,643
Profit for the year	-	-	-	-	5,564,877,377,993	5,564,877,377,993	20,013,908,250	5,584,891,286,243
Distributions to bonus and welfare funds (i)	-	-	-	-	(292,673,103,740)	(292,673,103,740)	(4,880,338,578)	(297,553,442,318)
Dividends paid by cash (ii)	-	-	-	-	(1,956,671,300,000)	(1,956,671,300,000)	(26,387,500,000)	(1,983,058,800,000)
Current year's closing balance	3,914,000,000,000	21,179,913,858	(2,296,824,120)	3,497,039,984,859	6,401,099,929,390	13,831,023,003,987	186,415,760,581	14,017,438,764,568

(i) During the year, the Corporation and its subsidiaries made additional accruals to the Bonus and welfare funds from 2021 retained earnings and accrued funds from profit in 2022 under Resolution of Annual General Meeting of Shareholders. Details are as followings:

Company	Resolution	Amount	From 2021 retained earnings	From profit after tax in 2022
PetroVietnam Fertilizer and Chemicals Corporation - JSC	Resolution No. 934/NQ-DHDCD dated 24 June 2022	278,032,088,000	164,032,088,000	114,000,000,000
Northern PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 30/NQ-DHDCD dated 28 June 2022	5,350,543,211	1,781,371,627	3,569,171,584
Central PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 87/NQ-DHDCD dated 27 June 2022	7,668,490,451	1,160,335,600	6,508,154,851
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 47/NQ-DHDCD dated 10 June 2022	4,262,814,532	-	4,262,814,532
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 08/NQ-DHDCD dated 15 June 2022	2,239,506,124	-	2,239,506,124
<b>Total</b>		<b>297,553,442,318</b>	<b>166,973,795,227</b>	<b>130,579,647,091</b>

(ii) During the year, the Corporation and its subsidiaries made dividend payment from profit after tax in 2021 under Resolution of Annual General Meeting of Shareholders. Details are as followings:

Company	Resolution	Description	Ex-Dividend Date	Amount
PetroVietnam Fertilizer and Chemicals Corporation - JSC	Resolution No. 25/NQ-PBHC dated 17 January 2022	The first dividend from the profit in 2021	28/01/2022	391,334,260,000
	Resolution No. 50/NQ-DHDCD dated 23 June 2022	Dividend from profit after tax in 2021	21/7/2022	1,565,337,040,000
Northern PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 30/NQ-DHDCD dated 28 June 2022	Dividend from profit after tax in 2021	17/8/2022	20,400,000,000
Central PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 87/NQ-DHDCD dated 27 June 2022	Dividend from profit after tax in 2021	12/8/2022	25,000,000,000
SouthEast PetroVietnam Fertilizer and Chemicals JSC	Resolution No.115/NQ-ĐNB dated 26 October	Dividend from profit after tax in 2021	09/11/2022	31,250,000,000
SouthWest PetroVietnam Fertilizer and Chemicals JSC	Resolution No. 09/NQ-TNB dated 23 June 2022	Dividend from profit after tax in 2021	13/7/2022	28,900,000,000
<b>Total</b>				<b>2,062,221,300,000</b>
<i>In which:</i>				
- Dividends to Owners				1,956,671,300,000
- Subsidiaries paid dividends to the Parent Company eliminated from the consolidated financial statements				79,162,500,000
- Dividends to Non-controlling interests				26,387,500,000

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Shares	Closing balance	Opening balance
Number of shares issued to the public	391,400,000	391,400,000
<i>Ordinary shares</i>	<i>391,400,000</i>	<i>391,400,000</i>
Number of treasury shares	65,740	65,740
<i>Ordinary shares</i>	<i>65,740</i>	<i>65,740</i>
Number of outstanding shares in circulation	391,334,260	391,334,260
<i>Ordinary shares</i>	<i>391,334,260</i>	<i>391,334,260</i>

A common share has par value of VND 10,000 per share.

## Charter capital

According to Business Registration Certificate No. 4103007696 dated 31 August 2007 and its latest amendment dated 16 January 2019 issued by the Department of Planning and Investment of Ho Chi Minh City, the Corporation's charter capital is VND 3,914,000,000,000. The charter capital was fully contributed by the shareholders as at 31 December 2022 as follows:

Contributed capital					
Shareholders	Closing balance		Opening balance		
	Number of shares	%	Number of shares	%	
Vietnam Oil and Gas Group	233,204,253	59.58	233,204,253	59.58	
Others	158,130,007	40.40	158,130,007	40.40	
	<b>391,334,260</b>	<b>99.98</b>	<b>391,334,260</b>	<b>99.98</b>	
Treasury shares	65,740	0.02	65,740	0.02	
	<b>391,400,000</b>	<b>100.00</b>	<b>391,400,000</b>	<b>100.00</b>	

## 26. OFF BALANCE SHEET ITEMS

## Operating lease assets

	Closing balance VND	Opening balance VND
Minimum lease payment in the future under non-cancellable operating lease under the following terms:		
Within one year	24,701,732,130	17,835,785,541
In the second to fifth year inclusive	90,278,317,080	48,905,330,606
After five years	473,961,164,670	354,378,668,490
	<b>588,941,213,880</b>	<b>421,119,784,637</b>

Operating lease commitment of the Corporation is land and office rentals. On 03 September 2005, the Corporation was handed over Land-subleasing contract No. 178/HD/TLD/UDEC.2001 dated 01 June 2001 signed between the Project Management Unit (PMU) of Phu My Fertilizer Plant and Ba Ria-Vung Tau Urban Development and Construction Company for the long-term lease of land and infrastructure in Phu My I Industrial Zone, Tan Thanh district, Ba Ria - Vung Tau province. The contract is valid for 17 years from 03 September 2004. According to land sub-lease contract No. 46/HD/TLD/IZICO-PVFCO signed on 23 December 2021, from 2022 onwards, the Corporation has to pay the annual fee for leasing land and using infrastructure in VND with an amount equivalent to USD 634,066 on every 15 February.

The office rentals represent the monthly amount of VND 296,235/m<sup>2</sup>, VND 171,235/m<sup>2</sup> and VND 200,000/m<sup>2</sup> to rent 568 m<sup>2</sup> of office, 55 m<sup>2</sup> of WC area and 31 m<sup>2</sup> of warehouse area at the 4<sup>th</sup> Floor, Institute of Petroleum Building, respectively. The lease contract is signed for a period of 3 years from 01 July 2020.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

## Foreign currencies

	Closing balance	Opening balance
United States Dollar (USD)	2,764,228	46,494
Euro (EUR)	31,065	32,505

## 27. BUSINESS AND GEOGRAPHICAL SEGMENTS

The Corporation's principal activities are production and trade of fertilizers used in agriculture. Accordingly, the information as presented in the consolidated balance sheet as at 31 December 2022 and the revenue, expenses as presented in the consolidated income statement for the year ended 31 December 2022 relate only to the trade of fertilizers. Revenue and cost of sales by product line and business are presented in Note 28.

The Corporation distributes fertilizer, chemicals, packages, and provides services throughout the country via its subsidiaries in each region, including the North, Central Region - Central Highlands, Southeast, Southwest and Ho Chi Minh City. During the period, the Corporation exported fertilizers with the revenue accounting for more than 18% of gross revenue from goods sold and services rendered of the Corporation. Details are as below:

	Current year VND	Prior year VND
<b>Sales of merchandise and services</b>		
Exported-sales	15,278,708,216,624	11,898,439,552,952
Domestic sales	3,348,471,327,641	887,701,640,400
	<b>18,627,179,544,265</b>	<b>12,786,141,193,352</b>
<b>Cost of sales of merchandise and services</b>		
Cost of goods exported	9,401,895,420,508	7,710,642,851,792
Cost of domestic goods	1,387,064,242,305	289,959,586,525
	<b>10,788,959,662,813</b>	<b>8,000,602,438,317</b>

## 28. REVENUE AND COST OF SALES

	Locally-produced products VND	Imported goods VND	Total VND
<b>Current year</b>			
Net revenue	16,138,188,846,810	2,488,990,697,455	18,627,179,544,265
Cost of sales	(8,385,036,284,042)	(2,403,923,378,771)	(10,788,959,662,813)
<b>Gross profit</b>	<b>7,753,152,562,768</b>	<b>85,067,318,684</b>	<b>7,838,219,881,452</b>
<b>Prior year</b>			
Net revenue	10,595,786,311,886	2,190,354,881,466	12,786,141,193,352
Cost of sales	(6,102,891,278,027)	(1,897,711,160,290)	(8,000,602,438,317)
<b>Gross profit</b>	<b>4,492,895,033,859</b>	<b>292,643,721,176</b>	<b>4,785,538,755,035</b>

Details of revenue from trading locally-produced products are as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

	Current year VND	Prior year VND
<b>Sales of merchandise and services</b>		
Sales of fertilizers	14,448,178,535,222	9,575,520,809,220
Sales of chemicals	1,765,926,742,990	1,068,134,565,808
Others	41,235,711,997	45,282,776,050
	<b>16,255,340,990,209</b>	<b>10,688,938,151,078</b>
<b>Deductions</b>		
Sales discount	117,152,143,399	93,151,839,192
	<b>117,152,143,399</b>	<b>93,151,839,192</b>
<b>Net revenue of merchandise and services</b>	<b>16,138,188,846,810</b>	<b>10,595,786,311,886</b>

Details of cost of sales with regard to trade of locally-produced products are as follows:

	Current year VND	Prior year VND
Cost of fertilizers	7,628,024,817,248	5,531,111,056,410
Cost of chemicals	717,849,244,209	549,154,589,045
Others	39,162,222,585	22,625,632,572
	<b>8,385,036,284,042</b>	<b>6,102,891,278,027</b>

## 29. PRODUCTION COST BY NATURE

	Current year VND	Prior year VND
Raw materials and consumables	7,309,033,678,171	4,822,494,783,618
Labour	632,987,983,443	620,039,872,457
Depreciation and amortisation	514,801,559,639	536,986,110,692
Provision expenses	325,825,437,941	36,040,728,360
Out-sourced services	993,520,499,116	1,023,945,659,632
Other monetary expenses	992,144,414,585	746,629,271,362
	<b>10,768,313,572,895</b>	<b>7,786,136,426,121</b>

## 30. FINANCIAL INCOME

	Current year VND	Prior year VND
Bank interest	323,301,862,803	160,830,978,066
Foreign exchange gain	36,954,491,724	8,239,945,682
Dividends and profits received	4,807,178,058	5,415,161,879
Others	-	1,027,860,000
	<b>365,063,532,585</b>	<b>175,513,945,627</b>

## 31. FINANCIAL EXPENSES

	Current year VND	Prior year VND
Interest expense	64,787,709,845	69,266,472,919
Foreign exchange loss	16,781,720,350	4,537,158,664
Additional provision for impairment of long-term investments	3,548,668,538	216,935,448
Others	139,186,000	627,500,000
	<b>85,257,284,733</b>	<b>74,648,067,031</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

## 32. SELLING EXPENSES AND GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
<b>Selling expenses</b>		
Transportation, loading, unloading and storages	316,332,377,461	298,353,408,829
Social security, advertisement and marketing	342,182,753,906	247,114,772,684
Salary and other benefits for sale staff	94,320,467,849	99,267,738,774
Others	224,871,728,360	173,027,034,966
	<b>977,707,327,576</b>	<b>817,762,955,253</b>
<b>General and administration expenses</b>		
Administration staff costs	191,888,843,621	165,684,583,410
Depreciation and amortisation	56,254,030,719	67,155,587,397
Others	308,135,846,453	192,133,425,565
	<b>556,278,720,793</b>	<b>424,973,596,372</b>

## 33. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
<b>Current corporate income tax expense</b>		
Corporate income tax expense based on taxable profit in the current year	1,126,476,674,717	605,412,217,929
Adjustments for corporate income tax expense in previous years to the current year	2,923,637,433	-
<b>Total current corporate income tax expense</b>	<b>1,129,400,312,150</b>	<b>605,412,217,929</b>

	Current year VND	Prior year VND
<b>Deferred corporate tax expense/(income)</b>		
Taxable temporary differences	-	473,600,394
Deductible temporary differences	(108,709,662,383)	22,069,103,738
<b>Total deferred corporate tax expense/(income)</b>	<b>(108,709,662,383)</b>	<b>22,542,704,132</b>

## 34. BASIC EARNINGS PER SHARE

	Current year	Prior year (Restated)
Profit after corporate income tax (VND)	5,564,877,377,993	3,117,133,794,101
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(126,434,735,321)</i>	<i>(251,062,547,110)</i>
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>5,438,442,642,672</b>	<b>2,866,071,246,991</b>
Average ordinary shares in circulation for the year (shares)	391,334,260	391,334,260
<b>Basic earnings per share (VND/share)</b>	<b>13,897</b>	<b>7,324</b>

The bonus and welfare fund was accrued based on estimation basis, therefore, basic earnings per shares for the year ended 31 December 2022 can be changed according to the Resolution of the General Meeting of Shareholders about distribution of 2022 profit.

The basic earnings per share for the year ended at 31 December 2021 were restated due to the effect of the distribution of 2021 after-tax profit under resolutions of the Corporation's General Shareholders' Meetings (Details stated in Note 25). Accordingly, the distribution to bonus and welfare funds for the year ended 31 December 2021 were recalculated and distributed as follows:

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	Reported amount	Restated amount
Profit after corporate income tax (VND)	3,117,133,794,101	3,117,133,794,101
Increasing or decreasing adjustments to accounting profit to determine profit or loss attributable to ordinary shareholders:		
<i>Distributions to bonus and welfare fund (VND)</i>	<i>(84,824,178,691)</i>	<i>(251,062,547,110)</i>
<b>Profit attributable to ordinary shareholders (VND)</b>	<b>3,032,309,615,410</b>	<b>2,866,071,246,991</b>
Average ordinary shares in circulation for the year (shares)	391,334,260	391,334,260
<b>Basic earnings per share (VND/share)</b>	<b>7,749</b>	<b>7,324</b>

## 35. CONTINGENT LIABILITIES

*Land use fee and other costs of the 0.6ha road area which has been invested and built by the Corporation in Ca Mau province*

As at 31 December 2022, the Corporation is in the process of working with the People's Committee of Ca Mau Province to determine obligations to pay land use fees and other costs that may arise related to the determination of land use purpose of the 0.6 ha road area which has been invested and built by the Corporation in Ca Mau province.

## 36. RELATED PARTY TRANSACTIONS AND BALANCES

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

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
Dam Phu My Packaging Joint Stock Company	Associate
PetroVietnam Petrochemical and Textile Fiber JSC	Associate
PetroVietnam Urban Development Joint Stock Company	Associate
PetroVietnam Ca Mau Fertilizer Joint Stock Company	Company under Vietnam Oil and Gas Group
PetroVietnam Gas Joint Stock Corporation	Company under Vietnam Oil and Gas Group
Vietsovpetro Joint Venture	Company under Vietnam Oil and Gas Group
PTSC Phu My Port Joint Stock Company	Company under Vietnam Oil and Gas Group
PVI Holdings	Company under Vietnam Oil and Gas Group
Vietnam Petroleum Institute	Company under Vietnam Oil and Gas Group
PetroVietnam Security Service Joint Stock Company	Company under Vietnam Oil and Gas Group
PetroVietnam Transportation Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Services Corporation	Company under Vietnam Oil and Gas Group
PetroVietnam Technical Safety Registration Company Limited	Company under Vietnam Oil and Gas Group
PVD Trading and Technical Services Joint Stock Company	Company under Vietnam Oil and Gas Group
PetroVietnam General Services JSC Corporation	Company under Vietnam Oil and Gas Group
PTSC Thanh Hoa Port JSC	Company under Vietnam Oil and Gas Group
PetroVietnam Trade Union Finance Investment Corporation	Company under Vietnam Oil and Gas Group
Vietnam Public Joint Stock Commercial Bank	Company under Vietnam Oil and Gas Group
Petroleum Well Logging Company Limited	Company under Vietnam Oil and Gas Group
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	Company under Vietnam Oil and Gas Group
PVD Trading and Technical Services Joint Stock Company	Company under Vietnam Oil and Gas Group
PVI Holdings	Company under Vietnam Oil and Gas Group
PetroVietnam Chemical And Services Corporation	Company under Vietnam Oil and Gas Group
Vietnam National Union of Oil and Gas Workers	Company under Vietnam Oil and Gas Group
PetroVietnam University	Company under Vietnam Oil and Gas Group

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Continued)

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

	Current year VND	Prior year VND
<b>Sales</b>		
PetroVietnam Ca Mau Fertilizer Joint Stock Company	146,079,718,071	131,028,122,949
PetroVietnam Gas Joint Stock Corporation	19,430,285,700	8,279,396,000
Vietsovpetro Joint Venture	8,219,111,395	5,918,518,983
PetroVietnam Transportation Corporation	1,319,760,000	7,539,656,448
PTSC Thanh Hoa Port JSC	396,000,000	781,560,450
Vietnam Public Joint Stock Commercial Bank	50,290,000	664,971,812
Petroleum Well Logging Company Limited	-	1,231,147,143
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	-	1,128,371,616
	<b>175,495,165,166</b>	<b>156,571,745,401</b>
<b>Purchases</b>		
PetroVietnam Gas Joint Stock Corporation	5,465,081,146,347	3,469,114,467,696
Vietnam Oil and Gas Group	63,820,000,000	75,915,511,814
PVI Holdings	108,780,305,300	13,953,048,824
Dam Phu My Packaging Joint Stock Company	225,497,711,280	74,780,207,370
PVD Trading and Technical Services Joint Stock Company	13,432,008,532	602,484,415
PTSC Phu My Port Joint Stock Company	13,605,479,135	17,560,335,352
PetroVietnam Security Service Joint Stock Company - Ho Chi Minh City Branch	10,814,021,062	12,260,249,561
PetroVietnam Petrochemical and Textile Fiber JSC	5,408,934,288	1,462,314,427
PetroVietnam Chemical And Services Corporation	5,160,456,000	-
PetroVietnam Transportation Corporation	3,251,496,415	3,309,512,235
PetroVietnam University	1,271,900,000	-
PetroVietnam Technical Services Corporation	-	8,330,024,691
Vietnam Petroleum Institute	-	312,980,705
Vietnam National Union of Oil and Gas Workers	-	17,640,000,000
PetroVietnam General Services JSC Corporation	-	1,100,000,000
PetroVietnam Technical Safety Registration Company Limited	-	45,257,000
	<b>5,916,123,458,359</b>	<b>3,696,386,394,090</b>
<b>Loans paid</b>		
Vietnam Public Joint Stock Commercial Bank	199,568,519,358	194,657,305,391
<b>Loans received</b>		
Vietnam Public Joint Stock Commercial Bank	-	49,787,745,286
<b>Dividends paid</b>		
Vietnam Oil and Gas Group	1,166,021,265,000	326,485,954,200
<b>Interest expenses</b>		
Vietnam Public Joint Stock Commercial Bank	<b>61,123,662,622</b>	<b>68,232,608,348</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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Significant related party balances as at the balance sheet date were as follows:

	Closing balance VND	Opening balance VND
<b>Short-term trade receivables</b>		
PetroVietnam Ca Mau Fertilizer Joint Stock Company	24,988,055,543	19,672,314,273
PetroVietnam Gas Joint Stock Corporation	6,781,403,475	-
Vietsovpetro Joint Venture	2,100,266,064	45,893,100
Vietnam Petrochemical and Textile Fiber JSC	1,516,672,105	95,704,205
PTSC Thanh Hoa Port JSC	108,900,000	108,900,000
PetroVietnam Transportation Corporation	19,533,730	19,533,730
Vietnam Public Joint Stock Commercial Bank	-	2,475,000
	<b>35,514,830,917</b>	<b>19,944,820,308</b>
<b>Short-term advances to suppliers</b>		
PVD Trading and Technical Services Joint Stock Company	5,745,564,576	710,160,000
PetroVietnam Urban Development Joint Stock Company	4,860,607,417	4,860,607,417
Vietnam Petrochemical and Textile Fiber JSC	1,328,053,482	-
Dam Phu My Packaging Joint Stock Company	385,794,198	31,783,021,069
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	107,107,515	107,107,515
	<b>12,427,127,188</b>	<b>37,460,896,001</b>
<b>Other short-term receivables</b>		
Vietnam Petrochemical and Textile Fiber JSC	114,209,081,543	115,630,049,443
PetroVietnam Trade Union Finance Investment Corporation	110,093,267,289	110,143,267,289
Vietnam Public Joint Stock Commercial Bank	515,945,205	29,589,041
	<b>224,818,294,037</b>	<b>225,802,905,773</b>
<b>Short-term trade payables</b>		
PetroVietnam Gas Joint Stock Corporation	468,425,781,017	330,013,157,891
PetroVietnam Technical Services Corporation	42,281,377,789	15,728,559,939
PVD Trading and Technical Services Joint Stock Company	32,969,850,656	-
Dam Phu My Packaging Joint Stock Company	28,806,646,742	10,407,772,890
PTSC Phu My Port Joint Stock Company	3,282,822,308	4,853,381,597
PetroVietnam Urban Development Joint Stock Company	2,719,205,271	2,719,205,271
PetroVietnam Security Service Joint Stock Company	1,976,260,944	-
PetroVietnam Transportation Corporation	171,661,680	304,105,995
PVI Holdings	125,617,477	1,400,992,856
Vietnam Petroleum Institute	43,200,000	34,993,614
Vietnam Petrochemical and Textile Fiber JSC	-	727,925,000
Petroleum Securities Joint Stock Company - Ho Chi Minh City Branch	-	11,000,000
	<b>580,802,423,884</b>	<b>366,201,095,053</b>
<b>Short-term advances from customers</b>		
PVI Holdings	66,625,000	448,586,028
Vietnam Public Joint Stock Commercial Bank	236,207,356	238,682,356
	<b>302,832,356</b>	<b>687,268,384</b>
<b>Short-term accruals</b>		
PetroVietnam Gas Joint Stock Corporation	469,082,932,421	-
Vietnam Oil and Gas Group	124,108,320,518	66,436,088,191
Vietnam Public Joint Stock Commercial Bank	25,736,073,137	25,870,992,080
PetroVietnam Technical Services Corporation	14,923,265,513	45,559,641,063
Vietnam Petrochemical and Textile Fiber JSC	-	273,000,000
	<b>633,850,591,589</b>	<b>138,139,721,334</b>
<b>Loans and obligations under finance leases</b>		
Vietnam Public Joint Stock Commercial Bank	707,152,179,119	900,602,139,369

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Remunerations of Executive Board, Board of Directors and Board of Supervisors:

Remuneration of Executive Board, Board of Directors and Board of Supervisors in the year as below:

Name	Title	Current year VND	Prior year VND
Mr. Hoang Trong Dung	Chairman	1,738,033,235	799,205,455
Mr. Le Cu Tan	Member of BOD/	2,003,173,733	1,735,123,131
Mr. Duong Tri Hoi	Chief Executive Officer	1,740,705,755	1,517,014,616
Mr. Trinh Van Khiem	Member of BOD	1,582,343,345	1,076,096,910
Mr. Louis T.Nguyen	Member of BOD	192,000,000	238,705,118
Mr. Ta Quang Huy	Non-executive Member of BOD	1,447,297,476	1,003,602,682
Mr. Le Van Quoc Viet	Executive Officer	1,740,705,755	1,517,014,616
Ms. Tran Thi Phuong Thao	Executive Officer	1,740,705,755	1,517,014,616
Ms. Le Thi Thu Huong	Executive Officer	1,741,165,755	1,504,649,153
Mr. Cao Trung Kien	Executive Officer	1,632,079,997	1,376,066,356
Mr. Dao Van Ngoc	Executive Officer	1,598,276,612	1,158,620,036
Mr. Huynh Kim Nhan	Executive Officer	1,740,705,755	1,517,014,616
Mr. Le Vinh Van	Head of Board of Supervisions	1,438,465,302	1,247,905,619
Mr. Luong Phuong	Member of Board of Supervisors	128,000,000	206,877,767
Mr. Vo Ngoc Phuong	Non-executive Member of Board of Supervisors	1,576,923,395	1,369,847,515
	<b>Chief Accountant</b>	<b>22,040,581,870</b>	<b>17,784,758,206</b>

### 37. GUARANTEE COMMITMENT

*Guarantee commitment obligations for medium and long-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY")*

As at 31 December 2022, the Corporation has guarantee commitments with Vietnam Oil and Gas Group ("PVN") relating to the guarantee obligations for medium and long-term loans of PetroVietnam Petrochemical and Textile Fiber Joint Stock Company ("VNPOLY") - the Corporation's associate.

### 38. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Unused cash and cash equivalents held by the Corporation

As at 31 December 2022, the Corporation's deposits with term under three months at Ocean Commercial One Member Limited Liability Bank (previously known as Ocean Commercial Joint Stock Bank) amounting to VND 284 billion are restricted. According to Official Letter No.5351/2016/CV-OCEANBANK dated 04 October 2016, Official Letter No.60/2018/CV-OCEANBANK dated 28 December 2018 and Official Letter No.76/2020/CV-OJB-CNHCM dated 12 August 2020, Ocean Commercial One Member Limited Liability Bank ensured the return of deposits held by its clients following the restructuring plan which has been submitted to the State Bank of Vietnam and the Government for approval. The Executive Board assessed that the Corporation's deposits will be recovered as committed by Ocean Commercial One Member Limited Liability Bank.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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**(Continued)****39. SUBSEQUENT EVENTS**

On 03 February 2023, the Corporation announced that the first dividend advance payment from 2022 profit after tax was made with an amount of VND 1,565,600,000,000 (VND 4,000 per share) according to the Resolution No. 55/NQ-DHDCD dated 27 December 2022 of the General Shareholders' Meetings. The ex-dividend date and the dividend payment date are in the first quarter of 2023.



Tran Xuan Thao  
Preparer

Vo Ngoc Phuong  
Chief Accountant

Le Cu Tan  
Chief Executive Officer

28 February 2023



The separated financial statements and the digital version of Annual Report are available at the website: [www.dpm.vn](http://www.dpm.vn)