

Southern Gas Trading Joint Stock Company

Consolidated financial statements

For the year ended 31 December 2023



Southern Gas Trading Joint Stock Company

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Southern Gas Trading Joint Stock Company

GENERAL INFORMATION

THE COMPANY

Southern Gas Trading Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103007397 issued by the Department of Planning and Investment of Ho Chi Minh City on 25 July 2007. The Company subsequently received the amended Enterprise Registration Certificates No. 0305097236 dated 15 May 2015, with the latest being the 23rd amended Enterprise Registration Certificate on 11 August 2022. The Company's shares were listed on the Ha Noi Stock Exchange in accordance with trading code as PGS.

The current principal activities of the Company and its subsidiary ("the Group") are to import and export Liquefied Petroleum Gas ("LPG"), gas-related products, and materials, equipment and vehicles for transportation, storage, bottling and trading of LPG; to construct, install and consult with LPG works, gas industry works; transfer technology, provide maintenance services for LPG-related civil works; to transport LPG and freight container; to provide services related to LPG and gas-related products in industrial, civil and transportation fields; to trade petrol, lubricant and relevant additives; to trade fertilizer; to trade real estates; and to load and unload cargos; production, filling and distribution of LPG and compressed natural gas ("CNG"); manufacturing metal containers for compressed gas, liquefied petroleum gas and natural gas; repair of tank containers, metal containers; painting, maintenance and repair of tanks, reservoirs, pipelines, oil and gas storage types; wholesale of machinery, equipment and other machine parts; construction and finishing works of civil engineering.

The Company's head office is located at 4th Floor, Petro Vietnam Building, No. 1 - 5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

BOARD OF DIRECTORS

Members of the Board of Directors during the year and at the date of this report are:

Mr Phan Quoc Nghia	Chairman	
Mr Nguyen Ngoc Luan	Member	
Mr Nguyen Hoang Giang	Member	
Ms Nguyen Ngoc Anh	Member	
Ms Vu Thi Thanh Tam	Member	appointed on 12 December 2023
Mr Vu Hoang Ha	Member	appointed on 15 June 2023 and resigned on 12 December 2023
Mr Ha Anh Tuan	Member	resigned on 15 June 2023

BOARD OF SUPERVISION

Members of the Board of Supervision during the year and at the date of this report are:

Ms Dao Thanh Hang	Head
Ms Tran Thi Thu Hien	Member
Ms Dang Thi Hong Yen	Member

MANAGEMENT

Members of the Management during the year and at the date of this report are:

Mr Nguyen Ngoc Luan	General Director
Mr Dao Huu Thang	Deputy General Director
Mr Dang Van Vinh	Deputy General Director
Mr Tran Anh Dung	Deputy General Director

Southern Gas Trading Joint Stock Company

GENERAL INFORMATION (continued)

LEGAL REPRESENTATIVE

The legal representative of the Group during the year and at the date of this report is Mr Nguyen Ngoc Luan – General Director.

AUDITORS

The auditor of the Company is Ernst & Young Vietnam Limited.

Southern Gas Trading Joint Stock Company

REPORT OF MANAGEMENT

Management of Southern Gas Trading Joint Stock Company ("the Company") is pleased to present this report and the consolidated financial statements of the Company and its subsidiary ("the Group") for the year ended 31 December 2023.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the consolidated financial statements of each financial year which give a true and fair view of the consolidated financial position of the Group and of the consolidated results of its operation and its consolidated cash flows for the year. In preparing those consolidated financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements; and
- ▶ prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the consolidated financial position of the Group and to ensure that the accounting records comply with the applied accounting system. It is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying consolidated financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of the consolidated results of its operations and its consolidated cash flows for the year ended in accordance with the Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

For and on behalf of management:



Nguyễn Ngọc Luan
General Director

Ho Chi Minh City, Vietnam

26 March 2024

Reference: 12628592/66901608/HN

INDEPENDENT AUDITORS' REPORT

To: The Shareholders of Southern Gas Trading Joint Stock Company

We have audited the accompanying consolidated financial statements of Southern Gas Trading Joint Stock Company ("the Company") and its subsidiary (collectively referred to as "the Group"), as prepared on 26 March 2024, as set out on pages 6 to 35, which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement and the consolidated cash flow statement for the year then ended and the notes thereto.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group'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 Group'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.

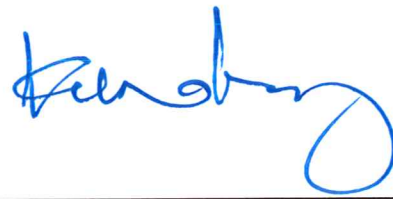
Opinion

In our opinion, the consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the Group as at 31 December 2023, and of the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting System and the statutory requirements relevant to the preparation and presentation of the consolidated financial statements.

Ernst & Young Vietnam Limited



Tran Nam Dung
Deputy General Director
Audit Practicing Registration Certificate
No. 3021-2024-004-1



A blue handwritten signature.

Duong Phuc Kien
Auditor
Audit Practicing Registration Certificate
No. 4613-2023-004-1

Ho Chi Minh City, Vietnam

26 March 2024

CONSOLIDATED BALANCE SHEET
as at 31 December 2023

VND

Code	ASSETS	Notes	Ending balance	Beginning balance
100	A. CURRENT ASSETS		1,578,488,435,818	1,161,053,243,780
110	I. Cash and cash equivalents	4	761,371,999,502	331,046,143,059
111	1. Cash		261,371,799,502	236,046,143,059
112	2. Cash equivalents		500,000,200,000	95,000,000,000
120	II. Short-term investment		58,474,000,000	37,964,000,000
123	1. Held-to-maturity investments	5.1	58,474,000,000	37,964,000,000
130	III. Current accounts receivable		619,688,103,486	604,593,023,277
131	1. Short-term trade receivables	6	546,807,222,467	560,859,604,232
132	2. Short-term advances to suppliers	7	36,126,272,400	41,596,210,433
136	3. Other short-term receivables	8	58,450,168,332	22,739,665,914
137	4. Provision for doubtful short-term receivables		(21,695,559,713)	(20,602,457,302)
140	IV. Inventories	9	92,402,675,242	130,568,619,422
141	1. Inventories		98,583,501,516	135,293,086,459
149	2. Provision for obsolete inventories		(6,180,826,274)	(4,724,467,037)
150	V. Other current assets		46,551,657,588	56,881,458,022
151	1. Short-term prepaid expenses	10	5,144,373,358	5,394,819,275
152	2. Value-added tax deductible	15	40,204,676,727	45,269,848,414
153	3. Tax and other receivables from the State	15	1,202,607,503	6,216,790,333
200	B. NON-CURRENT ASSETS		1,159,148,886,449	1,228,398,072,450
210	I. Long-term receivable		3,525,863,398	3,448,083,229
216	1. Other long-term receivables	8	3,525,863,398	3,448,083,229
220	II. Fixed assets		382,519,873,732	390,278,998,234
221	1. Tangible fixed assets	11	357,358,565,391	363,549,160,982
222	Cost		2,013,023,314,874	1,963,062,330,061
223	Accumulated depreciation		(1,655,664,749,483)	(1,599,513,169,079)
227	2. Intangible fixed assets	12	25,161,308,341	26,729,837,252
228	Cost		41,523,103,900	44,066,190,806
229	Accumulated amortization		(16,361,795,559)	(17,336,353,554)
240	III. Long-term asset in progress		81,960,393,908	61,961,205,620
242	1. Construction in progress	13	81,960,393,908	61,961,205,620
250	IV. Long-term investments	5.2	-	-
253	1. Investment in other entity		-	50,000,000,000
254	2. Provision for long-term investments		-	(50,000,000,000)
260	V. Other long-term assets		691,142,755,411	772,709,785,367
261	1. Long-term prepaid expenses	10	683,523,577,003	756,763,916,759
262	2. Deferred tax assets	27.3	7,619,178,408	15,945,868,608
270	TOTAL ASSETS		2,737,637,322,267	2,389,451,316,230

CONSOLIDATED BALANCE SHEET (continued)
as at 31 December 2023

VND

Code	RESOURCES	Notes	Ending balance	Beginning balance
300	C. LIABILITIES		1,727,864,471,701	1,370,459,551,997
310	I. Current liabilities		1,528,216,103,650	1,140,426,364,431
311	1. Short-term trade payables	14	698,434,416,957	694,906,219,711
312	2. Short-term advances from customers		2,647,931,561	1,992,463,831
313	3. Statutory obligations	15	10,426,076,931	1,775,890,705
314	4. Payables to employees		49,145,329,487	47,357,068,689
315	5. Short-term accrued expenses	16	162,759,653,129	103,660,112,636
319	6. Other short-term payables	17	23,076,112,395	8,750,596,854
320	7. Short-term loans	18	564,844,530,548	268,801,811,123
321	8. Short-term provision		4,823,690,678	-
322	9. Bonus and welfare fund		12,058,361,964	13,182,200,882
330	II. Non-current liabilities		199,648,368,051	230,033,187,566
337	1. Other long-term liabilities	17	177,877,689,485	210,864,084,081
338	2. Long-term loans	18	21,770,678,566	19,169,103,485
400	D. OWNERS' EQUITY		1,009,772,850,566	1,018,991,764,233
410	I. Capital	19.1	1,009,772,850,566	1,018,991,764,233
411	1. Share capital		500,000,000,000	500,000,000,000
411a	- Shares with voting rights		500,000,000,000	500,000,000,000
412	2. Share premium		45,594,384,212	45,594,384,212
415	3. Treasury shares		(12,061,327)	(12,061,327)
418	4. Investment and development fund		362,934,290,222	362,934,290,222
421	5. Undistributed earnings		101,256,237,459	110,475,151,126
421a	- Undistributed earnings by the end of previous year		6,096,001,502	24,616,335,257
421b	- Undistributed earnings of current year		95,160,235,957	85,858,815,869
440	TOTAL LIABILITIES AND OWNERS' EQUITY		2,737,637,322,267	2,389,451,316,230

Le Thi Diem Chi
Preparer

Cao Nguyen Duc Anh
Chief Accountant



Nguyen Ngoc Luan
General Director

Ho Chi Minh City, Vietnam

26 March 2024

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
01	1. Revenues from sales of goods and rendering of services	21.1	5,905,226,559,572	7,024,162,697,131
02	2. Deductions	21.1	(227,873,786,060)	(203,473,638,026)
10	3. Net revenues from sales of goods and rendering of services	21.1	5,677,352,773,512	6,820,689,059,105
11	4. Cost of goods sold and services rendered	22	(4,792,196,520,802)	(5,973,475,503,420)
20	5. Gross profits from sales of goods and rendering of services		885,156,252,710	847,213,555,685
21	6. Finance income	21.2	10,443,785,373	10,551,939,511
22	7. Finance expenses	23	(12,815,390,908)	(10,374,455,966)
23	<i>In which: Interest expenses</i>		(12,762,581,378)	(8,215,129,069)
25	8. Selling expenses	24	(655,765,955,413)	(632,555,080,647)
26	9. General and administrative expenses	25	(86,514,031,540)	(96,116,992,210)
30	10. Operating profit		140,504,660,222	118,718,966,373
31	11. Other income		5,147,143,011	6,343,616,048
32	12. Other expenses		(73,295,277)	(958,386,784)
40	13. Other profit		5,073,847,734	5,385,229,264
50	14. Accounting profit before tax		145,578,507,956	124,104,195,637
51	15. Current corporate income tax expense	27.1	(31,091,581,798)	(21,070,213,104)
52	16. Deferred tax expense	27.1	(8,326,690,201)	(4,175,166,664)
60	17. Net profit after tax		106,160,235,957	98,858,815,869
61	18. Net profit after tax attributable to shareholders of the parent		106,160,235,957	98,858,815,869
70	19. Basic earnings per share	20	1,903	1,717
71	20. Diluted earnings per share	20	1,903	1,717



Le Thi Diem Chi
Preparer



Cao Nguyen Duc Anh
Chief Accountant



Nguyen Ngoc Luan
General Director

Ho Chi Minh City, Vietnam

26 March 2024

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
	I. CASH FLOWS FROM OPERATING ACTIVITIES			
01	Accounting profit before tax		145,578,507,956	124,104,195,637
	<i>Adjustments for:</i>			
02	Depreciation and amortization	11, 12	66,782,474,205	84,478,553,573
03	Provisions (reversal of provisions)		7,373,152,326	(24,603,629,566)
04	Foreign exchange losses arisen from revaluation of monetary accounts denominated in foreign currency		14,492,948	58,469,486
05	Profit from investing activities		(8,830,083,573)	(11,063,140,659)
06	Interest expenses	23	12,762,581,378	8,215,129,069
08	Operating profit before changes in working capital		223,681,125,240	181,189,577,540
09	Increase (decrease) in receivables		2,731,088,159	(96,951,252,017)
10	Decrease in inventories		36,709,584,943	22,545,255,230
11	Increase (decrease) in payables		29,010,368,488	(246,702,212,115)
12	Decrease in prepaid expenses		73,490,785,673	20,730,147,116
14	Interest paid		(13,002,619,795)	(7,278,648,977)
15	Corporate income tax paid	15	(20,414,819,887)	(35,361,561,496)
17	Other cash outflows for operating activities		(6,925,550,000)	(10,443,052,889)
20	Net cash flows from (used in) operating activities		325,279,962,821	(172,271,747,608)
	II. CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchase and construction of fixed assets		(81,200,065,670)	(97,100,580,109)
22	Proceeds from disposals of fixed assets		1,942,381,683	2,154,712,084
23	Term-bank deposits		(20,510,000,000)	(310,000,000)
27	Interest received		6,141,110,551	9,966,629,744
30	Net cash flows used in investing activities		(93,626,573,436)	(85,289,238,281)
	III. CASH FLOWS FROM FINANCING ACTIVITIES			
33	Drawdown of borrowings	18	1,205,190,323,152	979,618,133,045
34	Repayment of borrowings	18	(906,546,028,646)	(739,624,378,439)
36	Dividends paid	19.2	(99,971,806,000)	(72,598,259,700)
40	Net cash flows from financing activities		198,672,488,506	167,395,494,906

CONSOLIDATED CASH FLOW STATEMENT (continued)
for the year ended 31 December 2023

VND

Code	ITEMS	Notes	Current year	Previous year
50	Net increase in cash and cash equivalents		430,325,877,891	(90,165,490,983)
60	Cash and cash equivalents at beginning of year		331,046,143,059	421,210,835,493
61	Impact of exchange rate fluctuation		(21,448)	798,549
70	Cash and cash equivalents at end of year	4	761,371,999,502	331,046,143,059



Le Thi Diem Chi
Preparer



Cao Nguyen Duc Anh
Chief Accountant



Nguyen Ngoc Luan
General Director

Ho Chi Minh City, Vietnam

26 March 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
as at 31 December 2023 and for the year then ended

1. CORPORATE INFORMATION

The Group consists of Southern Gas Trading Joint Stock Company ("PGS" or "the Company") and its subsidiary as follows:

Company

Southern Gas Trading Joint Stock Company ("the Company") is a shareholding company incorporated under the Law on Enterprise of Vietnam pursuant to the Business Registration Certificate No. 4103007397 issued by the Department of Planning and Investment of Ho Chi Minh City on 25 July 2007. The Company subsequently received the amended Enterprise Registration Certificates No. 0305097236 dated 15 May 2015, with the latest being the 23rd amended Enterprise Registration Certificate on 11 August 2022. The Company's shares were listed on the Ha Noi Stock Exchange in accordance with trading code as PGS.

The Company's current principal activities are to import and export Liquefied Petroleum Gas ("LPG"), gas-related products, and materials, equipment and vehicles for transportation, storage, bottling and trading of LPG; to construct, install and consult with LPG works, gas industry works; transfer technology, provide maintenance services for LPG-related civil works; to transport LPG and freight container; to provide services related to LPG and gas-related products in industrial, civil and transportation fields; to trade petrol, lubricant and relevant additives; to trade fertilizer; to trade real estates; and to load and unload cargos; production, filling and distribution of LPG and compressed natural gas ("CNG"); manufacturing metal containers for compressed gas, liquefied petroleum gas and natural gas; repair of tank containers, metal containers; painting, maintenance and repair of tanks, reservoirs, pipelines, oil and gas storage types; wholesale of machinery, equipment and other machine parts; construction and finishing works of civil engineering.

The Group's head office is located at 4th Floor, Petro Vietnam Building, No. 1 - 5 Le Duan Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam.

The number of Group's employees as at 31 December 2023: 1,172 (31 December 2022: 1,152).

Subsidiary

<i>Name of subsidiary</i>	<i>Business</i>	<i>Status</i>	<i>Ownership</i> %	<i>Voting</i> <i>right</i> %
VT Gas - Viet Nam Liquefied Gas Company Limited	Trading liquefied petroleum gas, gas products, supplies, equipment and vehicles for providing service of transporting, storage, bottling and trading liquefied petroleum gas	In operating	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

2. BASIS OF PREPARATION

2.1 Accounting standards and system

The consolidated financial statements of the Company and its subsidiaries (“the Group”) expressed in Vietnam Dong (“VND”) are prepared in accordance with Vietnamese Enterprise Accounting System and Vietnamese Accounting Standard issued by the Ministry of Finance as per:

- ▶ Decision No. 149/2001/QD-BTC dated 31 December 2001 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 1);
- ▶ Decision No. 165/2002/QD-BTC dated 31 December 2002 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 2);
- ▶ Decision No. 234/2003/QD-BTC dated 30 December 2003 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 3);
- ▶ Decision No. 12/2005/QD-BTC dated 15 February 2005 on the Issuance and Promulgation of Six Vietnamese Accounting Standards (Series 4); and
- ▶ Decision No. 100/2005/QD-BTC dated 28 December 2005 on the Issuance and Promulgation of Four Vietnamese Accounting Standards (Series 5).

Accordingly, the accompanying consolidated financial statements, including their utilization are not designed for those who are not informed about Vietnam’s accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Vietnam.

2.2 Applied accounting documentation system

The Group’s applied accounting documentation system is the General Journal system.

2.3 Fiscal year

The Group’s fiscal year applicable for the preparation of its consolidated financial statements starts on 1 January and ends on 31 December.

2.4 Accounting currency

The consolidated financial statements are prepared in VND which is also the Group’s accounting currency.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent company and its subsidiary for the year ended 31 December 2023.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.

All intra-company balances, income and expenses and unrealized gains or losses result from intra-company transactions are eliminated in full.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated income statement and within equity in the consolidated balance sheet.

Impact of change in the ownership interest of a subsidiary, without a loss of control, is recorded in undistributed earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term, highly-liquid investments with an original maturity of not more than three (3) months that are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

3.2 Inventories

Inventories are measured at their historical costs. The cost of inventories comprises costs of purchase, costs of conversion (including raw materials, direct labor cost, other directly related cost, manufacturing general overheads allocated based on the normal operating capacity) incurred in bringing the inventories to their present location and condition.

In case the net realizable value is lower than the original price, it must be calculated according to the net realizable value.

Net realizable value ("NRV") represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventories, which are valued as follows:

Raw materials, consumables and goods for resale - cost of purchase on a weighted average basis.

Finished goods and work-in process - cost of finished goods on a weighted average basis.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of raw materials, finished goods and other inventories owned by the Group, based on appropriate evidence of impairment available at the consolidated balance sheet date. When inventories are expired, obsolescence, damage or become useless, the difference between the provision previously made and the historical cost of inventories are included in the consolidated income statement.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the consolidated income statement.

3.3 Receivables

Receivables are presented in the consolidated financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful receivables.

The provision for doubtful receivables represents amounts of outstanding receivables at the consolidated balance sheet date which are doubtful of being recovered. Increases or decreases to the provision balance are recorded into general and administrative expenses accounts in the consolidated income statement. When bad receivables are determined as unrecoverable and accountant writes off those bad debts, the differences between the provision for doubtful receivables previously made and historical cost of receivables are included in the consolidated income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset comprises its purchase price and any directly attributable costs of bringing the tangible fixed asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the consolidated income statement as incurred.

When tangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

3.5 *Intangible fixed assets*

Intangible fixed assets are stated at cost less accumulated amortization.

The cost of an intangible fixed asset comprises its purchase price and any directly attributable costs of preparing the intangible asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the consolidated income statement as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the consolidated income statement.

Land use rights

Land use rights is recorded as an intangible fixed asset on the consolidated balance sheet when the Group obtained the land use rights certificates. The costs of land use rights comprise all directly attributable costs of bringing the land to the condition available for intended use and is not amortized when having indefinite useful life.

3.6 *Depreciation and amortization*

Depreciation of tangible fixed assets, investment properties and amortization of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Building and structure	5 - 50 years
Machinery and equipment	3 - 8 years
Means of transportation	3 - 10 years
Office equipment	3 - 4 years
Land use rights	38 - 50 years
Brand	9 years
Computer software	2 - 5 years

3.7 *Borrowing cost*

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 *Leased assets*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

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

Where the Group is the lessor

Assets subject to operating leases are included as the Group's fixed assets in the consolidated balance sheet. Initial direct costs incurred in negotiating an operating lease are recognized in the consolidated income statement as incurred.

For other cases under operating leases, lease income is recognized in the consolidated income statement on a straight-line basis over the lease term.

Where the Group is the lessee

Assets held under finance leases are capitalized in the consolidated balance sheet at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the consolidated income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalized financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Rentals under operating leases are charged to the consolidated income statement on a straight-line basis over the lease term.

3.9 *Prepaid expenses*

Prepaid expenses are reported as short-term or long-term prepaid expenses on the consolidated balance sheet and amortized over the year for which the amounts are paid or the year in which economic benefits are generated in relation to these expenses.

The following types of expenses are recorded as long-term prepaid expense and are amortized to the consolidated income statement:

- ▶ LPG gas cylinders be amortized in 10 years;
- ▶ Prepaid rental;
- ▶ Prepaid insurance premium;
- ▶ Tools and consumables with large value issued into production and can be used for more than one year; etc.

Prepaid land rental

Prepaid land rental represents the unamortized balances of advanced payments made in accordance with lease contract for a period of 5 years to 49 years. Such prepaid rental is recognized as a long-term prepaid expense for allocation to the consolidated income statement over the remaining lease period according to Circular No. 45/2013/TT-BTC issued by the Ministry of Finance on 25 April 2013 guiding the management, use and depreciation of the fixed assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Investments

Investment in other entity

Investment in other entity is stated at the acquisition cost.

Held-to-maturity investments

Held-to-maturity investments are stated at their acquisition costs. After initial recognition, held-to-maturity investments are measured at recoverable amount. Any impairment loss incurred is recognized as finance expense in the consolidated income statement and deducted against the value of such investments.

Provision for diminution in value of investments

Provision of the investment is made when there are reliable evidence of the diminution in value of those investments at the consolidated balance sheet date. Increases or decreases to the provision balance are recorded into finance expenses account in the consolidated income statement.

3.11 Payables and accruals

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Group.

Deposit received for LPG cylinders

According Point 3, Article 7 of Circular 118/2010/TT-BTC dated 10 August 2010 guiding financial and tax regimes applicable to traders of bottled liquefied petroleum gas, annually when allocating costs of LPG cylinders, the Group shall transfer deposit amounts to incomes when determining enterprise income tax-liable incomes. The transfer time corresponds the time of allocating costs for LPG cylinders to LPG trading expenses, are 10 years.

3.12 Foreign currency transactions

Transactions in currencies other than the Group's reporting currency of VND are recorded at the actual transaction exchange rates at transaction dates which are determined as follows:

- Transactions resulting in receivables are recorded at the buying exchange rates of the commercial banks designated for collection; and
- Transactions resulting in liabilities are recorded at the selling exchange rates of the transaction of commercial banks designated for payment;

At the end of the year, monetary balances denominated in foreign currencies are translated at the actual transaction exchange rates at the balance sheet dates which are determined as follows:

- Monetary assets are translated at buying exchange rate of the commercial bank where the Group conduct transactions regularly; and
- Monetary liabilities are translated at selling exchange rate of the commercial bank where the Group conduct transactions regularly.

All foreign exchange differences incurred are taken to the consolidated income statement.

3.13 Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss upon purchase, sale, re-issue or cancellation of the Group's own equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.14 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the year attributable to ordinary shareholders of the Group (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit after tax attributable to ordinary equity holders of the Group (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.15 *Appropriation of net profits*

Net profit after tax is available for appropriation to shareholders after approval in the Annual General Meeting, and after making appropriation to reserve funds in accordance with the Company's Charter and Vietnam's regulatory requirements.

The Group maintains the following reserve funds which are appropriated from the Group's net profit as proposed by the Board of Directors and subject to approval by shareholders at the Annual General Meeting.

▶ *Investment and development fund*

This fund is set aside for use in the Group's expansion of its operation or of in-depth investments.

▶ *Bonus and welfare fund*

This fund is set aside for the purpose of pecuniary rewarding and encouraging, common benefits and improvement of the employees' benefits, and presented as a liability on the consolidated balance sheet.

3.16 *Revenue recognition*

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Rendering of services

Revenues are recognized upon completion of the services provided.

Interest

Revenue is recognized as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Taxation

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted as at the balance sheet date.

Current income tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred current income tax is also dealt with in equity.

Current income tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the consolidated balance sheet date between the tax base of assets and liabilities and their carrying amount for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, carried forward unused tax credit and unused tax losses, to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward unused tax credit and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Previously unrecognized deferred tax assets are re-assessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled based on tax rates and tax laws that have been enacted at the balance sheet date.

Deferred tax is charged or credited to the consolidated income statement, except when it relates to items recognized directly to equity, in which case the deferred tax is also dealt with in the equity account.

Deferred tax assets and liabilities are offset when there is a legally enforceable right for the Group to off-set current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

3.18 Related parties

Parties are considered to be related parties of the Group if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions, or when the Group and other party are under common control or under common significant influence. Related parties can be enterprise or individual, including their close family members.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Segment information

A segment is a component determined separately by the Group which is engaged in providing products or related services (business segment), or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Group's principal activities are to trade gas, petrol and lubricant, process LPG gas cylinders and provide maintaining gas cylinders server. In addition, these activities are mainly taking place within Vietnam. Therefore, the Group's risks and returns are not impacted by the Group's products that the Group is manufacturing or the locations where the Group is trading. As a result, the Group's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

4. CASH AND CASH EQUIVALENTS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cash on hand	24,720,710,290	17,544,998,049
Cash at banks	236,651,089,212	218,501,145,010
Cash equivalents (*)	500,000,200,000	95,000,000,000
TOTAL	<u>761,371,999,502</u>	<u>331,046,143,059</u>

(*) Cash equivalents represented the short-term bank deposits with original maturity of less than three months. Details are as follows:

<i>Banks</i>	<i>Ending balance</i>	<i>Maturity date</i>	<i>Interest rate</i>
	(VND)		% per annum
Vietnam Bank for Agriculture and Rural Development ("Agribank") - Phan Dinh Phung Branch	180,000,000,000	From 15 January 2024 to 28 March 2024	2.30 - 3.85
Vietnam Public Commercial Joint Stock Bank - Ho Chi Minh Branch	110,000,000,000	From 6 January 2024 to 31 January 2024	3.70 - 4.75
Joint Stock Commercial Bank for Investment and Development of Vietnam - Ben Nghe Branch	90,000,000,000	From 29 January 2024 to 28 March 2024	2.10 - 2.60
Agribank - My Thanh Branch	70,000,000,000	From 12 January 2024 to 10 February 2024	3.85
Malayan Banking Berhad - Ho Chi Minh Branch	50,000,000,000	26 January 2024	4.30
Military Commercial Joint Stock Bank	200,000	12 January 2024	0.50
TOTAL	<u>500,000,200,000</u>		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

5. INVESTMENTS

5.1 Short-term held-to-maturity investments

Short-term held-to-maturity investments represented the term deposits in VND at commercial banks with maturity as the four (4) to twelve (12) months. Details are as follow:

<i>Banks</i>	<i>Ending balance</i> (VND)	<i>Maturity date</i>	<i>Interest rate</i> % per annum
Vietnam Public Commercial Joint Stock Bank - Ho Chi Minh Branch	50,000,000,000	From 11 April 2024 to 13 April 2024	6.30
Ocean Commercial One Member Limited Liability Bank - Ho Chi Minh Branch	7,654,000,000	28 June 2024	3.50
Bank for Investment and Development of Vietnam	510,000,000	2 February 2024	8.60
Ocean Commercial One Member Limited Liability Bank - Dong Nai Branch	310,000,000	5 January 2024	4.65
TOTAL	<u>58,474,000,000</u>		

5.2 Investments in other entity

	VND			
	<u>Ending balance</u>		<u>Beginning balance</u>	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
Vinabenny Energy Joint Stock Company (*)	-	-	50,000,000,000	(50,000,000,000)

(*) This is the investment in Vinabenny Energy Joint Stock Company ("Vinnabenny") which equivalent to 14% of Vinabenny's chartered capital. Vinabenny has lost its solvency and stopped all investing activities since 2012. Accordingly, in accordance with the Board of Directors' meeting minutes No.16/BB-KMN dated 22 August 2023, the Group wrote off the above investment and provisions.

6. SHORT-TERM TRADE RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Amounts due from other parties	546,755,837,947	559,078,786,229
<i>In which:</i>		
<i>Nam Son Trading Service Management Company Limited</i>	32,366,826,882	26,731,314,561
<i>Totalenergies LPG Vietnam Company Limited</i>	30,623,610,042	13,088,512,142
<i>Tam Dinh Company Limited</i>	24,621,372,520	881,832,052
<i>Others</i>	459,144,028,503	518,377,127,474
Amounts due from related parties (Note 28)	<u>51,384,520</u>	<u>1,780,818,003</u>
TOTAL	<u>546,807,222,467</u>	<u>560,859,604,232</u>
Provision for doubtful short-term receivables	<u>(17,612,930,327)</u>	<u>(16,519,827,916)</u>
NET	<u>529,194,292,140</u>	<u>544,339,776,316</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

6. SHORT-TERM TRADE RECEIVABLES (continued)

Detail of movements of provision for doubtful short-term receivables:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	16,519,827,916	20,598,082,404
Provisions made during the year	1,986,628,680	2,299,020,854
Reversal of provisions during the year	<u>(893,526,269)</u>	<u>(6,377,275,342)</u>
Ending balance	<u>17,612,930,327</u>	<u>16,519,827,916</u>

7. SHORT-TERM ADVANCE TO SUPPLIERS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Dong Nai Port Joint- Stock Company	16,529,004,347	16,417,144,864
Thang Long Technical Trading and Construction Joint Stock Company	4,112,041,401	3,521,035,170
Others	<u>15,485,226,652</u>	<u>21,658,030,399</u>
TOTAL	36,126,272,400	41,596,210,433
Provision for doubtful advance to suppliers	<u>(782,629,386)</u>	<u>(782,629,386)</u>
NET	<u>35,343,643,014</u>	<u>40,813,581,047</u>

8. OTHER RECEIVABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	58,450,168,332	22,739,665,914
Accrued revenues of CNG	47,291,829,919	8,802,267,138
Interest receivables from banks	2,760,688,433	427,575,646
Advance to employee	1,565,938,170	2,436,926,953
Others	6,831,711,810	11,072,896,177
Long-term	3,525,863,398	3,448,083,229
Deposits	<u>3,525,863,398</u>	<u>3,448,083,229</u>
TOTAL	61,976,031,730	26,187,749,143
Provisions for doubtful other receivables	<u>(3,300,000,000)</u>	<u>(3,300,000,000)</u>
NET	<u>58,676,031,730</u>	<u>22,887,749,143</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

9. INVENTORIES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Tools and supplies	33,340,462,181	31,047,914,639
Raw materials	29,383,939,583	39,518,592,885
Merchandise goods	26,920,895,332	49,332,210,973
Finished goods	5,589,559,857	13,311,907,218
Work in process	3,348,644,563	2,082,460,744
TOTAL	98,583,501,516	135,293,086,459
Provision for obsolete inventories	(6,180,826,274)	(4,724,467,037)
NET	92,402,675,242	130,568,619,422

Details of movements of provision for slow moving inventories:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	(4,724,467,037)	(5,481,492,101)
Add: Provision made during the year	(5,338,176,351)	(1,208,520,282)
Less: Reversal of provision during the year	3,881,817,114	1,965,545,346
Ending balance	(6,180,826,274)	(4,724,467,037)

10. PREPAID EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	5,144,373,358	5,394,819,275
Rental expenses	2,128,484,878	1,279,192,957
Insurance	1,107,745,585	1,119,588,136
Others	1,908,142,895	2,996,038,182
Long-term	683,523,577,003	756,763,916,759
Gas cylinder expenses (*)	519,246,196,544	579,200,452,668
Land lease	68,968,045,153	72,459,655,522
Office rental	39,906,114,679	41,734,852,007
Tool and equipment	37,231,313,961	42,776,934,931
Maintenance fee	9,367,965,652	8,831,540,705
Office renovation	1,762,031,552	3,934,542,647
Others	7,041,909,462	7,825,938,279
TOTAL	688,667,950,361	762,158,736,034

(*) *Detail of movements of gas cylinders:*

	VND	
	<i>Current year</i>	<i>Previous year</i>
Beginning balance	579,200,452,668	600,534,752,411
Increasing during the year	40,366,505,566	91,865,507,166
Allocation to operating expenses	(100,320,761,690)	(113,199,806,909)
Ending balance	519,246,196,544	579,200,452,668

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

11. TANGIBLE FIXED ASSETS

	Building and structure	Machinery and equipment	Means of transportation	Office equipment	Others	Total	VND
Cost							
Beginning balance	606,256,906,186	1,251,438,928,563	69,913,469,575	8,524,809,487	26,928,216,250	1,963,062,330,061	
New purchases	3,667,515,972	9,640,757,642	5,812,078,471	443,556,000	60,000,000	19,623,908,085	
Transfer from CIP	21,548,064,408	19,317,898,658	-	-	-	40,865,963,066	
Disposals	(296,678,617)	(4,507,143,655)	(2,711,761,381)	(2,218,133,334)	(795,169,351)	(10,528,886,338)	
Ending balance	631,175,807,949	1,275,890,441,208	73,013,786,665	6,750,232,153	26,193,046,899	2,013,023,314,874	
<i>In which:</i>							
Fully depreciated	146,428,122,389	1,067,428,764,390	22,687,635,632	4,397,421,894	23,351,386,765	1,264,293,331,070	
Accumulated depreciation							
Beginning balance	393,453,177,843	1,139,006,353,126	35,965,269,325	6,717,701,207	24,370,667,578	1,599,513,169,079	
Depreciation for the year	30,168,888,462	27,487,063,821	6,321,379,050	745,069,944	371,544,017	65,093,945,294	
Disposals	(296,678,617)	(4,162,743,964)	(1,469,639,624)	(2,218,133,334)	(795,169,351)	(8,942,364,890)	
Ending balance	423,325,387,688	1,162,330,672,983	40,817,008,751	5,244,637,817	23,947,042,244	1,655,664,749,483	
Net carrying amount							
Beginning balance	212,803,728,343	112,432,575,437	33,948,200,250	1,807,108,280	2,557,548,672	363,549,160,982	
Ending balance	207,850,420,261	113,559,768,225	32,196,777,914	1,505,594,336	2,246,004,655	357,358,565,391	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

12. INTANGIBLE FIXED ASSETS

	VND			
	<i>Land use rights</i>	<i>Computer software</i>	<i>Branding</i>	<i>Total</i>
Cost				
Beginning balance	28,839,738,884	13,762,081,546	1,464,370,376	44,066,190,806
New purchases	-	120,000,000	-	120,000,000
Disposals	-	(2,663,086,906)	-	(2,663,086,906)
Ending balance	<u>28,839,738,884</u>	<u>11,218,994,640</u>	<u>1,464,370,376</u>	<u>41,523,103,900</u>
<i>In which:</i>				
Fully amortized	-	8,759,158,585	1,464,370,376	10,223,528,961
Accumulated amortization				
Beginning balance	4,088,580,530	11,783,402,648	1,464,370,376	17,336,353,554
Amortization for the year	343,355,436	1,345,173,475	-	1,688,528,911
Disposals	-	(2,663,086,906)	-	(2,663,086,906)
Ending balance	<u>4,431,935,966</u>	<u>10,465,489,217</u>	<u>1,464,370,376</u>	<u>16,361,795,559</u>
Net carrying amount				
Beginning balance	<u>24,751,158,354</u>	<u>1,978,678,898</u>	-	<u>26,729,837,252</u>
Ending balance	<u>24,407,802,918</u>	<u>753,505,423</u>	-	<u>25,161,308,341</u>

13. CONSTRUCTION IN PROGRESS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
LNG business project	73,179,702,669	53,698,703,103
Land lease and clearance	4,773,938,018	4,922,438,018
Others	<u>4,006,753,221</u>	<u>3,340,064,499</u>
TOTAL	<u>81,960,393,908</u>	<u>61,961,205,620</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

14. SHORT-TERM TRADE PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Amounts due to other parties	331,889,548,220	294,201,478,637
<i>In which:</i>		
<i>Binh Son Refining and Petrochemical Joint Stock Company</i>	115,773,578,056	111,855,181,545
<i>Branch of Petrovietnam Low Pressure Gas Distribution Joint Stock Company - Vung Tau Low Pressure Gas Distribution Enterprise Branch of Petrovietnam Low Pressure Gas Distribution Joint Stock Company - Nhon Trach Low Pressure Gas Distribution Enterprise Nam Son Trading Service Management Company Limited</i>	70,998,657,161	57,427,300,643
<i>Others</i>	39,926,234,666	33,264,426,796
<i>Others</i>	25,722,424,198	26,954,162,752
<i>Others</i>	79,468,654,139	64,700,406,901
Amounts due to related parties (Note 28)	366,544,868,737	400,704,741,074
TOTAL	<u>698,434,416,957</u>	<u>694,906,219,711</u>

15. TAX

	VND			
	<i>Beginning balance</i>	<i>Increase</i>	<i>Decrease</i>	<i>Ending balance</i>
Value-added tax	(44,881,923,732)	557,812,537,923	(549,183,376,077)	(36,252,761,886)
Corporate income tax	(5,014,182,830)	31,091,581,798	(20,414,819,887)	5,662,579,081
Personal income tax	1,387,607,358	7,052,449,103	(7,628,832,117)	811,224,344
Others	(1,202,248,838)	368,492,239	(368,492,239)	(1,202,248,838)
TOTAL	<u>(49,710,748,042)</u>	<u>596,325,061,063</u>	<u>(577,595,520,320)</u>	<u>(30,981,207,299)</u>
<i>In which:</i>				
<i>Value-added tax deductible</i>	(45,269,848,414)			(40,204,676,727)
<i>Tax overpaid</i>	(6,216,790,333)			(1,202,607,503)
<i>Tax payables</i>	1,775,890,705			10,426,076,931

16. SHORT-TERM ACCRUED EXPENSES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Cost of purchasing CNG	109,379,935,936	85,384,326,792
Cost of construction in progress of LPG Nha Trang station	18,552,028,416	-
Cost of cylinder rental	13,056,554,521	4,378,979,143
Promotion expense	10,929,026,940	6,275,136,400
Others	10,842,107,316	7,621,670,301
TOTAL	<u>162,759,653,129</u>	<u>103,660,112,636</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

17. OTHER PAYABLES

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	23,076,112,395	8,750,596,854
Borrowing goods	13,377,399,060	62,268,741
Trade union fee	2,261,473,257	1,852,290,293
Deposits received	352,221,400	1,222,221,400
Others	7,085,018,678	5,613,816,420
Long-term	177,877,689,485	210,864,084,081
Deposit received (*)	177,877,689,485	210,864,084,081
TOTAL	<u>200,953,801,880</u>	<u>219,614,680,935</u>
<i>In which:</i>		
<i>Amounts due to other parties</i>	<i>200,953,801,880</i>	<i>219,256,490,409</i>
<i>Amounts due to related party (Note 28)</i>	<i>-</i>	<i>358,190,526</i>

(*) These deposits received from customers for the value of gas cylinder shell. The movement of the deposits are as follows:

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Beginning balance	210,864,084,081	234,056,760,417
Deposits received within the year	17,214,888,162	23,521,140,000
Revenue allocation	(35,828,274,596)	(35,624,916,346)
Contract liquidation	(14,373,008,162)	(11,088,899,990)
Ending balance	<u>177,877,689,485</u>	<u>210,864,084,081</u>

18. LOANS

	VND	
	<i>Ending balance</i>	<i>Beginning balance</i>
Short-term	564,844,530,548	268,801,811,123
Short-term bank loans (Note 18.1)	555,168,673,412	262,903,625,436
Current portion of long-term bank loan (Note 18.2)	9,675,857,136	5,898,185,687
Long-term	21,770,678,566	19,169,103,485
Long-term bank loans (Note 18.2)	21,770,678,566	19,169,103,485
TOTAL	<u>586,615,209,114</u>	<u>287,970,914,608</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

18. LOANS (continued)

Details are as below:

	VND				
	<i>Beginning balance</i>	<i>Drawdown</i>	<i>Repayment</i>	<i>Reclassification</i>	<i>Ending balance</i>
Short-term	268,801,811,123	1,189,907,493,552	(903,540,631,263)	9,675,857,136	564,844,530,548
Loans from bank	262,903,625,436	1,189,907,493,552	(897,642,445,576)	-	555,168,673,412
Current portion of long-term loans	5,898,185,687	-	(5,898,185,687)	9,675,857,136	9,675,857,136
Long-term	19,169,103,485	15,282,829,600	(3,005,397,383)	(9,675,857,136)	21,770,678,566
Loans from bank	19,169,103,485	15,282,829,600	(3,005,397,383)	(9,675,857,136)	21,770,678,566
TOTAL	<u>287,970,914,608</u>	<u>1,205,190,323,152</u>	<u>(906,546,028,646)</u>	<u>-</u>	<u>586,615,209,114</u>

18.1 Short-term loans

The Group obtained these unsecured loans to finance for its working capital requirements of the Group.

<i>Banks</i>	<i>Ending balance</i> (VND)	<i>Maturity date</i>	<i>Interest rate</i> % per annum
Joint Stock Commercial Bank for Investment and Development of Vietnam	289,780,657,137	From 8 January 2024 to 26 March 2024	2.50 - 3.20
Joint Stock Commercial Bank For Foreign Trade Of Vietnam - Ky Dong Branch	186,601,073,197	From 1 February 2024 to 18 March 2024	2.50 - 3.00
HSBC Bank Vietnam Limited	78,786,943,078	From 16 January 2024 to 18 March 2024	3.00 - 3.20
TOTAL	<u>555,168,673,412</u>		

18.2 Long-term loan

<i>Bank</i>	<i>Ending balance</i> (VND)	<i>Maturity date</i>	<i>Interest rate</i> % per annum	<i>Description of collateral</i>
Shinhan Bank – Ho Chi Minh City Branch	<u>31,446,535,702</u>	From 25 January 2024 to 12 January 2027	6.80-7.90	All assets, including but not limited to machinery, vehicles and other ancillary systems under the Project LNG supplies to industrial and transportation customers according to Decision No. 144/QD-KMN dated 22 March 2021
<i>In which:</i>				
<i>Non-current portion</i>	21,770,678,566			
<i>Current portion</i>	9,675,857,136			

The Group obtained the long-term loan to finance the development costs of LNG supply system for business purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

19. OWNERS' EQUITY

19.1 Increases and decreases in owners' equity

	Share capital	Share premium	Treasury shares	Development fund	Undistributed earnings	Total	VND
Previous year							
Beginning balance	500,000,000,000	45,594,384,212	(12,061,327)	362,934,290,222	98,232,964,632	1,006,749,577,739	
Net profit for the year	-	-	-	-	98,858,815,869	98,858,815,869	
Dividend declaration	-	-	-	-	(72,616,629,375)	(72,616,629,375)	
Bonus and welfare fund	-	-	-	-	(13,000,000,000)	(13,000,000,000)	
Allowance for management	-	-	-	-	(1,000,000,000)	(1,000,000,000)	
Ending balance	500,000,000,000	45,594,384,212	(12,061,327)	362,934,290,222	110,475,151,126	1,018,991,764,233	
Current year							
Beginning balance	500,000,000,000	45,594,384,212	(12,061,327)	362,934,290,222	110,475,151,126	1,018,991,764,233	
Net profit for the year	-	-	-	-	106,160,235,957	106,160,235,957	
Dividend declaration (*)	-	-	-	-	(104,379,149,624)	(104,379,149,624)	
Bonus and welfare fund	-	-	-	-	(11,000,000,000)	(11,000,000,000)	
Ending balance	500,000,000,000	45,594,384,212	(12,061,327)	362,934,290,222	101,256,237,459	1,009,772,850,566	

(*) In accordance with the Board of Directors' Resolution No. 296/NQ-KMN dated 23 June 2023, the Company was approved to pay 2022 dividends by cash at 20% par value. On 21th July 2023, the Company has completed the 2022 dividend payment above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

19. OWNERS' EQUITY (continued)

19.2 Capital transactions with owners and distribution of dividends

	<i>Current year</i>	<i>VND Previous year</i>
Contributed share capital		
Beginning and ending balance	<u>500,000,000,000</u>	<u>500,000,000,000</u>
Dividends declared		
Dividends paid during the year	(99,971,806,000)	(72,598,259,700)

19.3 Shares

	<i>Number of shares</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Authorized shares	50,000,000	50,000,000
Shares issued and fully paid	50,000,000	50,000,000
<i>Ordinary shares</i>	<i>50,000,000</i>	<i>50,000,000</i>
Treasury shares	1,206	1,206
<i>Ordinary shares</i>	<i>1,206</i>	<i>1,206</i>
Shares in circulation	49,998,794	49,998,794
<i>Ordinary shares</i>	<i>49,998,794</i>	<i>49,998,794</i>

Shares at par value in circulation is VND 10,000/share.

20. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated as follows:

	<i>Current year</i>	<i>Previous year (as restated)</i>
Net profit after tax attributable ordinary shareholders (VND)	106,153,177,216	98,858,815,869
Distribution to bonus and welfare fund (VND) (*)	<u>(11,000,000,000)</u>	<u>(13,000,000,000)</u>
Net profit after tax attributable to ordinary shareholders (VND)	95,153,177,216	85,858,815,869
Weighted average number of ordinary shares (share)	49,998,794	49,998,794
Basic and diluted earnings per share (VND/share)	1,903	1,717

(*) According to the Resolution of the 2022 Annual General Meeting No. 10/NQ-KMN dated 15 June 2023, the Group's shareholders approved the plan to distribute its profit to reward Board of Management and established Bonus and Welfare Fund in 2022 and plan for 2023. Accordingly, the profit used to compute earnings per share for 2022 and 2023 is adjusted for the said appropriation.

There have been no dilutive potential ordinary shares during the year and up to the date of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

21. REVENUE FROM SALES OF GOODS AND RENDERING OF SERVICES

21.1 Revenue from sales of goods and rendering of services

	VND	
	Current year	Previous year
Gross revenue	5,905,226,559,572	7,024,162,697,131
<i>In which:</i>		
Revenue from LPG	4,123,155,154,833	5,239,158,358,929
Revenue from CNG	1,564,837,621,873	1,550,490,596,211
Revenue from petrol and lubricant	87,791,382,150	104,530,583,160
Revenue from LPG gas cylinders	39,491,688,442	31,327,740,661
Revenue from maintaining gas cylinders	25,831,141,310	35,624,916,346
Revenue from gas cylinders deposit	35,828,274,596	26,275,715,000
Others	28,291,296,368	36,754,786,824
Sales deduction	(227,873,786,060)	(203,473,638,026)
Net revenue	5,677,352,773,512	6,820,689,059,105
<i>In which:</i>		
Sales to others	5,677,211,604,081	6,813,672,522,600
Sales to related parties (Note 28)	141,169,431	7,016,536,505

21.2 Financial income

	VND	
	Current year	Previous year
Interest income	8,474,223,338	9,966,629,744
Foreign exchange gains	1,969,562,035	511,829,035
Others	-	73,480,732
TOTAL	10,443,785,373	10,551,939,511

22. COST OF GOODS SOLD AND SERVICES RENDERED

	VND	
	Current year	Previous year
Cost of LPG	3,336,455,428,031	4,562,735,857,468
Cost of CNG	1,197,729,864,255	1,148,386,223,044
Cost of petrol and lubricant	84,646,073,798	102,330,174,244
Cost of LPG gas cylinders	37,272,911,181	27,422,596,152
Cost of maintaining gas cylinders	8,917,752,656	15,875,130,634
Allocation of gas cylinder	117,668,010,443	110,541,124,355
Others	9,506,480,438	6,184,397,523
TOTAL	4,792,196,520,802	5,973,475,503,420

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

23. FINANCE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Interest expenses	12,762,581,378	8,215,129,069
Foreign exchange losses during the year	52,809,530	2,159,326,897
TOTAL	<u>12,815,390,908</u>	<u>10,374,455,966</u>

24. SELLING EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labor cost	208,034,862,662	232,885,008,029
Tools and equipment	149,980,025,975	109,386,434,178
Expenses for other external services	83,698,460,067	88,975,550,445
Transportation expenses	66,625,227,565	66,156,769,694
Depreciation and amortization	58,216,536,350	70,579,278,027
Others	89,210,842,794	64,572,040,274
TOTAL	<u>655,765,955,413</u>	<u>632,555,080,647</u>

25. GENERAL AND ADMINISTRATIVE EXPENSES

	VND	
	<i>Current year</i>	<i>Previous year</i>
Labor cost	39,973,252,379	35,840,976,538
Expenses for other external services	29,401,807,825	34,363,536,475
Tool & Prepaid expenses	7,972,598,620	13,157,812,474
Depreciation and amortization	2,075,028,096	2,089,139,047
Others	7,091,344,620	10,665,527,676
TOTAL	<u>86,514,031,540</u>	<u>96,116,992,210</u>

26. PRODUCTION AND OPERATING COSTS

	VND	
	<i>Current year</i>	<i>Previous year</i>
Cost of merchandises	4,524,199,813,724	5,763,176,050,346
Expenses for external services	293,011,582,578	254,006,999,889
Labor costs	270,195,749,160	291,103,288,388
Tools and equipment	158,828,139,187	122,544,246,652
Raw material	89,812,042,860	110,234,724,664
Depreciation and amortization (Notes 11 and 12)	66,782,474,205	84,478,553,573
Others	132,912,889,860	72,843,044,203
TOTAL	<u>5,535,742,691,574</u>	<u>6,698,386,907,715</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

27. CORPORATE INCOME TAX

The Group has the obligation to pay corporate income tax ("CIT") at the rate of 20% of taxable profits.

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the consolidated financial statements could change at a later date upon final determination by the tax authorities.

27.1 CIT expenses

	VND	
	<i>Current year</i>	<i>Previous year</i>
Current CIT expense	31,091,581,798	21,070,213,104
Deferred tax expense	<u>8,326,690,201</u>	<u>4,175,166,664</u>
TOTAL	<u>39,418,271,999</u>	<u>25,245,379,768</u>

The reconciliation between CIT expenses and the accounting profit multiplied by CIT rate is presented below:

	VND	
	<i>Current year</i>	<i>Previous year</i>
Accounting profit before tax	<u>145,578,507,956</u>	<u>124,104,195,637</u>
At CIT rate applied for the Group	29,115,701,592	24,820,839,127
<i>Adjustments:</i>		
Written-off deferred tax assets relating to provision of investment	9,282,420,241	-
Non-deductible expenses	<u>1,020,150,166</u>	<u>424,540,641</u>
CIT expense	<u>39,418,271,999</u>	<u>25,245,379,768</u>

27.2 Current tax

The current tax payable is based on taxable income for the current year. The taxable income of the Group for the year differs from the profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

27. CORPORATE INCOME TAX (continued)

27.3 Deferred taxes

The following are the deferred tax assets and liabilities recognized by the Group, and the movements thereon, during the current and previous years:

	<i>Consolidated balance sheet</i>		<i>Consolidated income statement</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>	<i>Current year</i>	<i>Previous year</i>
Unrealized profit	3,570,500,137	1,569,567,742	2,000,932,394	(73,088,676)
Provision for inventories	1,236,165,255	944,893,407	291,271,848	(151,405,013)
Provision for doubtful receivables	798,774,880	3,099,987,218	(2,301,212,338)	(889,477,095)
Provision for investment	-	9,282,420,241	(9,282,420,241)	-
Other provisions	2,013,738,136	1,049,000,000	964,738,136	(3,061,195,880)
TOTAL	7,619,178,408	15,945,868,608	(8,326,690,201)	(4,175,166,664)

28. TRANSACTIONS WITH RELATED PARTIES

Significant transactions with related parties during the year were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
PV Gas	Shareholder	Purchase of goods and service	1,699,667,912,938	2,238,839,958,947
		Sale of goods and services	141,169,431	7,016,536,505

Amounts due from and due to related party at the balance sheet date were as follows:

<i>Related party</i>	<i>Relationship</i>	<i>Transaction</i>	<i>VND</i>	
			<i>Ending balance</i>	<i>Beginning balance</i>
Short-term trade receivables				
PV Gas	Shareholder	Sale of goods and services	51,384,520	1,780,818,003
Short-term trade payable				
PV Gas	Shareholder	Purchase of goods and service	366,544,868,737	400,704,741,074
Other short-term payable				
PV Gas	Shareholder	Other collection and payment	-	358,190,526

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

28. TRANSACTIONS WITH RELATED PARTIES (continued)

Transactions with other related parties

Allowance of members of the Board of Directors, Board of Supervision and salary, bonus of the Management:

<i>Individuals</i>	<i>Position</i>	<i>Current year</i>	<i>VND</i>	
			<i>Current year</i>	<i>Previous year</i>
Board of Directors				
Mr Phan Quoc Nghia	Chairman	569,600,000	496,333,333	
Mr Nguyen Ngoc Luan	Member	560,000,000	560,000,000	
Mr Nguyen Hoang Giang	Member	410,000,000	408,000,000	
Ms Nguyen Ngoc Anh	Member	186,000,000	132,000,000	
Mr Ha Anh Tuan	Member (resigned on 15 June 2023)	88,500,000	132,000,000	
Mr Vu Hoang Ha	Member (appointed on 15 June 2023 and resigned on 28 December 2023)	88,269,230	-	
Ms Vu Thi Thanh Tam	Member (appointed on 12 December 2023)	9,230,770	-	
Board of Supervision				
Ms Dao Thanh Hang	Head	829,487,367	903,656,195	
Ms Tran Thi Thu Hien	Member	362,797,734	363,030,490	
Ms Dang Thi Hong Yen	Member	86,333,333	41,666,667	
Management				
Mr Nguyen Ngoc Luan	General Director	2,763,300,624	3,070,926,543	
Mr Tran Anh Dung	Deputy General Director	1,567,377,337	1,716,361,428	
Mr Dang Van Vinh	Deputy General Director	1,564,466,949	1,678,526,377	
Mr Dao Huu Thang	Deputy General Director	1,359,679,790	1,500,694,926	

29. OPERATING LEASE COMMITMENTS

The Group leases land and office under operating lease arrangements. The minimum lease commitment as at the balance sheet date under the operating lease arrangement is as follows:

	<i>VND</i>	
	<i>Ending balance</i>	<i>Beginning balance</i>
Less than 1 year	6,850,688,380	5,619,841,367
From 1 to 5 years	6,560,246,475	5,053,839,180
Over 5 years	6,432,211,055	7,421,321,823
TOTAL	19,843,145,910	18,095,002,370

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
as at 31 December 2023 and for the year then ended

30. EVENTS AFTER THE BALANCE SHEET DATE

There is no significant matter or circumstance that has arisen since the balance sheet date that requires adjustment or disclosure in the consolidated financial statements of the Group.



Le Thi Diem Chi
Preparer



Cao Nguyen Duc Anh
Chief Accountant



Nguyễn Ngọc Luan
General Director

Ho Chi Minh City, Vietnam

26 March 2024

