THE STATE SECURITIES COMMISSION’S ISSUANCE OF A REGISTRATION CERTIFICATE FOR PUBLIC OFFERING OF SECURITIES SOLELY MEANS THAT REGISTRATION OF SECURITIES OFFERING TO THE PUBLIC HAS BEEN IMPLEMENTED IN COMPLIANCE WITH REGULATIONS OF RELEVANT LAW AND HAS NO IMPLICATION TO ENSURE THE VALUE OF THE COMPANY AND THE VALUE OF THE SECURITIES. ALL DECLARATIONS CONTRARY TO THIS IS ILLEGAL.

**PROSPECTUS**

**Petrovietnam Chemical and Services Corporation**

(Business Registration Certificate No. 0100150873 issued by Hanoi Department of Planning and Investment on November 10, 2021: registered for the 26th change on November 10, 2021)

**ADDITIONAL PUBLIC OFFERING**

(Offering registration certificate No. 363/GCN-UBCK issued by the Chair of the State Securities Commission on October 10, 2023)

**This Prospectus and additional documents will be provided from: at:**

**PETROVIETNAM CHEMICAL AND SERVICES CORPORATION**

Headquarters: 6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi, Vietnam

Phone number: 024.38562861 Fax: 024.38562552

Website: <https://pvchem.com.vn/>

**PETROVIETNAM SECURITIES INCORPORATED**

Headquarters: Floor 2, Hanoi Tourist Building, No. 18 Ly Thuong Kiet, Phan Chu Trinh Ward, Hoan Kiem District, Ha Noi

Phone number: 024.39343888 Fax: 024.39343999

Website: <http://www.psi.vn/>

**PERSON IN CHARGE OF INFORMATION DISCLOSURE**

Full name: Do Thi Hong Hanh Position: Secretariat/Person in charge of corporate governance

Phone number: 024.38562861 Fax: 024.38562552

**PETROVIETNAM CHEMICAL AND SERVICES CORPORATION**

(Business Registration Certificate No. 0100150873 issued by Hanoi Department of Planning and Investment on November 10, 2021; registered for the 26th change on November 10, 2021)

**ADDITIONAL PUBLIC OFFERING**

|  |  |  |
| --- | --- | --- |
| * Share name | : | Shares of Petrovietnam Chemical and Services Corporation |
| * Type of share | : | Common shares |
| * Par value | : | VND 10,000/share |
| * Offering price | : | VND 10,000/share. |
| * Number of offered shares | : | 31,200,000 shares |
| In which |  |  |
| Issuance to increase capital from the owners' equity |  | 10,000,000 shares |
| Additional share offering to existing shareholders |  | 21,200,000 shares |
| * Total value of offered shares based on the par value | : | VND 312,000,000,000 |
| In which |  |  |
| Issuance to increase capital from the owners' equity |  | VND 100,000,000,000 |
| Additional share offering to existing shareholders |  | VND 212,000,000,000 |

|  |  |
| --- | --- |
| **CONSULTING ORGANIZATION** | |
|  | **PetroVietnam Securities Incorporated** |
| Address: 2nd floor, Hanoi Tourist Building, 18 Ly Thuong Kiet, Phan Chu Trinh, Hoan Kiem, Hanoi |
| Phone number: 024.39343888 Fax: 024.39343999 |
| **AUDIT COMPANY** | |
|  | **KPMG Limited** |
| Address: Floor 46, Keangnam Landmark 72 Building, Lot E6 Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi |
| Phone number: (84-24) 3946 1600 Fax: (84-24) 3946 1601 |

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1. PERSONS TAKING THE MAIN RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS
   1. Issuer

**Mr. Truong Dai Nghia**  Position: Chair of the Board of Directors

**Mr. Phan Cong Thanh**  Position: General Manager - Legal representative

**Mr. Tran Van Trinh**  Position: Chief Accountant

We ensure that the information and figures in this Prospectus are accurate and truthful and commit to taking responsibility for the truthfulness and accuracy of this information and figures. Within the scope of our responsibilities and known information, we affirm that there is no erroneous information or figures that could affect the information in the Prospectus.

* 1. Consulting organization:

**Ms. Phan Quynh Nga** Position: Manager

(According to Power of Attorney No. 09/UQ-NDD-CKDK signed by the Legal Representative authorizing levels of PSI dated March 10, 2022)

This prospectus is a part of the registration dossier to offer additional shares to the public, prepared by Petrovietnam Securities Incorporated on the basis of Consulting Contract No. 446/2021/HDTV-PVChem-PSI dated March 31, 2021 with Petrovietnam Chemical and Services Corporation and Contract Appendices. Within the scope of our responsibilities and known information, we ensure that the analysis, evaluation and choice of language in this Prospectus have been implemented reasonably and carefully based on the information and figures provided by Petrovietnam Chemical and Services Corporation.

1. RISK FACTORS
   1. Economics risks

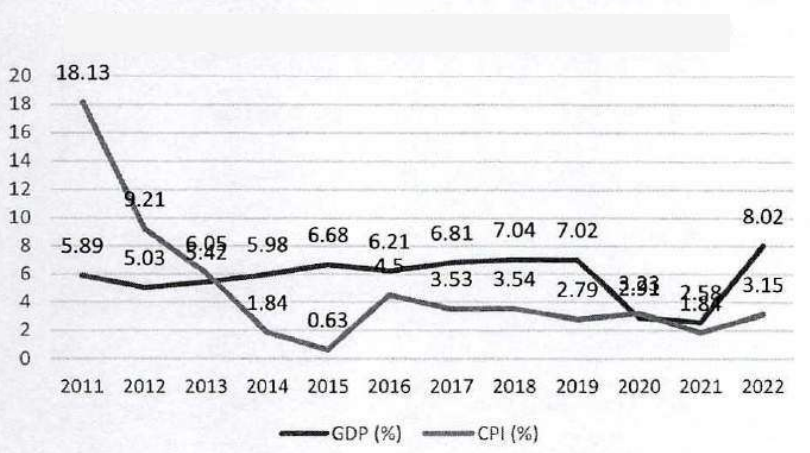
The economic environment with basic factors such as economic growth rate, inflation index, interest rates, and exchange rates... are objective factors that directly impact the development of every manufacturing and services industry as well as all businesses. Production and business activities of Petrovietnam Chemical and Services Corporation, mainly in the field of production and trading of chemicals to serve the Petroleum industry, are also affected by the above macroeconomic fluctuations of the economy.

* + 1. Risks of economic growth

The economic growth rate is a factor that directly affects the development of most industries and sectors of the economy. Economic growth, in general, will increase social consumption demand, promote an increase in industrial output and help businesses expand the consumption market for their products. In recent years, Vietnam's economy has always maintained a high and stable growth rate compared to other countries in the region and the world, except for 2020 and 2021 due to the serious impact of the COVID-19 pandemic.

According to figures from the General Statistics Office, gross domestic product (GDP) in 2022 increased by 8.02% compared to that of the previous year. Our country's economy remains stable with inflation controlled at an appropriate level and goods purchase, consumption and export activities increase sharply. The agriculture, forestry and fishery sectors maintain stable growth. Processing and manufacturing activities continue to play an important role in promoting economic growth. However, in 2023, Vietnam's economy will face many difficulties and challenges, especially the impact of the world economy with increasing possibility of recession and unpredictable fluctuations.

**Vietnam's GDP growth and inflation over the years**



GDP growth rate and inflation rate in 2011 - 2022

Source: General Statistics Office of Vietnam

Thanks to the effectiveness of the guidelines and policies implemented by the Party, the National Assembly, the Government, the Prime Minister, ministries and localities in the difficult context of the world economy with many countries experiencing recession, our country's economy in the first 6 months of 2023 still achieved appropriate growth. The GDP growth rate in the first 6 months of this year reached 3.72% over the same period last year, of which the agriculture, forestry and fishery sectors increased by 3.07%, contributing 9.28%; The industrial and construction sectors increased by 1.13%, contributing 11.87%; The service sector increased by 6.33%, contributing 78.85%.

However, Vietnam's economy is highly open, domestic production depends heavily on imported raw materials and fuels. Inflation pressure on the Vietnamese economy comes from supply chain inflation; prices of raw materials and fuels in the world increased and domestic aggregate demand increased dramatically. In addition, the unresolved Russia-Ukraine crisis has exacerbated supply chain disruptions, pushing up raw material and fuel prices and world inflation, setting records in recent decades.

PVChem and other businesses' business activities are affected by economic growth factors. When the Government applies stimulus policies to promote economic growth in general, it has a positive impact on the business performance of enterprises. On the contrary, when the economy is in recession, consumption in all economic sectors declines, which will affect the business results of businesses.

* + 1. Inflation risk

Financial risks of businesses are often associated with inflation trends in the economy. Rising inflation will push up the price of raw materials for businesses, affecting the company's profit margin, and capital mobilization activities, causing price fluctuations in the market and directly affecting PVChem's business activities.

Risks in corporate finance are often associated with inflation in the economy. Rising inflation often leads to increased interest rates, and increases prices of supplies, raw materials and labor, causing increased input costs while reducing demand for goods due to reduced purchase power.

During the period of 2016-2021, Vietnam's average inflation was at a record low for many years, partly due to the impact of the decline in crude oil prices. In 2021, the inflation index was controlled much below the level assigned by the National Assembly of 4%, with 1.84%.

The State Bank of Vietnam's report shows that as of December 21, 2022, total means of payment increased by 3.85% compared to that of the end of 2021, capital mobilization by credit institutions increased by 5.99%, and credit growth reached 12.87%. The State Bank's monetary policy has helped control inflation and protect exchange rates, but the risks of the banking system have increased and confidence in the financial market has not returned to normal. Rising interest rates, bad debts and systemic risks could increase if the high interest rate situation is not resolved soon. Average core inflation for the whole year 2022 increased by 2.59%, but core inflation has continuously increased since Q3/2022 and reached a record level of 4.99% in December 2022. Work to remove difficulties in the domestic petroleum supply has been accelerated and efforts to stabilize exchange rates have helped reduce the pressure of inflation. The National Assembly and the Government have cut the environmental protection tax on gasoline and oil in 2022 according to the legal process and are evaluating and considering adjusting this tax for 2023.

According to figures from the General Statistics Office, in the first 6 months of 2023, CPI increased by 3.29% compared to the same period last year; Core inflation increased by 5.01%. Commodity prices have tended to decrease in the first months of 2023 compared to that of the end of the previous year, but inflation remains high.

For businesses, rising inflation will affect production and business results through an increase in input costs, especially costs of raw materials, labor,... If the inflation rate is maintained stably at a low level, it will have a positive impact on production and business activities of businesses, helping businesses control the prices and costs of input factors, and improve business operation efficiency.

* + 1. Risks in interest rate:

In the first months of 2023, the instability of some banks in the US and Europe affected the belief of people around the world in the banking system as central banks continued to increase interest rates and use monetary policy tightened further. However, developments in the world financial market showed that during the period, central banks may not operate in phase with each other, the reason for this completely depends on the macroeconomic foundation of each country. China lowered interest rates in August 2022 and continued to reduce the required reserve rate in March 2023, cut short-term policy interest rates, and loosened monetary policy to support economic recovery. The Central Banks of Singapore and Australia both announced notices to stop raising interest rates at their most recent meetings.

In Vietnam, on March 16, 2023, the State Bank lowered the rediscounted interest rate from 4.5%/year to 3.5%/year, and at the same time reduced the overnight lending interest rate on the interbank market from 7%/year to 6%/year and reduced the lending interest rate for short-term loans in a number of sectors from 5.5%/year to 5%/year. After that, from the end of March to the end of June 2023, the State Bank continued to have 3 rounds of interest rate reduction adjustments, with each round the agency adjusted a decrease of 0.3 - 0.5%/year of some operating interest rates. The reduction of operating interest rates and the orientation of reducing lending interest rates of the State Bank actively supported businesses and people to restore production and business, promoting growth after a period of sharp increases in interest rates at the end of 2022 due to some economic fluctuations.

In the production and business process, depending on its business characteristics, each business has a different capital structure. However, most businesses use large loans from commercial banks, so fluctuations in bank interest rates will cause certain risks for businesses.

When interest rate increases sharply, it leads to the business's interest payment costs being higher than its ability to generate profits, and the level of interest rate risk also varies between industries depending on the debt structure of those industries. On the contrary, when interest rate decreases, favorable access to credit capital will create conditions for businesses in general and PVChem to have capital sources with appropriate capital costs to serve production and business activities.

* + 1. Exchange rate risks

It is forecasted that the USD/VND exchange rate in the last 6 months of this year will fluctuate within a range of +/- 3% according to the central exchange rate of the State Bank when foreign exchange reserves increase again, the trade balance has a strong trade surplus, FDI flows have positive signals and remittances are expected to increase.

From the beginning of 2023 until now, the USD/VND exchange rate has fluctuated around VND 23,240 - 23,630 for USD 1, a margin of +/- 1.9% compared to the central exchange rate of the State Bank. This is considered a significantly more stable level compared to that of 2022 when it sometimes peaks at VND 24,692 for USD 1, an increase of 4.2% compared to the central exchange rate.

As of early June 2023, the USD/VND exchange rate has decreased by 0.52% compared to that of the beginning of 2023 thanks to abundant foreign currency supply from trade balance surplus, disbursed FDI capital inflows, and international tourism recovery and partly thanks to the weakening of the USD in the international market.

Notably, Vietnam is recording many factors supporting the exchange rate in the second half of this year. Specifically:

First, foreign exchange reserves have grown again. After strong fluctuations in the currency market in 2022, Vietnam's foreign exchange reserves at the end of 2022 are about USD 90 billion. In the first 6 months of 2023, the State Bank bought about USD 6 billion to add to foreign exchange reserves. According to the International Monetary Fund (IMF), Vietnam's foreign exchange reserves are forecast at the end of this year to be at USD 95 billion, possibly even higher when the import-export situation and FDI inflows for disbursement resolve are further improved.

Secondly, the trade balance had a strong trade surplus in the first 6 months of 2023. Although import-export turnover in the past 6 months was still low, the trade balance still maintained a strong trade surplus, of USD 12.25 billion. This figure is much higher than USD -0.47 billion in the same period in 2021 and USD 0.24 billion in the same period in 2022. Vietnam's import-export situation is expected to be better from Q3/2023 onwards when demand from the US and EU markets recovers, the positive impact of China's reopening as well as the Vietnamese enterprises expand new alternative export markets.

Thirdly, the tourism industry has recovered significantly.

Fourthly, FDI capital flow has more positive signals. Although cumulatively in the first 5 months of this year, the amount of FDI capital decreased slightly over the same period, the figure in April and May showed more positive signs thanks to gradually improving macroeconomic factors. Although further observation is needed, in the medium and long term, the FDI capital flow into Vietnam is still considered to be in a positive state. This is a significant supporting factor for USD flowing into Vietnam.

Fifthly, the US Federal Reserve (FED) may soon stop raising interest rates. At the end of the last June session, the FED decided to temporarily suspend interest rate increases this time after 10 consecutive increases from March 2022 until now. Although it is still possible that the Fed will raise interest rates again this year, the agency's tightening of monetary policy is becoming less intense. Therefore, the period of the USD being as high as the end of 2022 has passed.

Finally, remittances to Vietnam are expected to maintain an increasing momentum.

Exchange rate risk in the market can directly impact the Corporation's performance because PVChem carries out a number of foreign currency transactions such as importing goods, in which the Corporation will bear the risk of increased costs when there are fluctuations in exchange rates.

* 1. Risk regarding law

PV Chem's operations are governed by the system of Vietnamese legal documents, policies and regulations of Vietnam Oil and Gas Group, the State Securities Commission, the Stock Exchange, etc. Changes in legal regulations, policies of the Party and State, and regulations of Vietnam Oil And Gas Group have a direct impact on all aspects of PVChem's operations, from the production process, business with outside parties to organization, management and operation of internal systems.

* 1. Specific risks
     1. Competitive and market risks

One of the biggest challenges related to the market is the competition from branded chemical businesses with strong financial potential and extensive experience. These companies are continuing to invest heavily in marketing and sales activities to increase market share, not to mention competition from foreign competitors.

* + 1. Risks in raw materials

In the chemical production and business industry, raw material sources are very important, determining the quality and stability of output.

Risk of fluctuation in input factor prices: The field of chemical production and provision of petroleum technical chemical services is also affected by price fluctuations of other factors such as chemical prices, transportation prices and prices of some other input factors, which impact transportation costs as well as production costs of domestic construction materials, pushing up the prices of products and services.

* 1. Risks of the Offering

This offering is not underwritten, so there may be a risk that the offered shares will not be fully purchased. In this case, the number of undistributed shares will be decided by the Corporation's Board of Directors to continue distribution, negotiated at no lower than the issuance price to existing shareholders. The purpose of this offering is to contribute capital to establish Subsidiaries and contribute additional capital to Subsidiaries. In case the shares are not sold out as expected, it will affect the progress of capital contribution to Subsidiaries.

* 1. Dilution Risk

After issuance, the number of outstanding shares of the Corporation increases, which may lead to share dilution, including: (i) dilution of net earnings per share (EPS); (ii) dilution of book value per share; (iii) dilution of holding rate and voting rates; (iv) dilution of the reference price at the transaction date without the rights to buy additional issued shares.

* + 1. Dilution of net earnings per share (EPS)

After the offering, the number of outstanding shares on the market will increase, so earnings per share (EPS) will be adjusted

The formula to calculate expected EPS dilution is as follows:

Diluted EPS=E/(Q average)

In which:

* Diluted EPS is the diluted Earnings per Share after a successful issuance
* E is the total profit allocated to shareholders owning common shares
* Q average is the average number of outstanding shares during the period (after issuance)

EPS in 2022 according to the Corporation's Audited Separate Financial Statements is VND 214/share. After the issuance, EPS may be diluted due to the increase in the total number of outstanding shares compared to the present, and the use of capital raised from the offering does not immediately generate the revenue and profit for the Company.

* + 1. Dilution of book value per share

Book value/share = (owners' equity)/(Total number of offered shares - Total number of treasury shares)

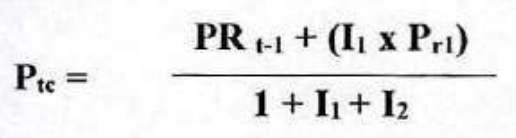
At the end of the issuance, if the growth rate of the owners' equity is lower than the growth rate of the number of increased shares after the issuance, the book value/share will decrease.

* + 1. Dilution of holding rate and voting rights

The holding rate and voting rights of shareholders will be reduced by a proportion corresponding to the rate at which the shareholder refuses the rights to buy shares in this offering (compared to the time before the record date of the list to exercise the rights to buy additional offered shares that shareholders currently own).

* + 1. Expected Dilution in the price of shares after issuance

At the ex-dividend date for the rights to buy offered shares (“Ex-dividend date”): The reference price of the share will be adjusted by the Hanoi Stock Exchange according to the following formula:



In which:

**Ptc**: Reference price at the Ex-Dividend Date

**PRt-1**: Closing price of the share at the most recent trading day before the Ex-Dividend Date

**Pr1**: Offering price for existing shareholders

**I1:** The rate of increased capital due to the issuance of share purchase rights to existing shareholders

**I2:** The rate of increased capital increased due to the issuance of share purchase rights to existing shareholders from the source of owners' equity

For example:

**PRt-1** : Suppose the closing price of the share on the most recent trading day before the ex-dividend date is VND 25,000/share.

**Pr1**: The offering price to existing shareholders is VND 10,000/share

**I1**: The rate of additional capital due to the issuance of share purchase rights to existing shareholders is: 10:4.24

**I2**: The rate of additional capital due to the issuance of share purchase rights to existing shareholders from the source of owners' equity is 10:2

**Ptc**: Suppose the reference price of PVC shares at the ex-dividend date in the new issuance to increase capital is:

* 1. Corporate Governance Risks

Risks arising from poor corporate governance are hidden risks, but can greatly affect the long-term and sustainable development of a business, causing damage to shareholders. If the Company's Board of Directors does not work effectively, is not transparent, and lacks a feedback mechanism, it will not be possible to promptly detect risks caused by the Executive Board's violations. In addition, information related to corporate governance such as: shareholder structure and ownership relations between groups of companies, between members of the Board of Directors, the Executive Board and related parties, environmental and social factors... affecting sustainable development of the business can also affect shareholders and other investors.

In any business industry, choosing an appropriate risk management structure and corporate governance structure is a necessary foundation for the business's risk management strategy. To achieve the highest efficiency, a risk management framework needs to be designed in accordance with the company's culture and strategy. Evaluating the role of corporate governance and paying attention to corporate governance from the most basic issues is an effective solution to prevent risks.

* 1. Other risks

Some other risks are related to the constant occurrence of natural disasters, storms, and floods; Fires, explosions, etc. causing great damage to people, property and the general operations of the Corporation. Although these risks rarely occur, it requires the Corporation to always proactively have plans to prevent and overcome risks through proactively purchasing insurance for employees, assets, and coordinating with relevant parties to raise awareness and have the necessary skills to promptly and thoughtfully handle unexpected situations for the Corporation.

1. Concepts and abbreviations

In this Prospectus, the following terms are construed as follows:

|  |  |
| --- | --- |
| Offering organization/Issuer | Petrovietnam Chemical and Services Corporation |
| Audit Company | KPMG Limited |
| Prospectus | Prospectus as regulated in Clause 23, Article 4 of the Law on Securities |
| Regulations | The Charter of Petrovietnam Chemical and Services Corporation approved by the Annual General Meeting of Shareholders 2021 |
| Charter capital | It is the capital contributed by all shareholders and recorded in the Charter of Petrovietnam Chemical and Services Corporation |
| Shares | Is the charter capital divided into equal parts |
| Shares | A type of security that confirms the legal rights and interests of the owner for a part of the share capital of Petrovietnam Chemical and Services Corporation. |
| FS | The Financial Statements |
| Employees | Employees |
| JCS | Joint Stock Company |
| Co., Ltd | Limited Liability Company |
| NR | Net revenue |
| GMS | The General Meeting of Shareholders of Petrovietnam Chemical and Services Corporation |
| BOD | The Board of Directors of Petrovietnam Chemical and Services Corporation |
| BOM | The Board of Members |
| GM | General Manager |
| DGM | Deputy General Manager |
| PVChem/ PVC/Corporation | Petrovietnam Chemical and Services Corporation |
| HNX | Hanoi Stock Exchange. |
| SSC | The State Securities Commission |
| VSDC | Vietnam Securities Depository and Clearing Corporation |
| B&P | Business and production |
| TE | Total expenses |
| FA | Fixed assets |
| CC | Charter capital |
| VND | Vietnamese Dong |

In addition, other terms will be construed as prescribed in Law on Securities No. 54/2019/QH14, Law on Enterprises No. 59/2020/QH14 and other relevant legal guiding documents.

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1. SITUATION AND CHARACTERISTICS OF THE ISSUER
   1. Information about the Issuer:

* Full name: Tổng Công ty Hóa chất và Dịch vụ Dầu khí - CTCP
* English name: Petrovietnam Chemical and Services Corporation
* Abbreviated name: PVChem
* Headquarters: 6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi, Vietnam.
* Business Registration Certificate No. 0100150873 issued by Hanoi Department of Planning and Investment for the first time on October 18, 2005, and registered for the 26th change on November 10, 2021.
* Charter capital: VND 500,000,000,000
* Legal representative: Mr. Phan Cong Thanh - General Manager
* Phone number: 024.38562861 Fax: 024.38562552
* Website: <https://pvchem.com.vn/>
* Securities code: PVC
* Exchange: The company registered for listing on the Hanoi Stock Exchange (HNX) on November 15, 2007.
* Business lines:

**Table 1: List of registered business lines**

|  |  |  |
| --- | --- | --- |
| **No.** | **Business code** | **Business Name** |
| 1 | 2011 | Basic chemical production  Details: Industrial gas production: oxygen, hydrogen, nitrogen,... |
| 2 | 2029 | Production of other uncategorized chemical products  Details: Chemical production (except chemicals banned by the State), chemical raw materials and equipment for technology transfer research, provision of drilling fluid services, finishing and repair services for oil and gas wells, treatment of areas near the well’s bottom, enhancing oil recovery, exploration, transportation, oil and gas processing and other industries. |
| 3 | 2592 | Mechanical engineering processing; Metal treatment and coating |
| 4 | 0899 | Other uncategorized mining  Details: Mining and production, trading of minerals domestically and abroad (except those banned by the State), trading of equipment and machinery serving the mineral exploitation industry and other industries. |
| 5 | 0910 | Supporting service activities for exploitation of crude oil and natural gas |
| 6 | 5229 | Other supporting services related to transport.  Detail: Warehousing and transportation service business (logistics). |
| 7 | 4661 | Wholesale of solid, liquid, gaseous fuels and related products  Details:   * Trading of gas and products from gas and biofuels. * Wholesale of petroleum and related products: Lubricant |
| 8 | 4669 | Other uncategorized specialized wholesale  Details:   * Wholesale of industrial chemicals * Trading of chemicals (except those banned by the State), chemicals, raw materials, and equipment for serving search, exploration, transportation, storage, and processing of oil and gas and economic sectors; * Trading of materials to serve industries; * Trading of construction materials to serve oil and gas and other economic sectors; * Trading of fertilizers produced domestically and internationally. * Wholesale of plastics in primary forms; Polypropylene plastic beads and related products. * Wholesale of silk, fiber, textile yarns; * Wholesale of cotton raw materials; dye; raw materials and packaging for the textile industry; * Wholesale of asphalt and chemical raw materials and additives for asphalt production; * Wholesale of iron ingots; * Wholesale of rubber; * Trading of additives for drilling fluids. * Wholesale of industrial gas (oxygen, hydrogen, nitrogen,...) * Purchase and sale of fire prevention and fighting safety equipment; * Purchase and sale of labor-protective clothing and equipment. |
| 9 | 3311 | Repair of prefabricated metal products |
| 10 | 3600 | Water exploitation, treatment and supply |
| 11 | 3700 | Drainage and wastewater treatment |
| 12 | 3811 | Non-hazardous waste collection |
| 13 | 3812 | Hazardous waste collection |
| 14 | 3821 | Non-hazardous waste treatment and destruction |
| 15 | 3822 | Treatment and destruction of hazardous waste |
| 16 | 3830 | Scrap recycling |
| 17 | 3900 | Pollution treatment and other waste management  Details: Collection, treatment, and processing of scrap and waste from the oil and gas industry; |
| 18 | 4390 | Other specialized construction activities. |
| 19 | 4933 | Road cargo transport. |
| 20 | 8299 | Other uncategorized business assistant services. Details   * Import and export of chemicals (except those banned by the State), chemical products, equipment, raw materials and supplies to serve the oil and gas industry, the treatment and prevention of environmental pollution and other industries. * Import and export of products traded by the Company |
| 21 | 6622 | Activities of insurance agents and brokers  Details: Insurance agent in the field of vehicle, machinery and human insurance. |
| 22 | 7110 | Architectural activities and related technical consultancy:  Details: Design of wastewater treatment systems for civil and industrial projects. |
| 23 | 7120 | Technical inspection and analysis  Details:   * Inspection and measurement of environmental indexes: air and water pollution. * Analytical and testing services for drilling fluids and chemicals in oil and gas exploration, transportation and storage; Physical and chemical analysis services of crude oil (chemical composition, solidification point, rheological properties, viscosity...); Sample storage and preservation services for reservoir water/oil volume analysis under high pressure and high-temperature conditions. |
| 24 | 7490 | * Other uncategorized professional, scientific and technological activities   Details:   * Provision of solutions, products, and technical services to increase the lifespan of industrial projects. * Research on technology transfer, provision of drilling fluid services, oil and gas well finishing and repair services, treatment for area near the well bottom, enhanced oil recovery and other oil and gas technical services ; * Environmental impact assessment and environmental remediation measures. * Environmental treatment and transfer of environmental treatment technology. * Consulting on technology transfer, provision of technical solutions, manufacturing, installment, and operation of environmental treatment equipment systems (water supply, wastewater, exhaust gas, solid waste); * Consulting on environmental protection; * Environmental impact assessment, report on environment; * Consulting and preparation of dossiers for environmental protection licenses; * Consulting on applying for water exploitation licenses (surface water, seawater, underground water); * Consulting on preparing reports on chemical safety. |
| 25 | 7820 | Temporary labor provision |
| 26 | 7830 | Provision and management of labor resources |
| 27 | 4610 | Broker agency, goods auctions  Details: Distribution and sales agent for consumer products, household electrical appliances, goods, materials and electronic equipment. |
| 28 | 4641 | Wholesale of cloth, garments and footwear |
| 29 | 4659 | Wholesale of other machinery, equipment and spare parts  Details:   * Purchase and sale of industrial and civil equipment and spare parts; * Purchase and sale of measuring equipment and instruments. |
| 30 | 0990 | Other mining support service activities  Details:   * Preparation of mineral search and exploration projects; * Mineral prospecting and exploration. |
| 31 | 5210 | Warehouses and goods storage |
| 32 | 8129 | Industrial cleaning and specialized works  Details: Cleaning of means of transport, ships, warehouses, equipment, industrial machinery, tanks, cleaning of oil tankers and oil storage facilities |
| 33 | 4101 | Construction of houses |
| 34 | 4102 | Construction of non-residential buildings  Details: Construction and business of buildings. |

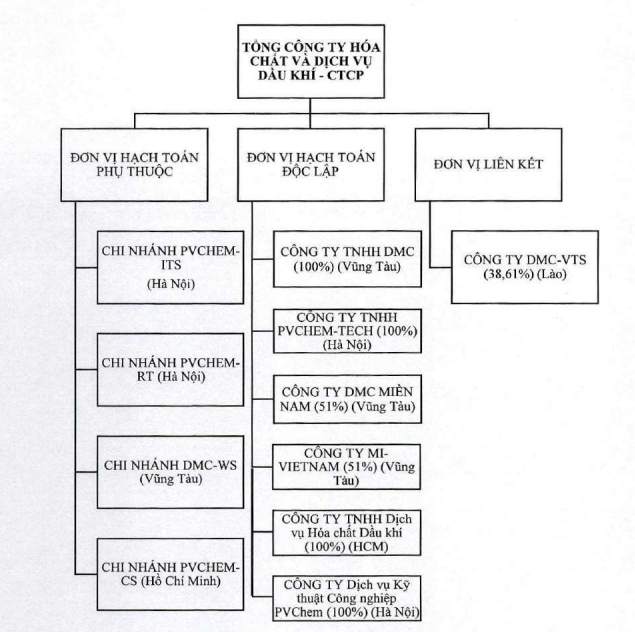
* 1. Summary of the foundation and development process of the Issuer

|  |  |
| --- | --- |
| **Time** | **Important developmental milestones** |
| In 1990 | PVChem (formerly DMC) was established as Công ty Dung dịch khoan và Hóa phẩm Dầu khí (tentatively translated as Drilling Fluids and Petroleum Chemicals Company) under Decision No. 182/QD-TCDK dated March 8, 1990 of the General Department of Petroleum (now Vietnam Oil and Gas Group) with the main task of producing drilling fluid chemicals to meet the needs of activities in the oil and gas industry and other industries. |
| In 2005 | On April 28, 2005, equitization was carried out to change the operating model to a joint stock company.  Register to operate as a joint stock company according to Business Registration Certificate No. 0103009579 issued on October 18, 2005, by the Hanoi Department of Planning and Investment. |
| In 2007 | On November 15, 2007, PVC shares were officially traded on the Hanoi Stock Exchange. |
| In 2008 | On February 5, 2008, the operating model was converted into the model of a holding company - Subsidiary. |
| In 2010 | On October 10, 2010, PVChem marked a revenue milestone of trillions of VND. |
| In 2015 | Receive the First Class Labor Medal. |
| In 2020 | On January 9, 2020, Drilling Fluids and Petroleum Chemicals Company (DMC) officially changed its name to Petrovietnam Chemical and Services Corporation (PVChem). |
| In 2021 | Extend the joint venture contract and expand the field of cooperation with partner Schlumberger at M-I Vietnam for another 10 years (2021 - 2031) in addition to the traditional field of cooperation which is drilling fluids such as high-tech cement, water separation, and increased oil recovery. |
| In 2022 | PVChem got approval on the development strategy and 5-year plan for 2021-2025, with many goals and expectations to make PVChem become a professional unit with sustainable development. |

* 1. Organizational structure of the Issuer

Petrovietnam Chemical and Services Corporation is organized and operated according to the Law on Enterprises of the National Assembly of the Socialist Republic of Vietnam No. 59/2020/QH14 dated June 17, 2020. The Corporation's activities comply with the Law on Enterprises 2020, other relevant Laws and the Corporation's Charter.

**Organizational structure diagram of the Issuer**



PETROVIETNAM CHEMICAL AND SERVICES CORPORATION

DEPENDENT ACCOUNTING UNIT

INDEPENDENT ACCOUNTING UNIT

JOINT VENTURE

PVCCHEM-ITS BRANCH (Hanoi)

PVCCHEM-RT BRANCH (Hanoi)

DMC-WS BRANCH (Vung Tau)

PVCCHEM-CS BRANCH (Ho Chi Minh City)

DMC COMPANY LIMITED (100%) (Vung Tau)

PVCHEM – TECH COMPANY LIMITED (100%) (Hanoi)

DMC - SOUTHERN PETROLEUM CHEMICALS JOINT STOCK COMPANY (51%) (Vung Tau)

MI-VIETNAM COMPANY (51%) (Vung Tau)

PETROLEUM CHEMICAL SERVICES COMPANY LIMITED (100%) (HCMC)

PVCHEM INDUSTRIAL TECHNICAL SERVICES COMPANY LIMITED (100%) (Hanoi)

DMC-VTS JOINT VENTURE COMPANY LIMITED (38.61%) (Laos)

*Source: Petrovietnam Chemical and Services Corporation*

* + 1. Dependent accounting unit

Petrovietnam Chemical and Services Corporation is organized and operated according to the model of the holding company - subsidiary, complying with the provisions of the Law on Enterprises and current legal documents. The Corporation has 04 dependent branches as follows:

**Head office of the Company:**

* Address: 6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City.
* Phone number: 024.38562861 Fax: 024.38562552

**Petrovietnam Chemical and Services Corporation - Branch of Industrial Technical Services (PVCHEM-ITS)**

* Address: 16th Floor, IDMC Building No. 15 Pham Hung Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City.
* Phone number: 024.66640802 Fax: 024 66 640 803

**Petrovietnam Chemical and Services Corporation - Petroleum Chemical Services Branch**

* Address: No. 163 Hai Ba Trung, Vo Thi Sau Ward, District 3, Ho Chi Minh City.
* Phone number:

**Petrovietnam Chemical and Services Corporation - Research And Development And Technical Services Center**

* Address: 6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City.
* Phone number: 024.73001189

**DMC-Drilling Fluids and Well Services (DMC-WS)**

* Address: No. 35, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province.
* Phone number: 064.3624499
  + 1. Subsidiaries of Petrovietnam Chemical and Services Corporation

The Corporation has 06 subsidiaries as follows:

**DMC - Southern Petroleum Chemicals Joint Stock Company**

* Address: No. 24/8 Le Thanh Tong, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.
* Phone number: 0254 3 832 036 Fax: 0254 3 832 084
* Business Registration Certificate No. 3500101322 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province for the first time on August 12, 1991 and changed for the 11th time on September 14, 2020
* Charter capital: VND 40,000,000,000
* The Issuer owns: 2,040,000 shares, equivalent to VND 20,400,000,000, accounting for 51% of charter capital
* Business lines:
* Production and preparation of chemicals and products for the Oil and Gas industry (Bentonite, Class G Cement; Silica flour,...) and other economic sectors;
* Trading of chemicals and chemical products to serve the Oil and Gas industry and other economic sectors;
* Provision of logistics services in the Southern region.

**M-I Oil & Gas Services Vietnam Limited Liability Company:**

* Address: No. 99 Le Loi, Thang Nhi Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.
* Phone number: 0254 3 832 670 Fax: 0254 3 839 855
* Business Registration Certificate No. 3500101322 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province for the first time on August 12, 1991 and changed for the 13th time on June 16, 2021
* Charter capital: VND 126,978,086,280
* The issuer owns: 51% of charter capital.
* Business lines: Provision of Drilling fluid services in Vietnam

**PVChem Drilling Mud and Services Company Ltd (DMC)**

* Address: No. 35, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.
* Phone number: 0254 3 624 499 - Fax: 0254 3 624 666
* Business Registration Certificate No. 3502441229 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province for the first time on November 16, 2020
* Charter capital: VND 90,000,000,000
* The issuer owns: 100% of charter capital.
* Business lines:
* Provision of drilling fluid services, oil and gas well finishing and treatment services, and enhanced oil recovery; Provision of chemical services for oil and gas exploration and transportation.
* Provision of solutions, products, and technical services to increase the lifespan of industrial projects, cleaning, maintenance, and factory maintenance services in the oil and gas industry, power industry, ....and other industries.
* Trading of gas and products from gas and biofuels.
* Trading of solid, liquid, gas fuels and related products; Wholesale of petroleum and related products...

**PVChem-Tech Company Limited:**

* Address: 16th Floor, IDMC Building, No. 15 Pham Hung, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City, Vietnam.
* Phone number: 024 73 001 189 - Fax: 024 73 000 579
* Business Registration Certificate No. 0109467561 issued by the Hanoi Department of Planning and Investment on December 24, 2020, changed for the first time on March 7, 2023.
* Charter capital: VND 70,000,000,000
* The issuer owns: 100% of charter capital.
* Business lines:
* Research, development and implementation of natural sciences and engineering;
* Service activities to support crude oil and natural gas exploitation;
* Other professional, scientific and technological activities: Provide anti-corrosion solutions and services for industrial projects; technology transfer research...
* Analysis, testing and monitoring services for petroleum products
* Trading of gas, gas products, and biofuels
* Wholesale of industrial gas: oxygen, hydrogen, nitrogen, H2O2 and other gases...

**Petroleum Chemical Services Company Limited:**

* Address: No. 163 Hai Ba Trung, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam.
* Phone number: (84 28)3910 0701 Fax:(84 28)3910 0704
* Business Registration Certificate No. 0317824165 issued by Ho Chi Minh City Department of Planning and Investment for the first time on May 9, 2023
* Charter capital: VND 125,000,000,000
* The Issuer owns: 100% of charter capital.
* Business lines:
* Wholesale of industrial chemicals (no chemicals stored at headquarters).
* Wholesale of chemicals (except those banned by the State), chemicals, raw materials and equipment for search, exploration, transportation, storage, and processing of oil and gas and economic sectors
* Wholesale of plastics in primary forms; Polypropylene plastic beads and related products
* Wholesale of silk, fiber, textile yarns;
* Wholesale of cotton raw materials; dye; raw materials and packaging for the textile industry;
* Wholesale of asphalt and chemical raw materials and additives for asphalt production;
* Wholesale of rubber;
* Wholesale of additives for drilling fluids;
* Wholesale of solid, liquid, gas fuels and related products.

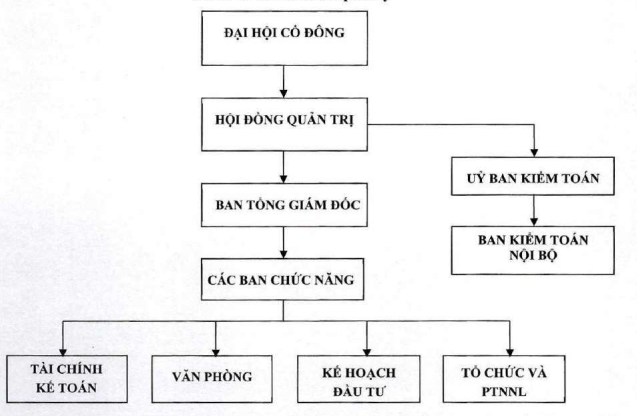
**PVChem Industrial Technical Services Company Limited**

* Address: 16th Floor, IDMC Building, No. 15 Pham Hung, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City, Vietnam.
* Business Registration Certificate No. 0110398224 issued by Hanoi Department of Planning and Investment on June 26, 2023.
* Charter capital: VND 60,000,000,000
* The issuer owns: 100% of charter capital.
* Business lines:
* Repair and maintenance of machinery and equipment, Oil and Gas projects, Refinery and Petrochemical Plants, Power Plants, Fertilizer Plants, Gas Production Plants.
* Industrial gas production
* Production of specialized equipment details for the Oil and Gas Industry
* Collection, treatment and recycling of scrap and waste from the oil and gas industry and the electricity industry.
* Equipment installation for Petrochemical Refinery, Gas, Electricity, and Fertilizer production plant
* Environmental treatment and environmental treatment technology transfer;
* Consulting on technology transfer, providing technical solutions, manufacturing, installing and operating environmental treatment equipment systems (water supply, wastewater, exhaust gas, solid waste);
* Consulting on environmental protection;
* Environmental impact assessment, report on environment;
* Consulting and preparation of documents for environmental protection licenses;
* Consulting on applying for water exploitation licenses (surface water, sea water, underground water);
* Consulting on preparing reports on chemical safety.
  + 1. Joint ventures

**DMC-VTS Joint Venture Company Limited (Laos):**

* Actual charter capital: USD 1,587,960
* The issuer owns: 38.61% of the charter capital.
* Business lines: Search, exploration, and processing of Barite and minerals in the Lao People's Democratic Republic.
  1. Governance structure and management apparatus of the Issuer

Currently, Petrovietnam Chemical and Services Corporation is applying the organizational model of a Joint Stock Company. This governance model is built based on the goal of developing the Corporation's business strategy, complying with the provisions of Vietnamese Law and the provisions of the Corporation's Charter. The diagram of the Corporation's management apparatus as follows:



**THE GENERAL MEETING OF SHAREHOLDERS**

**THE BOARD OF DIRECTORS**

**THE AUDIT COMMITTEE**

**INTERNAL AUDIT COMMITTEE**

**THE BOARD OF MANAGEMENT**

**FUNCTIONAL DEPARTMENTS**

**FINANCE, ACCOUNTING**

**OFFICE**

**INVESTMENT AND PLANNING**

**ORGANIZATION AND DEVELOPMENT OF HUMAN RESOURCES**

Source: Petrovietnam Chemical and Services Corporation

* **The General Meeting of Shareholders**

The General Meeting of Shareholders includes all shareholders with voting rights and is the highest decision-making body of the Corporation. The General Meeting of Shareholders has the following rights and obligations:

* Approve PVChem's long-term development strategy and orientation;
* Decide on the types of shares and the total number of shares of each type authorized to be offered; decide on the annual dividend of each type of share;
* Decide on the number of members of the Board of Directors;
* Elect, dismiss members of the Board of Directors;
* Decide to invest or sell assets with a value of 35% or more of the total asset value recorded in the PVChem's most recent Financial Statements;
* Decision to promulgate, amend and supplement PVChem Charter;
* Approve the Audited Annual Financial Statements;
* Decision on repurchasing more than 10% of total sold shares of each type;
* Review and handle violations of members of the Board of Directors that cause damage to PVChem and PVChem's shareholders;
* Decide on the organizational and management structure of PVChem according to the provisions of Article 137 of the Law on Enterprises;
* Decision to reorganize and dissolve PVChem;
* Decide on total remuneration, bonuses and other benefits for the Board of Directors;
* Approve the internal regulations on corporate governance and operating regulations of the Board of Directors;
* Decide on an independent audit company or approve a list of independent audit companies and authorize the Board of Directors to decide on one of these units to audit the Company's Financial Statements; Dismiss auditors approved when deemed necessary;
* Approve PVChem's signing of contracts and transactions with the subjects specified in Clause 1, Article 167 of the Law on Enterprises with a value of 35% or more of the total value of PVChem's assets recorded in the most recent Financial Statements;
* Approve the transactions specified in Clause 4, Article 293 of Decree No. 155/2020/ND-CP dated December 31, 2020 of the Government on detailing the implementation of a number of articles of the Law on Securities;
* Other rights and obligations according to the law and PVChem's Charter.
* **The Board of Directors**

The Board of Directors of the Company elected by the General Meeting of Shareholders consists of 05 members: 01 Chair of the Board of Directors and 04 members of the Board of Directors. Members of the Board of Directors can be re-elected for an unlimited number of terms. The Board of Directors has the following rights and obligations:

* Decide on the strategy, medium-term development plan and annual production and business plan of PVChem after being approved by the General Meeting of Shareholders;
* Propose types of shares and total number of shares authorized to be offered of each type;
* Decide to sell unsold shares within the number of shares authorized to be offered for each type; decide to mobilize additional capital in other forms;
* Decide on the selling price of PVChem's shares and bonds;
* Decision on share repurchase according to the provisions of Article 133 of the Law on Enterprises and Clause 2, Article 36 of the Law on Securities;
* Decide on investment plans and investment projects within authorities and limits according to regulations of the law and PVChem's Charter;
* Decide on market development, marketing and technology solutions;
* Approve contracts to buy, sell, borrow, lend and other contracts and transactions with a value of 35% or more of the total asset value recorded in the company's most recent Financial Statements, except for contracts and transactions specified in Points e, o, and p, Clause 14.1, Article 14 of PVChem Charter;
* Decide on the organizational structure of PVChem;
* Propose the reorganization and dissolution of the company; bankruptcy request of PVChem;
* Decision on establishment, management structure, reorganization, dissolution of member enterprises, branches, representative offices and capital contribution, sale of contributed capital, purchase of shares, sale of shares in the other enterprises;
* Decision on accepting businesses to voluntarily join in association with PVChem;
* Promulgate internal management regulations of PVChem. Decision on promulgating operating regulations of the Board of Directors and internal regulations on corporate governance after approval by the General Meeting of Shareholders. The Board of Directors can authorize the General Manager to issue a number of Management Regulations in case necessary to manage PVChem's operations;
* Elect, dismiss, dismiss the Chair of the Board of Directors; Appoint, dismiss, sign/terminate labor contracts, reward, discipline the General Manager, and other executors and decide on their salaries, remunerations, bonuses, and other benefits. Supervise and direct the General Manager and other executors in running PVChem's daily business;
* Appoint, dismiss, reward and discipline members of the Board of Members or the Chair of the Company, supervisors of a one-member limited liability company owned 100% charter capital by PVChem at the request of the General Manager of PVChem.
* Appoint, dismiss, change the company's authorized representative at member enterprises and exercise the rights and obligations of owners of shares and contributed capital in enterprises with Company's shares, contributed capital according to PVChem's Charter and legal regulations;
* Resolve PVChem's complaints against the Business Operator as well as decide on the selection of PVChem's representative to resolve issues related to legal procedures against that Operator;
* Approve the agenda and content of documents for the General Meeting of Shareholders, convene the General Meeting of Shareholders or collect opinions for the General Meeting of Shareholders to approve the Resolution;
* Submit the company's Audited Annual Financial Statements to the General Meeting of Shareholders; Propose the issuance of convertible bonds and bonds with warrants;
* Propose the amount of paid dividends, decide on the time limit and procedures for paying dividends or handling losses arising during the business process;
* Approve PVChem's annual planned/implemented salary budget;
* Approve the Labor Allocation Plan; the Company's annual working capital loan limit;
* Decide on the valuation of non-cash assets contributed to PVChem in the company's share or bond issuance, including gold, land use rights, intellectual property rights, technology and technological secret;
* Business issues or transactions that the Board of Directors decides that they require approval within the scope of authorities and responsibilities.

*The current structure of the Board of Directors of the Corporation as follows:*

|  |  |
| --- | --- |
| **Full name** | **Position** |
| Mr. Truong Dai Nghia | The Chair of the Board of Directors |
| Mr. Phan Cong Thanh | Member of the Board of Directors - cum - the General Manager |
| Mr. Tran Hong Kien | Independent member of the Board of Directors |
| Mr. Nguyen Ngoc Quynh | Member of the Board of Directors |
| Mr. Ha Duy Tan | Member of the Board of Directors |

* **The Board of Management and Chief Accountant:**

The Board of Management and Chief Accountant of the Corporation include: 01 General Manager, Deputy General Managers and 01 Chief Accountant.

* The General Manager is the person who runs the Corporation's daily business; under the supervision of the Board of Directors; is responsible before the Board of Directors and before the law for the implementation of assigned rights and obligations.
* The Deputy General Manager assists the General Manager in each specific field and is responsible before the General Manager for assigned work contents, proactively solves tasks authorized by the General Manager according to the regulations of the Law and Corporation's Charter.
* The Chief Accountant assists the General Manager in each financial and accounting field and is responsible before the General Manager for assigned work contents, proactively solves tasks authorized by the General Manager according to regulations of law and the Corporation's Charter

*The current structure of the Board of Management and Chief Accountant of the Corporation is as follows:*

|  |  |
| --- | --- |
| **Full name** | **Position** |
| Mr. Phan Cong Thanh | General Manager |
| Mr. Pham Ngoc Khue | Deputy General Manager |
| Mr. Bui Tuan Ngoc | Deputy General Manager |
| Mr. Truong Viet Phuong | Deputy General Manager |
| Mr. Tran Van Trinh | Chief Accountant |

* **The Audit Committee**
* Monitor the integrity of the PVChem's Financial Statements and official announcements related to PVChem's financial results;
* Review the internal control and risk management system;
* Review transactions with affiliated persons under the approval authorities of the Board of Directors or the General Meeting of Shareholders and make recommendations on transactions that require approval from the Board of Directors or the General Meeting of Shareholders;
* Supervise PVChem's internal audit department;
* Recommend the independent audit company, remuneration and related terms in the contract with the audit company for the Board of Directors to approve before submitting to the Annual General Meeting of Shareholders for approval;
* Monitor and evaluate the independence and objectivity of the audit company and the effectiveness of the audit process, especially in cases where the company uses non-audit services of the audit company;
* Supervision to ensure the company complies with the law, requirements of regulatory agencies and other internal regulations of PVChem;
* Have the rights to access documents related to the company's operations, and discuss with other members of the Board of Directors, the General Manager, the Deputy General Manager, the Chief Accountant and other managers to collect information to serve the audit committee's activities;
* Have the rights to request representatives of approved audit companies to attend and answer issues related to the Audited Financial Statements at meetings of the audit committee;
* Use legal, accounting or other outside consulting services when necessary;
* Develop and submit to the Board of Directors policies for detecting and managing risks; Propose to the Board of Directors solutions to handle risks arising in PVChem's operations;
* Prepare a written report to send to the Board of Directors when detecting that members of the Board of Directors, the General Manager, the Deputy General Manager, the Chief Accountant and other managers do not fully perform their responsibilities as prescribed in the Law on Enterprises and Charter of PVChem;

*The current structure of the Audit Committee of the Corporation is as follows:*

|  |  |
| --- | --- |
| **Full name** | **Position** |
| Mr. Tran Hong Kien | Chair of the Audit Committee |
| Mr. Nguyen Ngoc Quynh | Member of the Audit Committee |
| Mr. Ha Duy Tan | Member of the Audit Committee |

* **The Internal Audit Committee**
* The Internal Audit Committee is a department under the PVChem Audit Committee, under the direct management and performs tasks under the direction of the PVChem Audit Committee.
* **Functional Departments**
* **The Office**
* Advise and assist the Corporation's leaders and carry out management and implementation of work in the following areas: Communications, Shareholder Relations; Corporate culture; Administration and Corporate Governance; Secretariat, Assistant of the General Manager; Environment Health Safety - Quality management.
* Be responsible before the Corporation's Board of Directors for work on administration and Corporate Governance, communications, and shareholder relations; Corporate culture; Secretariat, assistant of the General Manager; Environment Health Safety - Quality management, Archives of PVChem;
* **Finance and Accounting Department**
* Advise and assist the General Manager on: finance; accounting in the Corporation;
* Assist the legal representative of the Corporation in financial supervision at the units.
* Report honestly and be responsible before the Board of Management for tasks within the scope of responsibility and authorities performed according to the Law on Accounting;
* **Department of Organization and Human Resource Development**
* Advise and assist the Corporation's leaders on: Personnel organization, legality; labor - wages, policies; training - emulation, reward, labor discipline; protecting internal political security; national defense of all people;
* Advise and assist the Party Committee and the Executive Committee of the Trade Union on Party and Union work;
* **Investment and Planning Department**
* Advise, assist and be responsible before the Corporation's Board of Directors in formulating, supervising the implementation and summarizing Reports on the implementation of strategies, production and business plans of the Corporation and member units, asset management, economic and technical norms, contract management, investment work and investment project management of the Corporation.
  1. Information about the holding company, subsidiaries of the Issuer, companies holding control rights or controlling shares of the Issuer, companies in which the Issuer holds control rights or has dominating shares/contributed capital
     1. Holding Company

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name of shareholder** | **Year of establishment** | **Business Registration Certificate No.** | **Head office** | **Number of owned shares** | **Ownership rate/actual contributed capital (%)** |
| Vietnam Oil and Gas Group (PVN) | 1977 | 0100681592 | No. 18 Lang Ha, Hanoi | 17,999,619 | 36% |
| Total |  |  |  | 17,999,619 | 36% |

Currently, PVN holds 36% of the voting rights of the Corporation, however, according to the Regulations on Management of Representatives of Vietnam Oil and Gas Group (issued under Decision No. 1930/QD-DKVN dated December 6, 2019 of the Board of Members of Vietnam Oil and Gas Group) and Clause 1, Article 195 of the Law on Enterprises No. 59/2020/QH14, PVN has the rights to directly or indirectly appoint a majority of the members of the Board of Directors of the Corporation so PVChem is classified as a subsidiary of PVN.

* + 1. Subsidiaries, joint ventures:

**Table 2: List of subsidiaries of the Corporation**

|  |  |  |
| --- | --- | --- |
| **No.** | **Subsidiary** | **Holding rate** |
| 1 | DMC - Southern Petroleum Chemicals Joint Stock Company | 51% |
| 2 | M-I Oil & Gas Services Vietnam Limited Liability Company | 51% |
| 3 | PVChem Drilling Mud and Services Company Ltd | 100% |
| 4 | PVChem-Tech Company Limited | 100% |
| 5 | Petroleum Chemical Services Company Limited (PVChem-CS) | 100% |
| 6 | PVChem Industrial Technical Services Company Limited (PVChem-ITS) | 100% |

The Corporation has 06 subsidiaries as follows:

**DMC - Southern Petroleum Chemicals Joint Stock Company**

* Year of establishment: 1991.
* Address: No. 24/8 Le Thanh Tong, Thang Nhat Ward, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam
* Phone number: 0254 3 832 036 - Fax: 0254 3 832 084
* Business Registration Certificate No. 3500101322 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province for the first time on August 12, 1991 and changed for the 11th time on September 14, 2020
* Charter capital: VND 40,000,000,000
* Ownership and voting rate of the Issuer at the Subsidiary: 51%.
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines:
* Produce and mix chemicals and products for the Oil and Gas industry (Bentonite, Class G Cement; Silica flour,...) and other economic sectors;
* Trade chemicals and chemical products to serve the Oil and Gas industry and other economic sectors;
* Provide logistics services in the Southern region.

**M-I Oil & Gas Services Vietnam Limited Liability Company:**

* Year of establishment: 1991.
* Address: No. 99 Le Loi, Thang Nhi Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.
* Phone number: 0254 3 832 670 Fax: 0254 3 839 855
* Business Registration Certificate No. 3500101322 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province for the first time on August 12, 1991 and changed for the 13th time on June 16, 2021
* Charter capital: VND 126,978,086,280
* Ownership and voting rate of the Issuer at the Subsidiary: 51%
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines: Provide drilling fluid services in Vietnam

**PVChem Drilling Mud and Services Company Ltd**

* Year of establishment: 2020.
* Address: No. 35, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.
* Phone number: 0254 3 624 499 - Fax: 0254 3 624 666
* Business Registration Certificate No. 3502441229 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province for the first time on November 16, 2020
* Charter capital: VND 90,000,000,000
* Ownership and voting rate of the Issuer at the Subsidiary: 100%
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines:
* Other professional, scientific and technological activities: Details: Research technology transfer, provide drilling fluid services, oil and gas well finishing and treatment services, and enhance oil recovery; Provide chemical services for oil and gas exploration and transportation. Provide solutions, products, and technical chemistry services to increase the lifespan of industrial projects, cleaning, and factory maintenance services in the oil and gas industry, electricity industry, etc., and other industries.

**PVChem-Tech Company Limited**

* Year of establishment: 2020.
* Address: 16th Floor, IDMC Building, No. 15 Pham Hung, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City, Vietnam.
* Phone number: 024 73 001 189 - Fax: 024 73 000 579
* Business Registration Certificate No. 0109467561 issued by Hanoi Department of Planning and Investment for the first time on December 24, 2020, changed for the first time on March 7, 2023.
* Charter capital: VND 70,000,000,000
* Ownership and voting rate of the Issuer at the Subsidiary: 100%
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines:
* Professional, scientific and technological activities: Provide anti-corrosion solutions and services for industrial projects; technology transfer research...

**Petroleum Chemical Services Company Limited**

* Year of establishment: 2023
* Address: No. 163 Hai Ba Trung, Vo Thi Sau Ward, District 3, Ho Chi Minh City, Vietnam
* Phone number: (84 28) 3910 0701 Fax:(84 28)3910 0704
* Business Registration Certificate No. 0317824165 issued by Ho Chi Minh City Department of Planning and Investment for the first time on May 9, 2023
* Charter capital: VND 125,000,000,000
* Ownership and voting rate of the Issuer at the Subsidiary: 100%
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines:
* Wholesale of industrial chemicals (no chemicals stored at headquarters)
* Wholesale of chemicals (except those banned by the State), chemicals, raw materials and equipment for search, exploration, transportation, storage, and processing of oil and gas and economic sectors.

**PVChem Industrial Technical Services Company Limited**

* Year of establishment: 2023
* Address: 16th Floor, IDMC Building, No. 15 Pham Hung, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City, Vietnam
* Business Registration Certificate No. 0110398224 issued by Hanoi Department of Planning and Investment for the first time on June 26, 2023
* Charter capital: VND 60,000,000,000
* Ownership and voting rate of the Issuer at the Subsidiary: 100%
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines:
* Repair and maintenance of machinery and equipment, Oil and Gas projects, Refinery and Petrochemical Plants, Power Plants, Fertilizer Plants, Gas Production Plants.

**Table 3: List of joint ventures**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **No.** | **Joint venture** | **Business registration certificate (No., date, at)** | **Address** | **Actual contributed charter capital** | **Holding rate in the joint venture (%)** |
| 1 | DMC-VTS Joint Venture Company Limited | 2505/CNT dated June 30, 2010 in Lao People's Democratic Republic | Phakat Village, Vilabuly District, Savannakhet Province, Lao People's Democratic Republic | USD 1,587,960 | 38.61 |

* Year of establishment: 2010
* Business Registration Certificate: 2505/CNT dated June 30, 2010 in Lao People's Democratic Republic
* Actual charter capital: USD 1,587,960 equivalent to VND 37,205,902,800
* PVChem's contributed capital: USD 613,080 equivalent to VND 14,364,464,400

\* Calculated according to the exchange rate announced by Joint Stock Commercial Bank for Investment and Development of Vietnam on June 30, 2023

* Ownership and voting rate of the Issuer at the Subsidiary: 38.1% ownership rights and 30% voting rights.
* Ownership and voting rate of this company at the Issuer: 0%
* Main business lines: Mineral mining.
  1. Information about the process of increasing and decreasing the charter capital of the Issuer

In October 2005, the Company began operating as a joint stock company, with charter capital mobilized under Decision No. 1544/QD-TCCB dated April 28, 2005 of the Minister of Industry. Since its establishment, the Corporation has increased its capital 7 times to the current VND 500 billion. Details of the capital raising process are presented in the table below:

**Table 4: Report on capital increases of the Company**

Unit: Million VND

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Time** | **Increase** | **Increased value of additionally capital** | **Charter capital after increase** | **Form of capital increase** | **Issuing unit** |
| October 2005 (Start operating under the Joint Stock Company model) | 1st round | 0 | 120,000 |  | Initial charter capital |
| November 2008 | 2nd round | 25,199.98 | 145,199.98 | Issue shares to pay dividends in 2007 to existing shareholders | The State Securities Commission |
| September 2009 | 3rd round | 14,517.37 | 159,717.35 | Issue shares to pay dividends in 2008 to existing shareholders | The State Securities Commission |
| December 2009 | 4th round | 32,664.9 | 192,382.25 | Issue shares to existing shareholders to increase charter capital | The State Securities Commission |
| July 2010 | 5th round | 3,030.59 | 195,412.84 | Private placement | The State Securities Commission |
| October 2010 | 6th round | 154,587.16 | 350,000 | Issue shares to existing shareholders and employees | The State Securities Commission |
| December 2012 | 7th round | 150,000 | 500,000 | Issue shares to existing shareholders, employees and strategic shareholders | The State Securities Commission |

(Source: Petrovietnam Chemical and Services Corporation

Along with socio-economic development, the Corporation is growing stronger and has implemented many large projects. To ensure financial resources for its operations, Petrovietnam Chemical and Services Corporation has increased its charter capital to VND 500 billion.

Details of the Corporation's charter capital increase as follows:

* Increase charter capital from VND 120 billion to VND 500 billion:
* (1): In October 2005, the company began operating as a joint stock company, with charter capital mobilized under Decision No. 1544/QD-TCCB dated April 28, 2004, of the Minister of Industry;
* (2): November 2008: The 2nd share issuance to increase charter capital: VND 25,199.98 million (from VND 120,000 million to VND 145,199.98 million) was implemented according to General Mandate No. 825b/NQ - DMC of the Annual General Meeting of Shareholders of Drilling Fluids and Petroleum Chemicals Company dated May 28, 2008, Drilling Fluids and Petroleum Chemicals Company has reported to the State Securities Commission on the issuance of shares to increase capital;
* (3): September 2009: The 3rd share issuance to increase charter capital: VND 14,517.37 million (from VND 145,199.98 to VND 159,717.35 million) according to General Mandate No. 683/NQ-DMC dated April 28, 2009 of the Annual General Meeting of Shareholders of Drilling Fluids and Petroleum Chemicals Company, Drilling Fluids and Petroleum Chemicals Company has reported to the State Securities Commission on the issuance of shares to increase capital;
* (4): December 2009: The 4th share issuance to increase charter capital: VND 32,664.9 million (from VND 159,717.35 to VND 192,382.25 million) according to General Mandate No. 2069/NQ-DMC dated November 6, 2009 of the General Meeting of Shareholders of Drilling Fluids and Petroleum Chemicals Company, Drilling Fluids and Petroleum Chemicals Company has reported to the State Securities Commission on the issuance of shares to increase capital;
* (5): July 2010: The 5th share issuance to increase charter capital: VND 3,030.59 million (from VND 192,382.25 to VND 195,412.84 million) according to General Mandate No. 1314/NQ-DMC dated June 30, 2010 of the General Meeting of Shareholders of Drilling Fluids and Petroleum Chemicals Company, Drilling Fluids and Petroleum Chemicals Company has reported to the State Securities Commission on the share issuance;
* (6): October 2010: The 6th share issuance to increase charter capital: VND 154,587.16 million (from VND 195,412.84 million to VND 350,000 million) according to General Mandate No. 1314/NQ-DMC dated June 30, 2010 of the General Meeting of Shareholders of Drilling Fluids and Petroleum Chemicals Company, Drilling Fluids and Petroleum Chemicals Company has reported to the State Securities Commission on the share issuance.
* (7): December 2012: The 7th share issuance to increase charter capital: VND 151,125 million (from VND 350,000 million to VND 500,000 million) according to General Mandate No. 863/NQ-DMC dated April 24, 2012 of the General Meeting of Shareholders of Drilling Fluids and Petroleum Chemicals Company, the Company has reported to the State Securities Commission about the share issuance.

**Opinion of the audit company: None.**

* 1. Information about large capital contributions and divestments of the Issuer in other enterprises

From January 1, 2021 to present, the Corporation has had no capital contributions or divestments worth 10% or more of total assets recorded in the Separate Financial Statements 2022 and the Reviewed Separate Financial Statements in first 6 months of 2023.

* 1. Information about outstanding securities
     1. Common share

**The current shareholder structure of the Corporation is as follows:**

**Table 5: Shareholder structure as of June 15, 2023**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Shareholder** | **Number of shareholders** | **Number of shares** | **Capital (VND)** | **Rate (%)** |
| ***Domestic*** | ***9,970*** | ***49,610,747*** | ***496,107,470,000*** | ***99.22*** |
| Organization | 25 | 18,293,157 | 182,931,570,000 | 36.59 |
| Individual | 9,945 | 31,317,590 | 313,175,900,000 | 62.63 |
| ***Foreign*** | ***60*** | ***389,253*** | ***3,892,530,000*** | ***0.78%*** |
| Organization | 7 | 174,310 | 1,743,100,000 | 0.35% |
| Individual | 53 | 214,943 | 2,149,430,000 | 0.43% |
| **TOTAL** | **10,030** | **50,000,000** | **500,000,000,000** | **100%** |

*Source: List of shareholders recorded on June 15, 2023 of PVChem*

**List of shareholders holding more than 50% of PVChem's charter capital:** None.

* + 1. Preferred share: None.
    2. Other securities types: None.
  1. Information on foreign ownership rate:
* **Maximum foreign ownership rate at the Issuer according to legal regulations:** The Corporation has announced the maximum foreign ownership rate according to the provisions of Decree 155/2020 and responded by Official Dispatch No. 4713/UBCK-PTTT dated July 18, 2023 of the State Securities Commission. Accordingly, the maximum foreign ownership rate at PVChem is 0%.
* **Maximum foreign ownership rate at the Issuer according to the decision of the General Meeting of Shareholders and provisions in the Company Charter:** None.
* **Current foreign ownership rate at the Issuer:** Currently, the foreign ownership rate at the Corporation as of June 15, 2023 announced by the Vietnam Securities Depository is 389,253 shares, equivalent to 0.78% of the Corporation's outstanding shares.
  1. Business activities
     1. Business activity characteristic
        1. Product and service

Petrovietnam Chemical and Services Joint Stock Corporation is Vietnam's leading business in the production of drilling fluids/petroleum chemicals. The main production and business activities of the Corporation include: (i) production of chemicals for oil and gas drilling fluids, (ii) trading in chemicals to serve the oil and gas industry, (iii) technical services.

* **PV Chem's main products include:**

**Main products produced by PVChem:**

* ***Bentag:*** Manufactured on the basis of Bentonite clay raw material with the main ingredient of Montmorillonite mineral, in powder form, light yellow in color combined with appropriate active ingredients to bind the pellet ingredients and shape the pellets. Bentag is used as a pellet binder for animal feed for livestock, poultry and pets. Bentag has the effect of enhancing adhesion of food ingredients, creating food pellets with high durability and less cracking and not affecting the taste of food, and adding minerals to the nutritional composition of food.
* ***Bentonite:*** Bentonite is clay composed mainly of Montmorillonite mineral, in powder form, light yellow in color, including API Bentonite and domestic Bentonite products:
* ***Bentonite API:*** Bentonite API DMC® is clay composed mainly of Montmorillonite mineral, in powder form, light yellow in color. Product quality meets the technical requirements of API and OCMA standards in the field of oil and gas exploration and exploitation drilling, as well as in bored pile drilling, underground water drilling and engineering geology.
* ***Domestic Bentonite:*** Domestic Bentonite DMC® is clay composed mainly of Montmorillonite mineral, in powder form, light yellow in color. Product quality meets the technical requirements of DMC facility standards.
* ***Silica Flour:*** Silica Flour DMC® is used to stabilize physical and mechanical properties (durability, permeability, erosion, ...) of cement stone at temperatures higher than 110oC. In some cases, Silica Flour DMC® is used to reduce mortar density and save cement.

***Class G Cement:*** Class G Cement-HSR is a special product used in the process of drilling, exploration and exploitation of oil and gas, produced at the Petroleum Chemical Factory, Cai Mep Industrial Park, Tan Thanh District, Ba Ria - Vung Tau Province, on a production line with a capacity of 30,000 tons - 40,000 tons/year ... This product is designated for use as base well cement (base cement). Class G Cement exists in two forms: normal sulfate resistance and high sulfate resistance. Class G Cement - HSR products meet API Spec 10A - 2010 standards, 24th edition. With the achievement of API Monogram Certification, Class G Cement product produced by DMC Company is the first and only cement product in Vietnam to be granted a quality certificate by the American Petroleum Institute. This means that Class G Cement products have many opportunities to dominate domestic consumption market share and export to the world market.

* **Cement of all types (Class G mixed with sand):** A high quality lubricant, used for water-based drilling fluid systems.

**Main business products:**

Development strategy of the oil and gas industry to 2025 and orientation to 2035 provide the development perspective: “Focus on promoting the development of core business fields, including oil and gas exploration and exploitation, petrochemical refining, gas power production and oil and gas technical services...” Currently, PVChem is trading chemicals serving the oil and gas industry and other industries including:

* **Chemical business;**

Sodium Hypochlorite (Javel)

Hydrochloric acid

Ammonia

Sodium Bisulfide

EDTA 4NA

Phosphoric Acid

Sulfuric Acid

Silica sand

Citric Acid

Cement for well-filling

Sulfur

Diesel's additives for flow improver and lubricity improver

Additives for Propylene

Hydrogen

Perchloro Ethylene

Dimethyl Disulfide

Methyl Diethanolamine

Plastic beads – BSR

Urea

Chlorine

Hydrazine hydrate

Potassium permanganate

Citric Acid

BENTONITE - API DMC

Indian Bentonite

BENTONITE - HIGEL DMC

Bentonite ND

Potassium Hydroxide

Graphite

Potassium Chloride

SODIUM CARBONATE

Lime - DMC

SODIUM BICARBONATE

Potassium Alum -AKK

SODIUM CHLORIDE

Sodium Hydroxide

SUPER LUB DMC

SAFE CARB

Silica Flour DMC

Paraffin anti-precipitation agent

CLASS G CEMENT - HSR

Biocides

Corrosion Inhibitor

Defoaming agent

Coagulant & Flocculant

H2S Scavenger

Demulsifier

Filter Aid

Biosafe DMC

Calcium Chloride

Calcium Carbonate DMC

Scale Inhibitors

Oxygen Scavenger

PPD

Water Clarifier

* ***Business of petrochemical products:***

Sulfur

Plastic beads – BSR

Urea

* **Business of petrochemical products:**

***Oil and gas industry exploitation equipment:*** Applying modern technology and mining equipment is always an important factor contributing to improving the quality of management and operation both domestically and internationally. Thanks to that, the annual oil and gas exploitation output increases significantly, contributing to raising GDP for the whole country.



* **Main services of PVChem:**
* ***Drilling fluids service:*** Drilling fluid services are the core service field of PVChem. PVChem specializes in providing complete drilling fluid services for the Oil and Gas industry, including:
* Design a solution system suitable for each specific well, providing chemicals to prepare the solution
* Provide freight forwarding services
* Provide equipment for drilling solids handling
* Provide equipment and chemicals for drilling fluid quality assessment
* Provide drilling fluid engineers, technical experts, technical support experts.

In the drilling fluid services segment, M-I Vietnam Subsidiary (a joint venture with Schlumberger Group (SLB)) is considered one of the most effective joint ventures within the Vietnam Oil and Gas Group and has provided drilling fluid services and other related technical services for more than 900 oil and gas exploration and exploitation wells in Vietnam. M-I Vietnam has been providing services to most domestic and foreign oil and gas exploration and exploitation companies operating in Vietnam, including close partners and customers in the industry such as PVEP, Vietsovpetro, Bien Dong POC and international oil and gas companies, JOCs such as Premier Oil, Petronas Cagrigali, Rosneft, Idemitsu, JVPC, Vietgazprom, Cuu Long JOC , Hoang Long - Hoan Vu JOC, Thang Long JOC,... After 30 years of operation, M-I Vietnam has brought in total revenue of nearly USD 800 million, total profit of more than USD 158 million, and contributed USD 104 million to the State budget, at the same time, built a complete system of facilities with international standards (logistics base and large capacity solution mixing plant at PTSC Port; large specialized warehouse base for materials and chemicals; standard laboratory,...) and a team of experienced members, experts, engineers, and employees to meet the needs of production and business development.

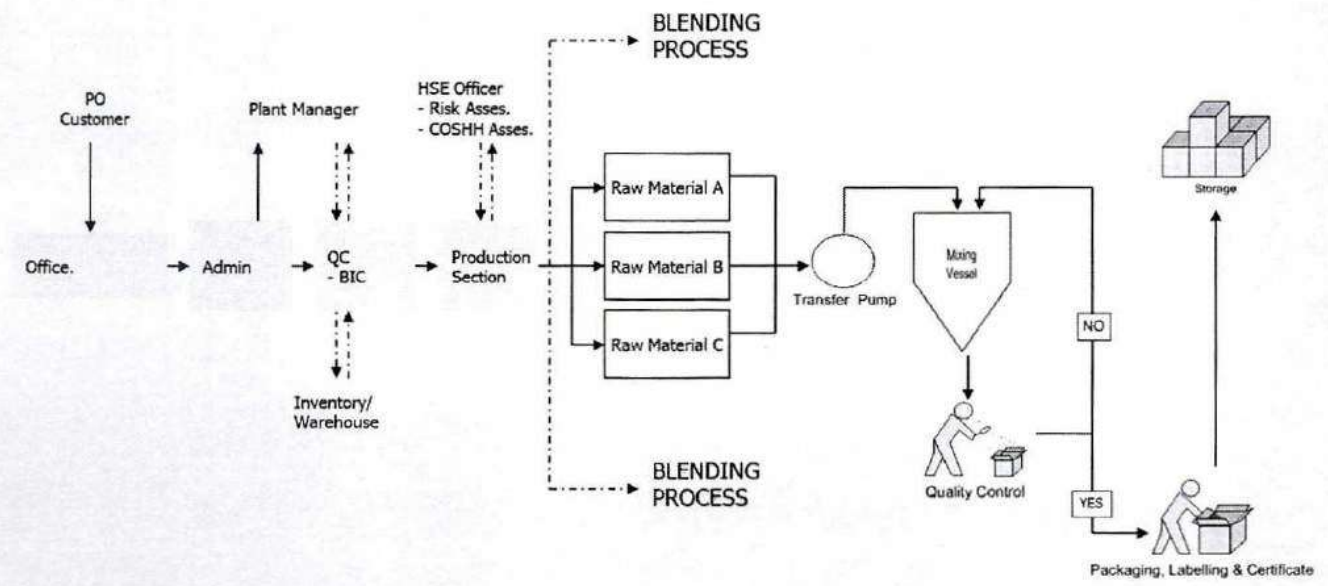
With advanced drilling fluid systems with global copyright of SLB Group, M-I Vietnam Company can provide suitable drilling fluid systems for all wells with different conditions: from vertical wells to oblique wells or horizontal wells, from wells with normal geological conditions, temperature and pressure to wells with high temperature, high pressure (HTHP) conditions or wells drilled in deep water (deepwater well) up to over 2,000-3,000 meters of water, ...

* Drilling fluid systems that have been and will be applied by M-I Vietnam Company in Vietnam include:
* Water Based Mud (WBM): Polymer Gel; KCL Polymer; Kla-shield; Hydraglyde; Ultradril; HTHP Veratherm; Reservoir Drill In Fluids (WBM RDIF); ...
* Synthetic-based drilling mud (SBM): Novatec; Magadrive; Megadril; HTHP Megadril; ...
* Deepwater mud system: Ultradril; Rheliant; Reliant Plus; Rheguard; ...
* Well finishing solution system: KCL brine; NaCl brine; CaCl2 brine; NaBr brine; CaBr2 brine; CaZnBr2 brine; ...
* Included with SBL Group's advanced copyright solution systems are exclusive software (One-trax; Virtual Hydraulics; Opti-bridge; Opti-stress; LC-Advisor; ...) to analyze, evaluate and apply technical solutions to drilling fluid services to minimize and eliminate drilling incidents; reinforce wellbore walls, especially when drilling through strata where reservoir pressure has decreased sharply after a long period of oil and gas exploitation.
* In addition to the core service of providing drilling fluid services, M-I Vietnam Company also provides other technical services such as: WBCT tools & chemicals; Solids control equipment; shale shaker and shaker screens; ... At the same time, it is the strengthening of cooperation between PVChem & SLB to expand the field of providing new technical services in the coming years such as: hi-tech cementing; Enhanced Oil Recovery - EOR; Hi-way Fracturing; ...
* Laboratory system (in Vietnam and the region); warehouse (>5000m2) and drilling fluid mixing and storage plant (up to 40,000 bbls) plus an experienced Vietnamese technical team that can provide fluid services and other technical services for many customers at the same time is also a strength that no company providing solutions and technical services in Vietnam can compare.
* ***Services to improve efficiency for oil and gas exploitation:*** Services to improve efficiency for oil and gas exploitation. At PVChem - the service is based on analysis and assessment of the nature, characteristics, terrain of each mine and the development of different treatment plans to enhance the ability to exploit oil and gas at the fields. PVChem's enhanced oil and gas recovery services include:
* Handle the area near the bottom of the well to increase well exploitation efficiency;
* Eliminate inorganic salt accumulation in the wellbore, in the exploitation pipe and surface equipment system;
* Eliminate paraffin accumulation in mining pipes, crude oil processing and transportation equipment systems;
* Increase the operating efficiency of wells exploited by the gaslift method;
* Improve enhanced oil and gas recovery coefficient;
* Mark the water level in mines with chemicals;
* Research to ensure flow for oil and gas field exploitation and development.
* Select chemicals for oil and gas exploitation, treatment, transportation and processing;
* Chemicals and consulting on well cement pumping technology.
* ***Full package mining chemical supply services:*** Full package mining chemical supply service includes supplying chemicals for oil/condensate/gas exploitation along with technical services including consulting, training on chemical use and evaluation; managing and controlling chemicals from the production, transportation, storage, preservation and use of chemicals at the exploitation platform; consulting on assessment methods, industrial testing procedures, ... and proposing solutions to optimize chemical use for the operation and exploitation of oil and gas plots/fields.
* ***Industrial cleaning services:*** The Corporation provides cleaning services with high pressure water, chemicals, and hydraulic oil for pipeline systems, boilers, heat exchange equipment and tanks containing crude oil and product oil, and industrial plants...
* Clean oil tankers, FSO/FPSO, petroleum tanks, industrial equipment;
* Clean boilers, equipment, and pipes of the heat exchange system;
* Clean tanks, transportation and storage vehicles of crude oil, FSO/FPSO; Collect, transport and handle waste oil residue, water mixed with oil to meet environmental standards before discharging;
* Clean before operating all types of industrial equipment, pipes, and tanks.
* ***Environmental treatment services:*** PVChem is one of the leading units in the field of providing environmental treatment services. Diverse service offerings, professional employees and modern machinery systems will help thoroughly solve remaining environmental problems in your home and unit. Customers using the service will be provided with solutions on:
* Solutions and equipment for handling input water sources for factories;
* Consult the use of specialized equipment;
* Construct large-scale wastewater treatment works or special wastewater treatment works for hospital and urban wastewater; industrial wastewater and solid waste treatment;
* Provide solutions for materials and environmental treatment equipment, transfer advanced environmental treatment technology to units;
* Implement calculations and assessments of the impacts of industrial and civil projects on the surrounding environment;
* Environmental monitoring services, collection, transportation and treatment of industrial waste
* Assess environmental impact for industrial and civil projects.
* ***Anti-corrosion treatment services:*** PV Chem's anti-corrosion treatment services include corrosion monitoring, assessment, design consulting, and provision of corrosion prevention systems.
* ***Scaffolding installation services:*** PVChem is always confident to be one of the leading units in the field of scaffolding construction and installation. With many years of experience in the profession, PVChem commits to completing the installation process for contractors as quickly and safely as possible. Aluminum and zinc scaffolding frame systems set quality standards, are stable and durable over time;
* Provide materials and construction of scaffolding according to BS 1139 standards;
* Have factories, lifting machines, and cargo cranes in Vung Tau, Nghi Son, Dung Quat;
* Human resource: All scaffolding experts are certified to level III standards with a lot of experience and good skills such as: design, assembly, adjustment;
* Scaffolding services always meet the needs of construction, installation and maintenance.
* ***Logistics services:*** PVChem's logistics services include:
* Provide smart, flexible, interoperable logistics solutions andtake part in increasing the value of customers' supply chains to fully meet logistics service needs;
* Warehouse and laboratory systems meeting gas industry standards located in key economic zones: Cai Mep - Vung Tau;
* Professional warehouse operating system, according to Health, Safety and Environmental (HS&E) standards;
* Modern, special and specialized equipment serving the operations of the oil, gas and petrochemical industry;
* Provide transportation services by all types of vehicles from common to special vehicles;
* Manage documents, provide various types of reports;
* Control inventory safely; Manage goods requirements and deliver goods to customers according to closed standard processes.
* ***Environmental monitoring services:*** Environmental monitoring services have been clearly regulated in the law. Environmental monitoring services at PVChem include:
* Monitor the soil environment;
* Monitor the water environment;
* Monitor the noise;
* Monitor the air environment.
* ***Laboratory services:***
* Research specialized solution and chemical systems for oil and gas exploitation and transportation;
* Analysis and evaluation services for materials and chemical samples serving the Corporation's production and business;
* Provide sample analysis services to other units inside and outside the industry;
* Provide operation and maintenance services for environmental treatment works (O&M).
  + - 1. Technology qualification

Over more than 30 years, PVChem has diversified its products. Currently, the Petroleum Chemicals Factory in Cai Mep Industrial Park, Ba Ria - Vung Tau Province with a total capacity of more than 61,000 tons of products/year has been operating stably with products including Class G Cement, Silica Flour, Bentonite, Sulfate-resistant Cement...supplying the oil and gas industry and other industries. At the same time, PVChem focuses on researching and investing in the production of new products related to chemicals and ancillary products of the oil and gas industry to increase the rate of revenue and profit in the production field, creating stability and sustainable development of the Corporation.

Regarding the field of technical and chemical services, drilling fluid services in the recent period have played a leading and core role. During the past 30 years, with the efforts, perseverance, and constant exploration and learning of the engineers’ team and the right direction of leaders’ generations, PVChem has dominated and maintained the majority of the market share in providing drilling fluid services in the country, and PVChem can be independent in drilling fluid and chemicals.

**Technological process of mixing PVChem chemicals**



* The main part of the liquid chemical mixing technology line is equipped with 03 stirrer systems, intermediate product tanks and product storage tanks. Auxiliary equipment attached to the line includes: compressed air steam generation system, product transportation pipeline system, waste liquid collection tank, ventilation system. The system is equipped with a chemical dosing pump or a feeding system for powdered materials. Therefore, the system allows liquid/powder use.
* Cai Mep Petroleum Chemical Factory is a place to produce and supply specialized petroleum chemicals to serve the oil and gas industry and a number of other industries of the country's economy. The factory is built on an area of 26,132 m2, with a total investment of VND 174 billion, including production lines for well cement that meet Monogram API standards, production lines for Bentonite, Silica Flour, DMC Lub, Biosafe along with warehouse and laboratory systems and drilling fluid mixing area designed according to international standards.
* Scanjet cleaning equipment system is invested by PVChem and put into operation in 2013 with a total value of nearly VND 100 billion, using advanced American equipment and technology to clean oil tankers and oil tanks/compartments of oil tankers. To date, PVChem has used the Scanjet cleaning equipment system for a number of oil tanker and oil tank cleaning projects.
  + - 1. Seasonality of production and business activities

PVChem's core production and business activities are providing products and services for oil and gas exploration, exploitation, transportation and processing activities. Therefore, most of PVChem's production and business activities depend on fluctuations in crude oil prices and drilling and exploitation activities of domestic oil and gas contractors.

* For the field of drilling fluid services: Depend entirely on drilling plans of domestic oil and gas contractors and fluctuations in crude oil prices.
* PVChem's field of technical services mainly provides technical services for the first stage (search, exploration, and exploitation of oil and gas) and the second stage (anti-corrosion). This is an unstable field of activity and is heavily affected by price fluctuations.
* Industrial services field, especially maintenance/repair services: Depend on the periodic maintenance and repair plans of domestic oil refineries (Dung Quat Oil Refinery, Nghi Son Refinery and Petrochemical Plant).
* Business field: PVChem provides chemical services for oil and gas activities (from drilling, exploitation, petrochemical refining, gas processing, fertilizer power), therefore, PVChem's business results largely depend on drilling and oil exploitation plans. PVChem has been expanding its business activities outside the industry to increase its business product structure and increase revenue and profit.

Production field: PVChem's products are specific and are served for oil and gas drilling and exploitation activities, therefore, the production field largely depends on domestic oil and gas drilling and exploitation activities of oil and gas contractors. Currently, PVChem is looking for customers outside the industry to increase the capacity of Cai Mep Factory.

* + - 1. Materials
* **Source of raw materials**

Currently, PVChem's input raw materials such as Barite ore, Bentonite... are mainly provided in Northern provinces such as Tuyen Quang, Thai Nguyen...

* **Stability of supply**

PVChem has established long-term cooperative relations with input material suppliers. The supply of production materials to the Corporation in recent times has met the Corporation's production needs. In addition, with new production technology, investment in scientific research and facilities, PVChem has been more proactive in the source of raw material.

* + - 1. Status of product and service quality inspection

With the goal of maintaining and affirming the brand in the domestic and international markets, PVChem commits to providing stable products and services that meet and satisfy customers' quality requirements. PVChem regularly maintains and improves the quality management system according to ISO 9001:2000 standards to ensure highly effective operations and maintain product and service quality. The quality inspection of processes from input materials, creating products and services, warehousing, preservation, sales and after-sales service all comply with strict and tightly controlled processes. Regularly train human resources, invest in improving technology, renew machinery and equipment, fully equip facilities and laboratory equipment to meet all international requirements for product quality inspection and product analysis.

* + - 1. Value of products and services over the years

***Table 6: Structure of net revenue from consolidated business activities of the Corporation***

*Unit: Million VND*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target** | **2021** | | **2022** | | **First 6 months of 2023** | |
| **Value** | **Rate (%)** | **Value** | **Rate (%)** | **Value** | **Rate (%)** |
| Revenue from goods sales | **2,503,864** | **90.71** | **2,490,969** | **84.89** | **1,167,592** | **85.57** |
| *Chemical business* | **953,243** | **34.53** | **1,149,365** | **39.17** | **624,387** | **45.76** |
| *PP business* | 1,099,635 | 39.84 | 1,141,257 | 38.89 | 488,139 | 35.77 |
| Sulfur business | 450,986 | 16.34 | 200,347 | 6.83 | 55,056 | 4.03 |
| **Revenue from service provision** | **263,577** | **9.55** | **444,560** | **15.15** | **196,954** | **14.43** |
| Deductions from revenue | 7,182 | 0.26 | 1,178 | 0.04 | -10 | -0.00 |
| **Total net revenue** | **2,760,260** | **100** | **2,934,351** | **100** | **1,364,536** | **100** |

*Source: PVChem*

In 2021, although the Covid-19 pandemic still has many complicated developments, the Corporation has had adaptation plans. Therefore, the Corporation's production and business activities have returned to a high rate compared to before the pandemic. Revenue from goods sales reaches VND 2,504 billion, contributing more than 90% of total net revenue.

In 2022, the total net revenue of the Corporation reaches VND 2,934.3 billion. In which, revenue from goods sales accounts for the highest rate of 84.89%, equivalent to VND 2,490.9 billion. On the other hand, revenue from service provision only accounts for 15.15%, equivalent to VND 444 billion.

In 2021 and 2022, the rate of revenue from Chemical business and PP business don’t change much. Meanwhile, the Sulfur business sees a significant decrease from 16.35% in 2021 to 6.83% in 2022.

In the first 6 months of 2023, the rate of the Chemical business increases and accounts for 45.76% of the total revenue of the Corporation. Meanwhile, the Sulfur business decreases sharply and only accounts for 4.03% of total revenue.

***Table 7: Structure of net revenue from separate business activities of the Holding Company***

*Unit: Million VND*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target** | **2021** | | **2022** | | **First 6 months of 2023** | |
| **Value** | **Rate (%)** | **Value** | **Rate (%)** | **Value** | **Rate (%)** |
| **Revenue from goods sales** | **1,818,132** | **94.25** | **1,780,214** | **90.65** | **851,474** | **93.78** |
| *Chemical business* | 267,511 | 13.87 | 438,610 | 22.34 | 308,279 | 33.95 |
| *PP business* | 1,099,635 | 57.00 | 1,141,257 | 58.12 | 488,139 | 53.77 |
| Sulfur business | 450,986 | 23.38 | 200,347 | 10.20 | 55,056 | 6.06 |
| **Revenue from service provision** | **110,885** | **5.75** | **184,033** | **9.37** | **56,433** | **6.22** |
| Deductions from revenue | 0 | 0 | 481 | 0.02 | - | - |
| **Total net revenue** | **1,929.017** | **100** | **1,963,766** | **100** | **907,907** | **100** |

*Source: PVChem*

***Table 8: Structure of consolidated gross profit of the* Corporation**

*Unit: Million VND*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target** | **2021** | | **2022** | | **First 6 months of 2023** | |
| **Value** | **Rate (%)** | **Value** | **Rate (%)** | **Value** | **Rate (%)** |
| **Gross profit from goods sales** | **126,770** | **69.92** | **135,224** | **61.17** | **29,374** | **31.91** |
| *Chemical business* | 108,896 | 60.06 | 97,524 | 44.12 | 41,183 | 44.74 |
| *PP business* | 10,511 | 5.80 | 28,824 | 13.04 | 3,777 | 4.10 |
| Sulfur business | 7,363 | 4.06 | 8,876 | 4.02 | -15,586 | -16.93 |
| **Gross profit from service provision** | **54,536** | **30.08** | **85,831** | **38.83** | **62,680** | **68.09** |
| **Gross profit** | **181,306** | **100** | **221,055** | **100** | **92,054** | **100** |

*Source: PVChem*

In 2022, gross profit reaches VND 221 billion, increasing by VND 39.7 billion compared to 2021. The Corporation's revenue structure has shifted slightly from goods sales to service provision. Specifically, in 2022, the Corporation's goods sales bring in more than VND 135 billion, accounting for 61.17% of total gross profit while in 2021, this segment accounts for 69.92% of total gross profit. On the other hand, the Corporation's service provision increases slightly, contributing nearly VND 86 billion, equivalent to 38.83% of the total gross profit. By the first 6 months of 2023, service provision accounts for the majority of the total gross profit of the Corporation, while goods sales decrease sharply when the sulfur business is not profitable.

***Table 9: Structure of separate gross profit of the* Corporation**

*Unit: Million VND*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target** | **2021** | | **2022** | | **First 6 months of 2023** | |
| **Value** | **Rate (%)** | **Value** | **Rate (%)** | **Value** | **Rate (%)** |
| **Gross profit from goods sales** | **37,649** | **70.72** | **62,147** | **75.54** | **12,275** | **96.73** |
| *Chemical business* | 19,775 | 37.15 | 24,447 | 29.72 | 24,084 | 189.79 |
| *PP business* | 10,511 | 19.74 | 28,824 | 35.04 | 3,777 | 29.76 |
| Sulfur business | 7,363 | 13.83 | 8,876 | 10.79 | -15,586 | -122.82 |
| **Gross profit from service provision** | **15,586** | **29.28** | **20,121** | **24.46** | **415** | **3.27** |
| **Gross profit** | **53,235** | **100** | **82,268** | **100** | **12,690** | **100** |

*Source: PVChem*

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* + - 1. Production expenses

***Table 10: Expenses for production and business activities of the Holding Company***

*Unit: Million VND*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Target** | **Value** | **2021** | | **2022** | | **First 6 months of 2023** | | | |
| **Value compared to Total expenses (%)** | **Value compared to Net revenue (%)** | **Value** | **Value compared to Total expenses (%)** | **Value compared to Net revenue (%)** | **Value** | **Value compared to Total expenses (%)** | **Value compared to Net revenue (%)** |
| 1 | Cost of goods sold | 1,875,782 | 95.27 | 97.24 | 1,881,017 | 94.17 | 95.81 | 895,217 | 95.02 | 98.60 |
| 2 | Expenses of goods sales | 30,063 | 1.53 | 1.56 | 33,688 | 1.69 | 1.72 | 12,667 | 1.34 | 1.40 |
| 3 | General and administrative expenses | 51,355 | 2.61 | 2.66 | 58,815 | 2.94 | 3.00 | 27,543 | 2.92 | 3.03 |
| 4 | Financial expenses | 9,655 | 0.49 | 0.50 | 21,744 | 1.09 | 1.11 | 5,335 | 0.57 | 0.59 |
| 5 | Other expenses | 2,107 | 0.11 | 0.11 | 2,221 | 0.11 | 0.11 | 1,368 | 0.15 | 0.15 |
| **Total expenses** | | **1,968,962** | **100** | **102.07** | **1,997,484** | **100** | **101.74** | **942,129** | **100** | **103.77** |

*Source: Audited Financial Statements of the Holding Company in 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

***Table 11: Consolidated expenses for production and business activities of the Corporation***

*Unit: Million VND*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Target** | **2021** | | | **2022** | | | **First 6 months of 2023** | | |
| **Value** | **Value compared to Total expenses (%)** | **Value compared to Net revenue (%)** | **Value** | **Value compared to Total expenses (%)** | **Value compared to Net revenue (%)** | **Value** | **Value compared to Total expenses (%)** | **Value compared to Net revenue (%)** |
| 1 | Cost of goods sold | 2,578,954 | 93.57 | 93.43 | 2,713,296 | 93.06 | 92.47 | 1,272,481 | 92.78 | 93.25 |
| 2 | Selling expenses | 36,296 | 1.32 | 1.31 | 40,446 | 1.39 | 1.38 | 16,914 | 1.23 | 1.24 |
| 3 | General and administrative expenses | 127,800 | 4.64 | 4.63 | 133,499 | 4.58 | 4.55 | 75,655 | 5.52 | 5.54 |
| 4 | Financial expenses | 10,405 | 0.38 | 0.38 | 26,397 | 0.91 | 0.90 | 4,852 | 0.35 | 0.36 |
| 5 | Other expenses | 2,61 | 0.10 | 0.10 | 1,938 | 0.07 | 0.07 | 1,657 | 0.12 | 0.12 |
| Total expenses | | 2,756,216 | 100 | 99.85 | 2,915,575 | 100 | 99.36 | 1,371,559 | 100 | 100.51 |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

The total expenses of production and business activities of the Corporation basically fluctuates according to revenue. However, in terms of comparing to revenue, expenses of production activities are having unfavorable changes. Specifically, in 2021, the total expenses are VND 2,756 billion, accounting for 99.85% of revenue; in 2022, it is over VND 2,915 billion, increasing in value and accounting for 99.36% of total revenue. In the first 6 months of 2023, total expenses of production and business activities have slightly increased in rate, accounting for 100.52% of revenue.

This change mainly comes from Cost of goods sold, which is also the largest expenses of production and business activities. In terms of total expenses, Cost of goods sold always ranges from nearly 92% to over 93% of total expenses. In terms of comparing the Cost of goods sold to total revenue, there is a higher fluctuation range. Specifically, in 2021, Cost of goods sold accounts for 93.43% of revenue; in 2022, it accounts for 92.47%; and in the first 6 months of 2023, it accounts for 93.25%.

Other expenses include financial, selling expensessale, and business management expenses. These expenses only account for about 7% to 8% of the Company's total expenses.

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* + 1. Assets

***Table 12: Value of fixed assets of the Holding Company***

*Unit: Million VND*

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **List of assets** | **December 31, 2021** | | | **December 31, 2022** | | | **June 30, 2023** | | |
| **Historical cost** | **Residual value** | **Residual value compared to Historical cost (%)** | **Historical cost** | **Residual value** | **Residual value/ Historical cost (%)** | **Historical cost** | **Residual value** | **Residual value/ Historical cost (%)** |
| ***I*** | ***Total value of tangible fixed assets*** | ***272,109*** | ***113,686*** | ***41.78*** | ***270,379*** | ***99,386*** | ***36.76*** | ***270,013*** | ***92,544*** | ***34.27*** |
| 1 | Houses and building materials | 105,122 | 50,422 | 47.97 | 105,122 | 46,867 | 44.58 | 105,122 | 45,138 | 42.94 |
| 2 | Machinery and equipment | 137,800 | 60,200 | 43.69 | 137,378 | 50,351 | 36.65 | 137,378 | 45,437 | 33.07 |
| 3 | Means of transportation | 24,473 | 1,724 | 7.04 | 24,473 | 909 | 3.71 | 24,107 | 748 | 3.1 |
| 4 | Office equipment | 4,596 | 1,322 | 28.76 | 3,365 | 1,252 | 37.21 | 3,365 | 1,218 | 36.20 |
| 5 | Other tangible fixed assets | 117 | 18 | 15.38 | 41 | 7 | 17.07 | 41 | 2 | 4.88 |
| ***II*** | ***Total value of intangible assets*** | ***29,198*** | ***20,715*** | ***70.95*** | ***29,093*** | ***19,982*** | ***68.68*** | ***29,093*** | ***19,616*** | ***67.42*** |
|  | **Total** | **301,307** | **134,401** | **44.61** | **299,472** | **119,368** | **39.86** | **299,106** | **112,159** | **37.5** |

*Source: Audited Financial Statements of the Holding Company in 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

***Table 13: Value of consolidated fixed assets of the Corporation***

Unit: Million VND

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **List of assets** | **December 31, 2021** | | | **December 31, 2022** | | | **June 30, 2023** | | |
| **Historical cost** | **Residual value** | **Residual value/Historical cost**  **(%)** | **Historical cost** | **Residual value** | **Residual value/Historical cost**  **(%)** | **Historical cost** | **Residual value** | **Residual value/Historical cost**  **(%)** |
| **I** | **Total value of tangible fixed assets** | **397,304** | **144,002** | **36.24** | **399,287** | **126,010** | **31.56** | **398,937** | **116,440** | **29.19** |
| 1 | Houses and building materials | 130,194 | 54,562 | 41.91 | 130,194 | 49,769 | 38.23 | 130,127 | 47,402 | 36.43 |
| 2 | Machinery and equipment | 209,091 | 69,468 | 33.22 | 211,269 | 58,442 | 27.66 | 211,440 | 52,079 | 24.63 |
| 3 | Means of transport | 5,690 | 1,496 | 26.29 | 4,669 | 1,554 | 33.28 | 4,290 | 3,189 | 74.34 |
| 4 | Office equipment | 34,254 | 2,676 | 7.81 | 35,080 | 2,557 | 7.29 | 35,080 | 1,251 | 3.57 |
| 5 | Other tangible fixed assets | 18,076 | 15,799 | 87.40 | 18,076 | 13,689 | 75.73 | 17,999 | 12,519 | 69.55 |
| **II** | **Total value of intangible assets** | **30,415** | **21,258** | **69.89** | **30,340** | **20,269** | **66.81** | **33,099** | **22,518** | **68.03** |
|  | **Total** | **427,719** | **165,260** | **38.64** | **429,627** | **146,279** | **34.05** | **432,037** | **138,958** | **32.16** |

Source: Audited Consolidated Financial Statements 2021, 2022 and Reviewed Consolidated Financial Statements in the first 6 months of 2023

Tangible fixed assets accounting for the largest proportion are houses and building materials and machinery and equipment. The historical cost of the Corporation’s fixed assets increased by nearly VND 3 billion, the residual value of the Corporation's fixed assets decreased by nearly VND 18 billion, mainly due to purchasing more machinery and equipment to imcrease the scale and product output.

Most of the Corporation's intangible assets still have long-term use value, with a residual value of 70%. However, the residual value of the Corporation's fixed assets is only about 10% - 45%, of which other tangible fixed assets have the largest residual value of about 70%.

**Table 14: Machinery and equipment of the factory**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Equipment** | **Unit** | **Quantity** |
| 1 | C/W9 Horizontal centrifugal pump with electric motor | Piece | 01 |
| 2 | C/W 92 KW Diesel fire fighting pump | Piece | 01 |
| 3 | C/W 3.7 KW Aurora pressure compensating pump | Piece | 01 |
| 4 | 150KVA ECO- VWH - 165 CTQ Generator (DUNG QUAT) | Piece | 01 |
| 5 | TOYOTA HiAce, license plate No. 29L-5336 | Car | 01 |
| 6 | 4-Seat Nissan, license plate No. 29K-6906 | Car | 01 |
| 7 | 7.5T truck with tarpaulin manufactured in China, license plate No. 29C-006.17 | Truck | 01 |
| 8 | 7.5T truck with tarpaulin manufactured in China, license plate No. 29C-006.18 | Truck | 01 |
| 9 | 2.45T wheel electric forklift, license plate No. 29LA-1133 (Dung Quat Oil Refinery Plant) | Forklift | 01 |
| 10 | XGMA 2.45T Forklift Truck Diesel manufactured in China, license plate No. 29LA-1135 (Dung Quat Oil Refinery Plant) | Forklift | 01 |
| 11 | Electrical system of the modified starch factory | System | 01 |
| 12 | Fast Financial 3.1 software (Office and software synthesize branches and offices) | Piece | 01 |
| 13 | Fast (Accounting Program) | Piece | 01 |
| 14 | Fast Financial (Governance report program) of the Holding Company | Piece | 01 |
| 15 | VITEC Electronic Office Software | Piece | 01 |

* + 1. Operating market

The Corporation's business activities are currently concentrated in Hanoi, Vung Tau, Ho Chi Minh and partly exported abroad.

The Corporation currently has head office and branches and subsidiaries in many localities throughout the country as follows:

**Northern region:**

**Head office of the Corporation:**

* Address: 6th floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi.
* Tel: 024.38562861 Fax: 024.38562552

**Petrovietnam Chemical and Services Corporation - Branch of Industrial Technical Services (PVCHEM-ITS):**

* Address: 16th floor, IDMC Building No. 15 Pham Hung Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City.
* Tel: 024.66640802 Fax: 024 66 640 803

**Petrovietnam Chemical and Services Corporation - Research and Development and Technical Services Center (PVCHEM - RT):**

* Address: 6th Floor, Vietnam Petroleum Institute Building, No. 167 Trung Kinh Street, Yen Hoa Ward, Cau Giay District, Hanoi City.
* Tel: 024.73001189

**PVChem-Tech Company Limited:**

* Address: 16th Floor, IDMC Building, No. 15 Pham Hung, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City, Vietnam.
* Tel: 024 73 001 189 Fax: 024 73 000 579

**PVChem Industrial Technical Services Company Limited (PVCHEM-ITS):**

* Address: 16th floor, IDMC Building No. 15 Pham Hung Street, My Dinh 2 Ward, Nam Tu Liem District, Hanoi City.
* Tel: 024.66640802 Fax: 024 66 640 803

**Southern region**

**Petrovietnam Chemical and Services Corporation - Petroleum Chemical Services Branch**

* Address: No. 163, Hai Ba Trung Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City.

**DMC-Drilling Fluids and Well Services (DMC-WS)**

* Address: No. 35, Street 30/4, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province.
* Tel: 064.3624499

**DMC - Southern Petroleum Chemicals JSC**

* Address: No. 24/8 Le Thanh Tong, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam
* Tel: 0254 3 832 036 Fax: 0254 3 832 084

**M-I Oil & Gas Services Vietnam Limited Liability Company:**

* Address: No. 99, Le Loi Street, Thang Nghi Ward, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam.
* Tel: 0254 3 832 670 Fax: 0254 3 839 855

**PVChem Drilling Mud and Services Company Ltd:**

* Address: No. 35, Street 30/4, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam.
* Tel: 0254 3 624 499 Fax: 0254 3 624 666

**Petroleum Chemical Services Company Limited:**

* Address: No. 163, Hai Ba Trung Street, Vo Thi Sau Ward, District 3, Ho Chi Minh City.

**Table 25: Revenue structure according to the Holding Company's operating market**

Unit: Million VND

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Targets** | **2021** | | **2022** | | **First 06 months of 2023** | |
| **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** |
| **Northern region** | 1,465,868 | 75.99 | 907,421 | 46.21 | 622,736 | 68.59 |
| **Central region** | 94,632 | 4.91 | 341,501 | 17.39 | 127,058 | 13.99 |
| **Southern region** | 367,694 | 19.06 | 591,151 | 30.10 | 154,658 | 17.03 |
| **Foreign** | 823 | 0.04 | 123,693 | 6.30 | 3,454 | 0.38 |
| **Total** | **1,929,017** | **100** | **1,963,766** | **100** | **907,907** | **100** |

Source: PVChern

**Table 36: Gross profit structure according to the Holding Company’s operating market**

Unit: Million VND

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Targets** | **2021** | | **2022** | | **First 06 months of 2023** | |
| **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** |
| **Northern region** | 40,453 | 75.99 | 38,015 | 46.21 | 8,704 | 68.59 |
| **Central region** | 2,612 | 4.91 | 14,306 | 17.39 | 1,776 | 13.99 |
| **Southern region** | 10,147 | 19.06 | 24,765 | 30.10 | 2,162 | 17.04 |
| **Foreign** | 23 | 0.04 | 5,182 | 6.30 | 48 | 0.38 |
| **Total** | **53,235** | **100** | **82,268** | **100** | **12,690** | **100** |

Source: PVChem

**Table 47: Revenue structure according to the Corporation's operating market**

Unit: Million VND

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Targets** | **2021** | | **2022** | | **First 06 months of 2023** | |
| **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** |
| **Northern region** | 1,565,868 | 56.73 | 907,421 | 30.91 | 622,736 | 45.64 |
| **Central region** | 150,632 | 5.46 | 341,501 | 11.63 | 127,058 | 9.31 |
| **Southern region** | 892,936 | 32.35 | 1,526,736 | 52.05 | 594,341 | 43.56 |
| **Foreign** | 150,823 | 5.46 | 158,693 | 5.41 | 20,400 | 1.50 |
| **Total** | **2,760,259** | **100** | **2,934,351** | **100** | **1,364,535** | **100** |

Source: PVChem

**Table 58: Gross profit structure according to the Corporation’s operating market**

Unit: Million VND

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Targets** | **2021** | | **2022** | | **First 06 months of 2023** | |
| **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** | **Value (Million VND)** | **Proportion (%)** |
| **Northern region** | 102,853 | 56.73 | 68,332 | 30.91 | 42,011 | 45.64 |
| **Central region** | 9,894 | 5.46 | 25,716 | 11.63 | 8,572 | 9.31 |
| **Southern region** | 58,652 | 32.35 | 115,057 | 52.05 | 40,095 | 43.56 |
| **Foreign** | 9,907 | 5.46 | 11,950 | 5.41 | 1,376 | 1.49 |
| **Total** | **181,306** | **100** | **221,055** | **100** | **92,054** | **100** |

Source: PVChem

* + 1. Report on the investment status, investment efficacy, production and business efficiency, and service provision efficiency in the main business line

**Financial investment:**

According to the Reviewed Financial Statements of the Holding Company in the first 6 months of 2023, the Corporation has a held-to-maturity investment - short-term with the value of VND 143,600,000,000. This is 6-month term deposits at domestic commercial banks with interest rates from 4.6% to 9.8%/year (January 1, 2023: from 3.5% to 9.6%/year). The historical cost of these deposits approximates fair value due to the short-term nature of the investments.

**Efficiency of production, business and service provision in the main business lines:**

In 2022, the total corporate assets reached VND 2,245 billion, an increase of 24.01% compared to that in 2021. Owners’ equity of the Corporation reached VND 833 billion, an increase of VND 32 billion compared to that in the end of 2021. By the end of 2022, the net revenue of PVChem reached VND 2,934 billion, an increase of VND 174 billion (equivalent to an increase of nearly 6.3%) compared to that in 2021. Profit after tax reached VND 27 billion, an increase of 13.07 compared to that in 2021). The chemical business segment always accounts for over 90% of total revenue and 70% of gross profit of the Corporation. in the first 6 months of 2023, total assets of PVChem was VND 2,028.6 billion, a slight decrease compared to that in the end of 2022, the net revenue reached VND 1,364.5 billion, and the profit after tax reached VND 17.3 billion (equivalent to 59% of the profit plan in 2023). PVChem’s consolidated production and business results in the first 6 months of 2023 was positive with targets of consolidated revenue reaching 54.58% of the 2023 Plan, profit after tax reaching 66.52% of the 2023 Plan and profit after tax reaching 59% of the 2023 Plan.

* + 1. Major contracts

Table 19: List of major contracts

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Partners** | **Estimated value (million VND)** | **Time to sign contract** | **Time to exercise** | **Provision of products and services** | **Partners participating in the contract** | **Relation with members of the BOD, Supervisors, the GM, the DGM, the Chief Accountant and majors shareholders of the Corporation** |
| 1 | An Thanh Bicsol Joint Stock Company | 360,000 | 2021 | 2022 | Dung Quat PP plastic beads | Customer | None |
| 2 | Thanh Phat Import Export Produce Company Limited | 180,000 | 2021 | 2022 | Dung Quat PP plastic beads | Customer | None |
| 3 | Stavian Chemical Joint Stock Company | 72,000 | 2021 | 2022 | Dung Quat PP plastic beads | Customer | None |
| 4 | PTSC Quang Ngai Joint Stock Company | 4,869 |  | 2022 | Anti-corrosion paint service | Customer | None |
| 5 | Hawee Energy Joint Stock Company | 4,725 |  | December 2020 - December 2022 | Operational management of 110KV cutting station, connection lines - Hong Liem 3 solar power plant | Customer | None |
| 6 | Nghi Son Refinery and Petrochemical LLC | 10,060 | 2022 | March 2022 - June 2023 | Providing technical consulting services and operating the ETP wastewater treatment plant | Customer | Company owning contributed capital of PVN Holding Company |
| 7 | Japan Vietnam Petroleum Co. Ltd | 6,652 |  | September 2020 - September 2022 | Foundation well acid treatment and treatment services | Customer | None |
| 80,000 |  | 2019-  2022 | Exploitation chemicals | Customer | None |
| 8 | Cuu Long JOC | 15,079 |  | December 2021- December 2022 | Acid treatment service | Customer | None |
| 9 | Binh Son Refining and Petrochemical Company Limited (BSR) | 18,780 |  | 2022 | Providing anti-corrosion painting services | Customer | Company owning contributed capital of PVN Holding Company |
| 5,360 |  | 2022 | Anti-corrosion paint service |
| 6,030 |  | 2022 | Anti-corrosion paint service |
| 70,000 | 2022 | 2022 - 2025 | Anti-corrosion performance service |
| 17,670 | 2022 | March 2022 - December 2022 | Equipment supply service |
| 10 | Nghi Son Refinery and Petrochemical LLC | 63,800 | 2022 | June 2022 - September 2022 | Providing liquid sodium hydroxide | Customer | Companies contributed capital by PVN Holding Company |
| 64,000 | 2022 | October 2022 - December 2022 | Providing liquid sodium hydroxide |  |  |
| 67,200 | 2022 | January 2023 - March 2023 | Providing liquid sodium hydroxide |  |  |
| 11 | Petrovietnam Exploration Production Corporation | 54,523 | 2022 | October 2022 - October 2023 (can be extended for another 1 year) | Providing exploitation chemicals | Customer | Company owning contributed capital of PVN Holding Company |
| 12 | M-I Oil & Gas Services Vietnam Limited Liability Company (former name: M-I Drilling Fluids Vietnam Limited Liability Company) | 39,096 | 2021 | 2022 | Chemical products of all kinds | Customer | Subsidiary of PVChem |
| 13 | Russia-Vietnam Joint Venture (Vietsovpetro) | 28,865 | 2022 | June - September 2022 | Chemicals of all kinds | Customer | Companies contributed capital by PVN Holding Company |
| 4,078 |  | March 2020 - June 2021 | Chemicals of all kinds |
| 2,935 |  | January 2021 - April 2022 | Chemicals of all kinds |
| 3,818 |  | June 2022 | Chemicals of all kinds |
| 19,809 | 2022 | October 2022 | Chemicals of all kinds |
| 50,668 | 2023 | 2023 | Chemicals of all kinds |
| 14 | Premier Oil Vietnam (POVO) | 2,088 |  | July 2020 - July 2021 | Chemicals of all kinds | Customer | None |
| 25,300 |  | December 2021- December 2024 | Exploitation chemicals and chemical services |
| 15 | Hoang Long JOC | 38,863 |  | December 2021 - December 2023 | Exploitation chemicals | Customer | None |
| 16 | Hoan Vu JOC | 19,625 |  | December 2021 - December 2023 | Exploitation chemicals | Customer | None |
| 17 | BienDong POC | 17,500 |  | June 2020 - June 2022 | Exploitation chemicals and chemical services | Customer | None |
| 18,580 | 2022 | August 2022 - August 2023 | Exploitation chemicals and chemical services | Customer | None |
| 18 | Cuu Long JOC | 115,000 |  | November 2021 - November 2024 | Exploitation chemicals and chemical services | Customer | None |
| 6,440 |  | May 2022 - May 2023 | Chemicals of all kinds |
| 38,320 | 2021 | January 2022 - April 2023 | Providing chemicals and acid treatment services |
| 90,000 | 2021 | November 2021 - January 2025 | Exploitation chemical service |  |  |
| 19 | PVChem Drilling Mud and Services Company Ltd. | 5,000 |  | January 1 - June 2022 | Chemicals of all kinds | Customer | Subsidiary of PVChem |
| 20 | Nghi Son Refinery and Petrochemical LLC | 37,251 |  | April 2020 - April 2022 | Chemicals of all kinds | Customer | Company with contributed capital by PVN Holding Company |
| 26,940 | 2021 | September 2021 - September 2022 | Chemicals of all kinds |
| 23,991 | 2021 | December 2021 - January 2023 | Materials |
| 200,000 | 2022 | June 2022 - November 2023 | Overall maintenance of TA 23 Oil Refinery | Customer | Company with contributed capital by PVN Holding Company |
| 21 | Hoang Minh Agrima Co., Ltd | 7,575 |  | April 2022 | Chemicals of all kinds | Customer | None |
| 22 | Vinomig Singapore | 616,884 | 2022 | 2022 | Plastic beads of all kinds | Customer | None |
| 260,132 | 2023 | 2023 | Plastic beads of all kinds | Customer | None |
| 23 | Stavian VP Joint Stock Company | 77,300 | 2022 | October 2022 | Sulfur | Customer | None |
| 24 | BGN | 123,029 | 2022 | December 2022 - January 2023 | Sulfur | Customer | None |
| 25 | Stavian Chemical Joint Stock Company | 264,534 | 2022 | 2023 | Dung Quat PP plastic beads | Customer | None |

Source: PVChem

* + 1. Major customers and suppliers
       1. Major customers

**Table 20: List of major customers**

| **No.** | **Name of customer** | **Transaction value (million VND)** | | | | | **Products/ services** | **Relation with members of the BOD, Supervisors, the GM and major shareholders of the Corporation** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2019** | **2020** | **2021** | **2022** | **First 6 months of 2023** |
| 1 | Stavian Chemical Joint Stock Company (former name: Opec plastics) | 694,309 | 761,311 | 976,750 | 1,295,307 | 601,933 | PP plastic beads | None |
| 2 | Russia-Vietnam Joint Venture (Vietsovpetro) | 379,617 | 177,758 | 25,241 | 62,274 | 148,813 | Providing chemicals, providing services, hiring personnel, etc. | Company owning contributed capital of PVN Holding Company |
| 3 | Vinh Tan Thermal Power Company | 12,706 | 597 | 10,198 | - | - | Chemical business | None |
| 4 | Petrovietnam Exploration production Corporation (PVEP) | 14,242 | 102,278 | 34,584 | 32,874 | 69,538 | Chemical business, providing sample analysis services | Company owning contributed capital of PVN Holding Company |
| 5 | Doosan Enerbility Vietnam | 30,709 | - | - | - | - | Providing cleaning services | None |
| 6 | M-I Oil & Gas Services Vietnam Limited Liability Company (former name M-I Drilling Fluids Vietnam Limited Liability Company) | 21,843 | 42,752 | 8,820 | 39,096 | 7,488 | Chemical business | Company owning contributed capital of PVChem Holding Company |
| 7 | Nghi Son Refinery and Petrochemical LLC | 91,493 | 59,539 | 44,176 | 199,024 | 113,440 | Chemical business, providing environmental treatment services, human resources services... | Company owning contributed capital of PVN Holding Company |
| 8 | Binh Son Refining and Petrochemical Company Limited (BSR) | 12,047 | 97,851 | - | 43,236 | 10,954 | Chemical and equipment business, equipment, providing anti-corrosion services, scaffolding, etc. | Company owning contributed capital PVN Holding Company |
| 8 | DAP-VINACHEM Joint Stock Company | 53,044 | - | - | - | - | Chemical business (solid sulfur) | None |
| 9 | Duc Giang Lao Cai Chemicals Limited Company | 55,742 | - | - | - | - | Chemical business (sulfur) |  |
| 10 | CUU LONG Joint operating Company | 42,365 | 9,777 | 13,472 | 62,821 | 29,481 | Chemical business, renting equipment and hiring human resources | None |
| 11 | Japan Vietnam Petroleum Company Limited | 27,510 | 45,286 | 34,895 | 1,515 | 18,451 | Providing chemicals and services | None |
| 12 | BGN | - | - | - | 123,029 | - | Sulfur | None |

Source: PVChem

* + - 1. Major suppliers

**Table 21: List of major suppliers**

| **No.** | **Name of supplier** | **Transaction value (million VND)** | | | | | **Products/services** | **Relation with members of the BOD, Supervisors, the General Manager and major shareholders of the Corporation** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2019** | **2020** | **2021** | **2022** | **2023** |
| 1 | VINOMIG Singapore PTE, LTD | 543,047 | 317,892 | 452,844 | 616,889 | 440,616 | PP plastic beads, chemicals | None |
| 2 | Vigor Sphere PTE LTD | 21,950 | 14,144 | 13,121 | 7,581 | - | Providing chemicals | None |
| 3 | Drilling Technology Institute | 51,418 | 47,462 | 7,439 | - | - | Providing chemicals | None |
| 4 | Saudi Aramco Products Trading Company | 103,419 | - | - | - | - | Providing chemicals | None |
| 5 | Halliburton International INC | 16,541 | 20,621 | 9,697 | 26,589 | 4,392 | Providing chemicals and services | None |
| 6 | EcoLab PTE LTD | 17,301 | 7,506 | - | - | - | Service | None |
| 7 | Abu Dhabi National Oil Company | 211.66 | 164.55 | 450.99 | 118,695 | 107.67 | Providing sulfur | None |
| 8 | Viet Tri Chemical Joint Stock Company | - | - | - | 119,247 | 191,841 | Providing chemicals | None |
| 9 | Binh Son Refining and Petrochemical Company Limited | 5,090 | 84,793 | 74,339 | 485,800 | 169,218 | Providing PP | Company owing contributed capital of PVN-Holding Company |
| 12 | Oilfield International Equipment and Supplies PTE | 15,775 | 6,935 | 37,678 | 9,935 | - | Providing chemicals and services | None |

* + 1. Status of the Issuer in the industry
       1. The status of the Issuer compared to other enterprises in the industry
* **Status of PVCHEM**

The Corporation was established in 1990, after a long journey of gradually perfecting the production, business and service supply chain to expand and develop. Along with that, the Corporation continues to exploit its strengths of the core field of drilling fluid services to serve oil and gas exploration and exploitation projects in Vietnam. In particular, thanks to careful preparation and foresight, the Corporation possesses a team of technicians and managers with extensive training, experience and enthusiasm to develop new fields of production, business and services. Thereby, the Corporation has affirmed its status and reputation in the fields of business, production, service, and chemical engineering.

Competitive advantages of the Corporation:

* A leading provider of chemical engineering services to units inside and outside the oil and gas industry.
* An enterprise operates exclusively in the supply of chemicals to the domestic oil and gas sector, and owns 100% of the market share in providing drilling services in Vietnam.
* Large distribution channel system and main markets are Hanoi, Hai Phong, Quang Ngai, Ho Chi Minh and Ba Ria Vung Tau. In addition, the Corporation's products are also distributed in many countries in the Asia-Pacific region, the Middle East, and Central America.
* A team of employees and engineers with high professional qualification, extensive practical experience and good training in technical development creates success for the enterprise;
* The field of technical services, especially the field of drilling fluid services and the advantages of facilities, human resources and experience have good results in providing technical services for projects of providing technical services for oil and gas exploration and exploitation in Vietnam. Therefore, the Corporation has dominated and maintained the majority of the domestic drilling fluid supply market share;
* The Corporation is autonomous in providing services, increasing operational efficiency, enhancing reputation, affirming the brand and contributing to bringing high economic efficiency to partners and customers;
* Continuously promote cooperation, and joint ventures with partners with reputation, experience, and high qualification of engineering and technology to focus on developing potential fields;
* Proactively focus on research and investment in the production of new products related to chemicals and ancillary products of the oil and gas industry;
* Build a modern factory meeting full quality standards for all production lines, and continuously invest in machinery and equipment to ensure the quality of manufactured products meets standards, quality and techniques.

The Corporation always receives attention and support from leaders of Vietnam Oil and Gas Group as well as units in the oil and gas industry during its development process. On June 16, 2023, the Corporation and Binh Son Refining and Petrochemical Company Limited signed a Cooperation Agreement to provide PP powder for the PP Filler/Compound Factory project and a Cooperation Agreement to provide technical maintenance and repair services for petrochemical refineries. The Board of Leaders as well as all employees are aware that this is an opportunity for PVChem to transform its development into a new direction in accordance with the 5-year plan in the period of 2021 - 2025 and PVChem's development strategy until 2035. That is synchronous development in all 3 fields including: Services - Business - Production, with a focus on developing: production of specific new products and technical maintenance services, and repair of petrochemical refineries that are part of the production and service value chain of the oil and gas industry.

* **Comparison of the financial situation and business activities of enterprises in the same industry.**

The main operation of Petrovietnam Chemical and Services Corporation is providing chemicals and technical services for oil and gas exploration, drilling and exploitation activities for oil and gas contractors. Currently, there are many enterprises operating in this industry, including more than 20 enterprises listed or registered for trading on the stock exchange. However, enterprises do not have exactly the same business lines as Petrovietnam Chemical and Services Corporation, so the Corporation selected 05 enterprises in the industry with the most similar production, business and product characteristics. Enterprises selected for comparison in terms of financial situation and business operations include:

* Additives And Petroleum Products Joint Stock Company;
* DAP-VINACHEM Joint Stock Company;
* Duc Giang Chemicals Group Joint Stock Company;
* Viet Tri Chemical Joint Stock Company;
* Sai Gon Plant Protection JSC.

**Table 22: Compare with Companies in the same industry**

Unit: Billion VND

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Securities code** | **Company name** | **Charter capital** | **Owners' equity** | **Total assets** | **Net revenue** | **Profit after tax** | **ROE**  **(%)** |
| PVC | Petrovietnam Chemical and Services Corporation | 500 | 833 | 2,245 | 2,934 | 27 | 3.27 |
| DGC | Duc Giang Chemicals Group Joint Stock Company | 3,797 | 10,833 | 13,405 | 14,444 | 6,036 | 55.72 |
| DDV | DAP-VINACHEM Joint Stock Company | 1,461 | 1,802 | 2,112 | 3,270 | 357 | 19.8 |
| HVT | Viet Tri Chemicals JSC | 109 | 437 | 688 | 1,376 | 177 | 40.49 |
| SPC | Sai Gon Plant Protection Joint Stock Company | 105 | 240 | 650 | 1,201 | 24 | 10.21 |
| APP | Additives And Petroleum Products JSC | 47 | 50 | 85 | 271 | 433 | 0.86 |

Source: Audited Financial Statements 2022 of the compared companies)

From the statistical table above, it can be seen that Petrovietnam Chemical and Services Corporation has a fairly good scale, financial targets and production and business results compared to other enterprises. Petrovietnam Chemical and Services Corporation is one of the state-owned enterprises in the industry oil and gas. The Corporation has a large distribution channel system, ensuring more stable revenue and profits than some competitors. At the same time, the team of employees and technicians research exclusive drilling service methods for domestic oil and gas enterprises. This is a stepping stone for PVChem's profits to remain stable and grow when the economy recovers after the Covid-19 pandemic.

* + - 1. Development potential of the industry:
* **Industry development potential:**
* Vietnam's Chemical Industry plays an important role in economic development because it provides inputs for some essential industries. Currently, Vietnam develops fully all sub-sectors of the chemical industry including: Fertilizers and other compounds, soap and detergents, primary plastic and synthetic rubber, basic chemicals, paint and ink, pesticides, artificial fibers and other types of chemical products.
* However, Vietnam's Chemical Industry has not yet developed to meet the increasing domestic demand. The growth index of Vietnam's Chemical Industry is relatively lower comparing with the Chemical Industry of other countries. Production index of chemicals and chemical products is only 6.5 % per year. Chemical industry output is estimated to account for only about 10% of the country's total industrial output. Therefore, Vietnam's Chemical Industry still has a great potential for growth.
* In addition, in some developed countries such as China, Korea and Japan, strict environmental regulations are having a strong impact on the industry's expansion process, causing enterprises to look for ways to shift production to other potential countries, including Vietnam. This is an opportunity for Vietnamese enterprises like PVChem to access digital technology to increase profits, improve supply chain management, and strengthen development cooperation with foreign partners and customers.
* Looking at the industry overview, market research experts all have the same opinion that when Vietnam's economy enters a new growth phase with a record high rate of FDI attraction, Vietnamese Chemical Industry businesses have bright prospects in the coming time.
* **Growth of market size:**

Vietnam's Chemical Industry market still has a lot of development potential because the great fourth industrial revolution has opened up many opportunities for it to transform, increase productivity and quality when applying new science and technology, promoting green and sustainable growth.

After ongoing projects are completed and operate stably, the chemical industry accounts for 13 - 14% of the entire industry. Thereby, we can see the increase in high market demand and the State's attractive policies for developing the chemical industry.

* + - 1. Assessment on the compatibility of the Corporation's development orientation with the industry's development orientation, state policies and general world trends

The Corporation aims to become a leading professional supplier of technical chemical services, chemical and petrochemical products in Vietnam, with high reputation in the region. PVChem provides stable chemical services for oil and gas activities with an increasingly diverse chemical portfolio, continuously deploys many new projects, and focuses on areas with potential and high profit margins. At the same time, PVChem proactively promotes scientific research and production technology to launch many new products meeting market needs. It can be seen that PVChem's new direction is consistent with the policies of the State and Government. In the Draft Strategy for the Development of Vietnam's Chemical Industry to 2030, with a vision to 2040 that the Ministry of Industry and Trade is submitting to the Government, the chemical industry is planned to develop in both breadth and depth.

* **Production, business, investment**

Vietnam is one of the countries that possesses advantages in geographical location, political stability with many policies that create favorable conditions for foreign investors to access, and has an abundant workforce with high levels of education. Based on inherent advantages, the Corporation has built a strategy focusing on developing and researching to build products on a modern production line system, improving the production capacity, promoting the operating area, and gradually developing sustainably in the brand development process.

* **Personnel**

In addition to recruiting and retaining talents, the Corporation focuses on human resource training. With a reasonable and effective training policy, the Corporation has created high quality human resources, meeting the increasing needs of production and business activities in a highly competitive environment.

* **Assessment of compatibility**

With the Corporation's development potential, along with the State's supportive policies, the Corporation's development orientation is considered to be completely consistent with the industry's development orientation, utilizing the subjective advantages of businesses and the objective advantages brought about by market demand and State policies.

* + 1. Marketing activities

The Corporation has implemented market survey activities, grasping the actual operating status of the Corporation's products as well as its competitors. In addition, the Corporation has also carried out programs to connect with customers and input suppliers, improved market penetration activities such as organizing seminars with customers, suppliers and actively receiving feedback and suggestions from customers in the fields of production and business activities. The Corporation always maintains research activities and builds the Corporation's brand identity in the direction of modernization, demonstrating the core value of the Corporation, improves and synchronizes documents, updates the Corporation's website interface, and establishes additional information and image communication channels of the Corporation to customers.

* **Branding strategy:**
* Build and organize the Corporation's website well;
* Create a good impression with customers, well implement initial and later technical service contracts for oil and gas contractors; Provide maintenance services for petrochemical refineries, gradually replacing foreign contractors.
* Strengthen marketing, follow up and reach out to customers to collect information to increase competitive opportunities when participating in bidding packages. Access procurement plans, drilling plans, annual maintenance plans of units inside and outside the industry to seek new contracts, increasing revenue and profit;
* Use mass media to promote the Corporation’s images;
* Create extensive relations with the community and regularly organize meetings and direct dialogues with customers as well as partners.
* **Public relations activities:**
* Connect the Petrovietnam brand;
* Organize specialized seminars and exhibitions.
  + 1. Intellectual property rights, trademark, trade name and invention

Currently, the Corporation is using Vietnam Oil and Gas Group’s Logo with “PVChem” written below.

* + 1. Research and development policy

Recognizing that the product research and development process is an important step in the production process, the Corporation's Board of Directors has proposed product development strategies. 2020 is the first year that PVChem has implemented its Development Strategy with strong and comprehensive changes, focusing on equally developing all three areas of Production - Business - Services. In particular, the focus is on maintaining the core service of drilling fluid. At the same time, PVChem has successfully renewed the joint venture contract and expand the field of cooperation with partner Schlumberger at M-I Vietnam for another 10 years (2021-2031) in addition to the traditional field of cooperation which is drilling fluid such as high-tech cement, water separation, and increased oil recovery... Besides, PVChem has also focused on researching and developing new fields such as: Investment in industrial chemical production and trading systems; Technical chemical and industrial gas services.

During the process of establishment and development, although the Corporation has to go through ups and downs and even has to face decisions to survive at times, generations of leaders and all PVChem employees with experience, bravery, perseverance, and creativity have worked together to build a developed PVChem today. The Corporation has recruited and gathered a team of highly qualified personnel and leaders. Currently, PVChem has nearly 400 employees, possessing a team of skilled drilling fluid and chemical engineers with lots of practical experience that can self-implement complex, technical-intensive projects, with four branches, including: PetroVietnam Chemical and Services Corporation - Petroleum Chemical Services Branch, DMC-Drilling Fluids and Well Services, Branch of PetroVietnam Chemical and Services Corporation - Research and Development and Technical Services Center, PetroVietnam Chemical and Services Corporation - Branch of Industrial Technical Services and five member units/joint ventures (M-I Viet Nam Company Limited, DMC - Southern Petroleum Chemicals Joint Stock Company, PVChem - Tech Company Limited, DMC Company, and DMC-VTS Company).

*(This page is intentionally left blank).***Images of PVChem signing contracts with domestic and foreign partners**

A group of people standing in front of a table

Description automatically generated

*Mr. Phan Cong Thanh - General Manager of PVChem and Mr. Van Dinh Hoan - General Manager of Vitrichem sign the business cooperation contract*

A group of men in suits standing in front of a large screen

Description automatically generated

*Signing ceremony of cooperation agreement on industrial gas production and trading between PVChem and BIG (Thailand)*

Two men standing in front of a sign

Description automatically generated

*General Manager of PVChem and CEO of SISBV signing contracts in Hanoi and The Hague (Netherlands).*

* + 1. Vision, mission

PVChem always strives to build sustainable trust with customers, partners, communities, shareholders and employees to bring them the highest values.

* **Vision:** Become a leading supplier in Vietnam, with a high reputation in the region for chemicals and high-tech services serving the oil and gas industry and other industries.
* **Mission:** Provide technical services and products, successfully creating value for Customers, Investors and Employees.
* **Core value:**

Sustainable development

Professional

Effective

* **Development perspective:**
  + 1. Business strategy
       1. Business strategy

1. **Service field**

* **Drilling fluids service:**
* **Period of 2020 - 2025:** Maintain and develop at least 70% market share of domestic drilling fluid service;
* **Period of 2026 - 2030, orientation to 2035:** Provide high quality human resources and services abroad.
* **Industrial service:**
* **Period of 2020 - 2025:**
* Revenue growth goal: 10-15%/year;
* Profit/capital goal: 15-20%/year;
* Implement oil and gas exploitation support services: well treatment, well finishing, treatment to eliminate inorganic deposits, organic deposits in exploitation rods, surface equipment systems, treatment in oil and gas transportation and enhanced oil recovery (EOR);
* Implement technical services for the following stages: expansion and development to become a highly reputable unit in the field of providing technical services for the later stages of the oil and gas industry including: maintenance and repair services for oil and gas projects, anti-corrosion services, technical chemical services, cleaning and environmental treatment services, high-power water cleaning services; technical chemical services; maintenance, repair and restoration services for rotating equipment;...
* Become a highly reputable unit in the field of anti-corrosion, increasing project longevity and O&M;
* Strive to become a Top 3 unit providing repair and maintenance services for oil and gas projects in Vietnam;
* Strive to be in the Top 5 reputable environmental service providers in Vietnam, in which focusing on operation and maintenance (O&M) services of wastewater stations and providing advice on environmental management;
* Develop downstream chemical and technical services for the petrochemical and industrial refining fields;
* Strengthen domestic and international cooperation, develop the scale and efficiency of activities.
* **Period of 2026 - 2030, orientation to 2035:**
* Identify services and target markets to implement service development strategies and export services to countries in Southeast Asia;
* Continue to develop and expand downstream services, becoming a leading supplier of downstream services in the oil and gas industry;
* Maintain technical services in the oil and gas industry value chain;
* Look for investment opportunities in other industrial fields.

1. **Business field:**

* **Period of 2020 - 2025:**
* Profit/capital goal: 10-12%/year;
* Business of drilling, mining, refining and petrochemical chemicals: Maintain and increase market share, develop new customers;
* Business of other industrial chemicals: Develop chemical business for the electricity industry and other industries and provide civil products;
* Business of drilling chemicals: Maintain existing customers, ensure development plans for PVN's oil and gas projects. Strive to increase market share of service provision at Vietsovpetro (over 20%); 100% at Cuu Long JOC, PVEP PO and oil and gas contract services;
* Business of mining chemicals: Maintain chemical service contracts that have been implemented from the period of 2018-2020, develop and expand service provision for new mine lots; Strive for market share in Vietnam of over 30%;
* Business of oil refining chemicals: Maintain and increase market share with customers at Dung Quat Oil Refinery and Nghi Son Refinery and Petrochemical over 20%, provide chemicals and additives during the trial and official operation phase of the LSP Project and the Polypropylene (PP) Factory and Underground Liquefied Petroleum Gas (LPG) Storage Project;
* Business of other industrial chemicals: Develop chemical business with the goal of reaching 20-25% of the chemical market share for the power industry, nitrogen and paint production and 5-10% of water treatment chemicals for industries and supply of civil products;
* Business of petrochemical products: Maintain and increase market share of existing products (Plastic beads of all kinds, Sulfur). Strive to reach 30% of the domestic production market share for Sulfur products.
* **Period of 2026 - 2030, orientation to 2035:**
* Profit/capital goal: 10-12%/year;
* Maintain market share and existing customers in the drilling, mining, petrochemical refining and chemical businesses; closely follow the development plan of oil and gas projects to develop new customers;
* Build the foundation of the supply system and human resources to ensure the ability to develop the business of providing drilling fluid chemicals for drilling campaigns both domestically and internationally;
* Expand the supply of chemical products with good strength to Southeast Asia (Indonesia, Malaysia, Thailand...)

1. **Production field**

* **Period of 2020 - 2025:**
* Strive for production output of 105,500 tons/year including: Class G Cement, Bentonite, chemical products, petrochemicals, products of PP Filer Master batch/compound Production Factory from Pp powder of Dung Quat Oil Refinery, Pet chip recycling factory, and Hydrogen peroxide factory project... serving oil and gas drilling and supplying petrochemical refineries as well as other industries;
* Manufactured products ensure international standards;
* Invest in research and commercial production of a number of new products to meet market demand.
* **Period of 2026 - 2030, orientation to 2035:**
* Maintain an output growth rate of 5-10%/year for traditional products, maximize factory capacity;
* Continue to invest, research, and produce products to serve the oil and gas industry and other industries such as: catalyst, DOTP resin, PS resin, H2S04, CaCl2, UF glue, chemicals, solvents, Soda (NaHCO3)...;
* Research and develop large-scale, differentiated production of petroleum chemical and catalytic products to meet sustainable growth.
  + - 1. Investment plan

In the next phase, the Corporation focuses on the following key tasks:

* Project to produce recycled PET Chips from scrap PET plastic bottles: PVChem, together with Shinkong synthetic fibers Corporation (Taiwan) and Nghi Son Environmental Joint Stock Company, complete project investment preparation, construction investment, management and operation of the factory.
* Hydrogen Oxygen Factory Project: PVChem and PVFCCo complete project investment preparation work; implement investment in factory construction to soon put it into operation to meet Vietnam's H2O2 market demand.
* Industrial gas production project using cold heat source of PVGas' Thi Vai LNG storage project: PVChem together with Bangkok Industrial Gas Company Limited (BIG) - a member of Air Products and Chemicals Inc (USA), and PetroVietnam Gas Joint Stock Corporation complete project investment preparation work; implement investment in factory construction, soon put the factory into operation.
* Project to produce PP Filler Masterbatch/Compound from PP powder of Dung Quat Oil Refinery: PetroVietnam Chemical and Services Corporation completes project investment preparation; implement investment in factory construction.
* Continue to research and look for feasible and effective investment projects with advantages of the oil and gas industry such as Catalytic Production Project; Project to produce chemical and petrochemical products.... to evaluate and implement investment.
* PVChem strengthens working arrangements with units in the industry/large corporations outside the industry to seek investment cooperation opportunities in projects such as SCG Group (Thailand), Air Products and Chemicals Inc (USA), Hyongsung (Korea), LG Chem (Korea), Vietnam National Chemical Group, Vietnam Electricity, Vietnam National Coal and Mineral Industries Group - Vinacomin,...
  + 1. In case the Issuer operates in a conditional business field, state information about meeting business conditions according to relevant legal regulations.

None.

* 1. Policy for employees
     1. Number and structure of employees in the Corporation

The total number of employees of the Corporation as of June 30, 2023 is as follows:

***Table 23: Labor structure as of June 30, 2023***

*Unit: person*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Classification criteria** | | **2021** | | **2022** | | **June 30, 2023** | |
| **Holding Company - PV Chem** | **Consolidated** | **Holding Company - PV Chem** | **Consolidated** | **Holding Company - PV Chem** | **Consolidated** |
| According to educational level | Postgraduate | 26 | 49 | 28 | 57 | 29 | 57 |
| University | 90 | 205 | 100 | 220 | 104 | 242 |
| College | 1 | 5 | 5 | 12 | 5 | 9 |
| Intermediate, elementary | 1 | 53 | 3 | 50 | 3 | 52 |
| Unskilled labor | 2 | 29 | 1 | 29 | 4 | 33 |
| **Total:** | | **120** | **340** | **137** | **368** | **144** | **394** |

*Source: PVChem*

* + 1. Policies of training, salary, bonus, allowance and social activities
* **Training policy**

Every year, the Corporation has a specific training plan for each department to ensure that employees can learn to improve their qualifications, expertise, operations, environmental safety and hygiene, foreign languages, computer science and quality management...

* **Salary and bonus policy**

The Corporation's salary and bonus policy is developed and applied based on current regulations of the State and the Corporation. In recent years, the Corporation has implemented a salary and bonus regime based on the contribution rate of each position and work performance; encourage highly qualified employees to develop their abilities to contribute and improve the efficiency of production and business activities of the Corporation.

* **Environmental safety work**

The Corporation has well implemented regulations on labor safety, environmental sanitation, and fire and explosion prevention. The Corporation regularly organizes periodic health checks for all employees in accordance with regulations. At the same time, implement a toxic compensation regime and health examination for occupational diseases for employees working in heavy and toxic environments in accordance with the provisions of law, specifically:

* Fully provide labor protection equipment for employees.
* Fully provide medicine, medical equipment and organize training courses related to labor safety and hygiene for employees.
* Carry out working environment measurements to evaluate and control safe working conditions.
* Continuously implement and improve the integrated management system of Safety - Environment - Quality according to ISO 9001- ISO 14001- ISO 45001 standards in all production and business activities of the Corporation.
* Fully implement measures as well as support employees in the prevention of Covid-19 pandemic.
  1. Dividend policy

The Corporation pays dividends to shareholders after completing tax payment and other financial obligations in accordance with the law and ensuring full payment of debts as well as other asset obligations that are due and payable. The Corporation pays dividends in accordance with the provisions of the Law on Enterprises, Corporation’s charter and related legal documents.

According to the Annual General Mandate dated June 26, 2023, the Corporation approves the annual dividend payment rate of 1.8% in 2022 (2021 is 2.3%) and plans to pay dividends in 2023 at a rate of 4%/Charter capital in cash (calculated on the basis of charter capital of VND 500 billion).

* 1. Information on the use of capital obtained from the most recent offering

Within 2 years up to the time of registration for offering, the Corporation does not offer shares to increase charter capital.

* 1. Information about the Issuer's unfulfilled commitments

None.

* 1. Information and obligations regarding potential debt, litigation disputes related to the Issuer that may affect the business operations, financial status of the Issuer, offering, share offering price and project using capital obtained from the offering

None.

* 1. Information about the Issuer's commitment to not being prosecuted for criminal liability or having been convicted of one of the crimes of violating the economic management order without having its criminal record cleared.

Petrovietnam Chemical and Services Corporation commits: “not being prosecuted for criminal liability or having been convicted of one of the crimes of violating the economic management order without having its criminal record cleared.” according to the provisions of Point e, Clause 1, Article 15 of Law on Securities No. 54/2019/QH14 issued by the National Assembly of the Socialist Republic of Vietnam on November 26, 2019.

1. RESULTS OF BUSINESS ACTIVITIES, FINANCIAL STATUS AND EXPECTED PLAN
   1. Result of business activities
      1. Summary of targets of Issuer’s business activities in the last 2 years and accumulated to the most recent quarter

The Corporation's fiscal year begins on January 1 and ends on December 31 every year. The Corporation's Financial Statements are established in the currency unit of Vietnam Dong, complying with the provisions of the Accounting Law and current accounting standards and regimes in Vietnam.

***Table 24: Business targets of the Holding Company***

*Unit: Million VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **2022 compared to 2021 (%)** | **First 06 months of 2023** |
| Total assets | 1,312,637 | 1,705,205 | 29.91 | 1,547,952 |
| Owners' equity | 664,905 | 701,795 | 5.55 | 697,381 |
| Net revenue | 1,929,017 | 1,963,285 | 1.78 | 907,907 |
| Net profit from business activities | -1,258 | 11,237 | - | 3,599 |
| Other profits | 6,263 | -530 | - | 2,988 |
| Profit before tax | 5,005 | 10,707 | 113.91 | 6,587 |
| Profit after tax | 5,005 | 10,707 | 113.91 | 6,587 |
| Dividend payment rate | 2.3% | 1.8% | - | - |

*Source: Audited Financial Statements of the Holding Company in 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

***Table 25: Consolidated business targets of the Corporation***

*Unit: Million VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **2022 compared to 2021 (%)** | **First 06 months of 2023** |
| Total assets | 1,810,746 | 2,245,543 | 24.01 | 2,028,604 |
| Owners' equity | 801,481 | 833,454 | 3.99 | 820,313 |
| Net revenue | 2,760,260 | 2,934,352 | 6.31 | 1,364,536 |
| Net profit from business activities | 28,691 | 39,719 | 38.44 | 11,769 |
| Other profits | 5,877 | -986 | - | 16,171 |
| Profit before tax | 34,568 | 38,733 | 12.05 | 27,939 |
| Profit after tax | 24,104 | 27,254 | 13.07 | 17,344 |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

In 2022, the total assets of the Corporation reach VND 2,245 billion, increasing by 24.01% compared to 2021. The Corporation's equity reaches VND 833 billion, increasing by VND 32 billion compared to the end of 2021. By the end of 2022, PVChem recorded net revenue of VND 2,934 billion, increasing by VND 174 billion (equivalent to an increase of nearly 6.3%) compared to 2021. Profit after tax reaches VND 27 billion, increasing by 13.07% compared to 2021. In the first six months of 2023, the total assets of PVChem are VND 2,028.6 billion (slightly decrease compared to the end of 2022); net revenue reaches VND 1,364.5 billion; profit after tax reaches VND 17.3 billion (equivalent to 59% of the profit plan 2023).

* + 1. Factors affecting the business activities of the Issuer

In 2021 and the first months of 2022, PVChem's production and business activities face many difficulties and challenges due to the impact of the complicated domestic COVID-19 pandemic and unpredictable fluctuations in the world's socio-economy:

*Service field*: Drilling projects of some contractors are behind the original plan, so the workload finished of PVChem's service filed in 2021 is low. Developing the market and finding new business/service contracts face many disadvantages due to difficulty competing on price and the impact of the pandemic. PVChem is under great competitive pressure when participating in bidding packages. To increase its chances of winning the bid, PVChem must accept low bid prices, leading to reduced profit margins, affecting the set profit plan. In 2022, the drilling plans of oil and gas contractors are constantly changed/slowed down due to the impact of the Russia-Ukraine war. PVChem's import prices for raw materials and chemical inputs increase, reducing the profits of the service field.

*Business field*: Increased sea freight rate leads to increased chemical prices and input expenses while PVChem's business contracts are mostly long-term contracts with fixed selling prices. This has had a major impact on business efficiency;

*Production field*: PVChem's manufacturing products all serve oil and gas service activities, therefore, developing a consumer market for products manufactured outside the industry is difficult to implement in the context of complicated pandemic development in 2021. Currently, PVChem is researching new products and investing in renovation to promote the inherent advantages of Cai Mep Petroleum Chemical Factory.

By 2023, when the domestic and world socio-economy has stabilized, although difficulties still exist, thanks to the support from Vietnam Oil and Gas Group and efforts to expand the oil and gas value chain with companies in the industry, PVChem's production and business activities in the first three months of the year recorded positive results.

* **Advantage**

**Socio-political status:**

The stable domestic political and social status helps businesses feel secure in developing production and business activities; creating favorable conditions for businesses to build long-term development investment plans. In addition, the stable and transparent socio-political status contributes significantly to attracting foreign investment capital (FDI) flowing into Vietnam's economic fields.

**Encouraging policies of local authorities and the State:**

In Vietnam, the chemical industry is identified by the Party and State as a foundation industry, prioritized for development. On June 16, 2022, Deputy Prime Minister Le Van Thanh signed Decision No. 726/QD-TTg approving the Strategy for developing Vietnam's chemical industry until 2030, with a vision to 2040. In particular, the petrochemical and basic chemical industry is selected as one of the key sub-sectors and products for the period of 2020-2030, reaching 12%/year. The Government's new policies are very consistent with the Corporation's development orientation. The Corporation is and will continue to adjust its business activities to adapt to changing market conditions as well as maintain the goal of becoming a leading supplier of chemicals and oil and gas services in Vietnam and in the region.

**Human resource:**

PVChem has a team of qualified, experienced, and sensitive leaders. PVChem has systematically built a short - medium - long - term development plan for the in consistent with the Corporation's operational capacity, financial potential and macroeconomic development trends of the industry and the economy. Along with that, a team of experts and technological workers with in-depth knowledge and experience and a source of senior and skilled employees, mainly recruited right in Vietnam, is a huge advantage of the Corporation. In addition to the objective advantages coming from the economy, the favorable market status and the State's preferential policies, there are also efforts to improve the activities of the collective leaders, officers and employees, and shareholders in the Corporation to bring about results in production and business activities.

**Production resource:**

Resources for production include: Machinery, equipment and input factors serving production activities are always given appropriate attention. The Corporation's technical equipment and production machinery are always maintained and replaced when necessary to ensure quantity and quality to serve the Corporation's production and business processes and to minimize risks from production interruptions. The Corporation's machinery is imported from countries with developed production technology levels, creating conditions for the Corporation to implement partial automation leading to complete automation, making product quality management easier. The source of input raw materials is stable, thanks to the province-wide offtake network, divided into many levels, always meeting both quantity and quality for the production and commercial business process.

**Regarding international market**

Vietnam's successful signing of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) creates many opportunities for domestic businesses to attract investment and form joint ventures with foreign businesses; have advantages in choosing input material suppliers with competitive prices; create more favorable conditions for exporting products to member countries. However, joining CPTPP also creates many challenges in competition for large foreign corporations and businesses. With the expansion of production scale, upgrading factory standards, improving technology and product - service quality of the Corporation, joining CPTPP brings many opportunities for the Corporation to form joint ventures with foreign businesses in licensing techniques and brands of some successful products in the country.

**Chemical industry market is on the rise**

Along with the steady growth of the economy, the industrial production in Vietnam is growing strongly, continuing to attract the attention of investors, especially in the chemical segment. When it comes to the development of the chemical industry, it is about a harmonious combination of rapid and sustainable development, between modern development and green growth. In the Draft Strategy for the Development of Vietnam's Chemical Industry to 2030, with a vision to 2040 that the Ministry of Industry and Trade is submitting to the Government, we can clearly see that the chemical industry is planned to develop in both breadth and depth. On the one hand, the chemical industry is built in a modern direction with a relatively complete structure, including manufacture of production and consumption materials, serving many other industries; increasingly meeting domestic demand and promoting exports; forming a value chain, deeply participating in the industrial production network of Vietnam and the region. On the other hand, modern and environmentally friendly technology is applied to adapt to climate change; Natural resources are used effectively, towards green growth and circular economy.

Like other companies, Petrovietnam Chemical and Services Joint Stock Corporation sees an increase in demand for chemical products and services in Vietnam and the world. The Corporation continues to effectively use the invested technical infrastructure facilities, trained workforce, and is always ready to meet the production and distribution needs of businesses. To stay ahead of market trends, the Corporation has continuously invested and renovated production lines to improve productivity and product quality. The Corporation is and will continue to adjust its business activities to adapt to changing chemical market conditions as well as maintain its position in the market.

In addition to the objective advantages coming from commercial agreements, the favorable market status and the State's preferential policies, there are also efforts to improve the activities of the collective leaders, officers and employees, and shareholders in the Corporation to bring about high efficiency in production and business activities compared to other domestic businesses in the same industry.

* **Disadvantages**

**Economic status:**

During the period of 2020-2022, Vietnam and the world are heavily affected by the Covid-19 pandemic. Major economies face the deepest, worst recession in decades. In addition, trade wars such as: the US-China, Japan - China, Korea - Japan trade; the complicated Russia-Ukraine war, businesses like the Corporation will still face many difficulties in the coming years, especially price fluctuations and the promotion of import-export activities.

Vietnam's participation in CPTPP also creates many challenges for the Corporation in competing with large foreign manufacturing competitors when protection policies for domestic manufacturing businesses must be removed.

**Competition and fluctuations in price and quality of raw materials:**

Regulations on the chemical industry, environmental management... are increasingly strict, requiring businesses to focus on investing more in expenses, implementation time and control to meet requirements.

Competition: Currently, although the demand for chemicals in Vietnam is very high, we are still focusing on basic chemicals (chemical production using basic processes, such as: Distillation and thermal cracking reactions. The output of these processes is often produced by different chemical elements or by chemical compounds with well-defined distinct chemical properties) for export, because chemicals used for industry do not meet domestic demand and are competitive in price by domestic and foreign competitors, especially China. Meanwhile, the technical machinery system of the chemical industry is largely at an average rate compared to some countries in the region, so the industry's productivity is not high and the added value is still low.

Fluctuations in price and quality of raw materials: Facing the trend of internationalization and integration of economies, we are currently facing major challenges in competitiveness in the chemical industry in which the Vietnamese market does not have many advantages. Specifically, domestic raw materials for production are scarce, so it depends on importing raw materials from abroad, making it difficult to control input expenses when raw material prices fluctuate.

* + 1. Basic targets

The Corporation's fiscal year begins on January 1 and ends on December 31 every year. From the fiscal year 2015, the Corporation applies the corporate accounting regime promulgated under Circular 200/2014/TT-BTC dated December 22, 2014 of the Ministry of Finance.

* + - 1. Report on charter capital, business capital and status of using charter capital and business capital

**Table 26: Total capital source of the Holding Company**

*Unit: Million VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| **I** | **Payables** | **647,732** | **1,003,411** | **850,570** |
| 1 | Short-term payables | 640,490 | 996,606 | 847,119 |
| 2 | Long-term payables | 7,242 | 6,804 | 3,452 |
| **II** | **Owners' equity** | **664,905** | **701,795** | **697,381** |
| 1 | Share capital | 500,000 | 500,000 | 500,000 |
| 2 | Share premium | 18,965 | 40,104 | 40,104 |
| 3 | Treasury share | -18,545 | 0 | 0 |
| 4 | Investment and development fund | 150,685 | 150,685 | 150,685 |
| 5 | Undistributed profit after tax | 13,798 | 11,005 | 6,592 |
| 6 | Funding source | 1 | 0 | 0 |
| **Total capital source** | | **1,312,637** | **1,705,205** | **1,547,952** |

*Source: Audited Financial Statements of the Holding Company in 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

**Table 27: Total consolidated capital of the Corporation**

*Unit: Million VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| **I** | **Payables** | **1,009,265** | **1,412,089** | **1,208,291** |
| 1 | Short-term payables | 976,481 | 1,377,862 | 1,190,061 |
| 2 | Long-term payables | 32,784 | 34,227 | 18,230 |
| **II** | **Owners' equity** | **801,481** | **833,454** | **820,313** |
| 1 | Share capital | **500,000** | **500,000** | **500,000** |
| 2 | Share premium | 18,965 | 40,104 | 40,104 |
| 3 | Treasury share | -18,545 | 0 | 0 |
| 4 | Exchange rate difference | 2,673 | 2,673 | 2,673 |
| 5 | Investment and development fund | 153,709 | 153,709 | 153,709 |
| 6 | Non-controlling shareholder interests | 33,015 | 28,870 | 21,113 |
| 7 | Undistributed profit after tax | 111,663 | 108,100 | 102,715 |
| 8 | Funding source | 1 | 0 | 0 |
| **Total capital source** | | **1,810,746** | **2,245,543** | **2,028,604** |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

**Table 28: Status of using capital of the Holding Company**

*Unit: Million VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| **I** | **Short-term assets** | **966,209** | **1,377,027** | **1,207,873** |
| 1 | Cash and cash equivalents | 143,013 | 113,691 | 73,481 |
| 2 | Short-term financial investment | 179,600 | 89,600 | 143,600 |
| 3 | Short-term receivables | 598,781 | 1,099,173 | 844,402 |
| 4 | Inventory | 40,777 | 70,614 | 136,110 |
| 5 | Other short-term assets | 4,037 | 3,949 | 10,280 |
| **II** | **Long-term assets** | **346,429** | **328,178** | **340,078** |
| 1 | Long-term receivables | 2,633 | 2,639 | 2,577 |
| 2 | Fixed assets | 134,401 | 119,368 | 112,159 |
| 3 | Long-term assets in process | 0 | 289 | 1,314 |
| 4 | Long-term financial investment | 203,738 | 203,738 | 221,247 |
| 5 | Other long-term assets | 5,655 | 2,144 | 2,781 |
| **III** | **Total** | **1,312,637** | **1,705,205** | **1,547,952** |

*Source: Audited Financial Statements 2021, 2022 and Reviewed Financial Statements in the first 6 months of 2023*

**Table 29: Status of using consolidated capital of the Corporation**

*Unit: Million VND*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| **I** | **Short-term assets** | **1,607,756** | **2,064,002** | **1,857,178** |
| 1 | Cash and cash equivalents | 202,785 | 228,244 | 212,975 |
| 2 | Short-term financial investment | 228,620 | 123,040 | 157,840 |
| 3 | Short-term receivables | 912,991 | 1,337,797 | 1,043,142 |
| 4 | Inventory | 256,946 | 363,952 | 421,236 |
| 5 | Other short-term assets | 6,415 | 10,969 | 21,985 |
| **II** | **Long-term assets** | **202,990** | **181,541** | **171,426** |
| 1 | Long-term receivables | 2,929 | 3,273 | 3,366 |
| 2 | Fixed assets | 165,260 | 146,203 | 138,958 |
| 3 | Long-term assets in process | 0 | 289 | 1,314 |
| 4 | Long-term financial investment | 0 | 0 | 0 |
| 5 | Other long-term assets | 34,801 | 31,776 | 27,788 |
| **III** | **Total** | **1,810,746** | **2,245,543** | **2,028,604** |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

* + - 1. Depreciation of fixed assets

The Corporation depreciates tangible and intangible fixed assets recorded at cost price and using the straight-line method based on the estimated useful life of the assets in accordance with Circular No. 45/2013/TT-BTC dated April 25, 2013 of the Ministry of Finance on the management, use and depreciation of fixed assets. The specific depreciation period of fixed asset groups is estimated as follows:

|  |  |
| --- | --- |
| **Type of fixed assets:** | **Depreciation period (year)** |
| Houses and architectural objects | 5-25 |
| Machinery and equipment | 3-20 |
| Means of transportation | 6-10 |
| Office equipment | 3-10 |
| Others | 4-9 |

*Source: PVChem*

* + - 1. Average salary

**Table 30: Average salary over the years**

*Unit: Million VND*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Target** | **2020** | | **2021** | | **2022** | |
| **Average salary (million VND/person/month)** | Holding Company - PVChem | Consolidated | Holding Company - PVChem | Consolidated | Holding Company - PVChem | Consolidated |
| 16.32 | 17.58 | 16, 28 | 16.63 | 20.1 | 19.0 |

Source: PVChem

Compared to other companies in the same industry, the Corporation's salary is average and meets labor law regulations.

* + - 1. Debt status

**Table 31: Debt status of the Holding Company**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| Total receivables | 601,415 | 1,101,812 | 846,979 |
| Total payables | 647,732 | 1,003,411 | 850,570 |

*Source: Audited Financial Statements of the Holding Company in 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

**Table 32: Consolidated debt status of the Corporation**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| Total debt receivable | 915,920 | 1,341,071 | 1,046,508 |
| Total debt payable | 1,009,265 | 1,412,089 | 1,208,291 |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

In which:

* **Receivables**

**Table 33: Targets on receivables of the Holding Company**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| **Short-term receivables** | **598,781** | **1,099,173** | **844,402** |
| * Short-term receivables from customers | 607,597 | 1,000,375 | 796,467 |
| * Short-term prepayment to sellers | 15,812 | 16,986 | 15,007 |
| * Other short-term receivables | 12,027 | 115,713 | 64,897 |
| * Provision for doubtful short-term receivables | -36,655 | -33,901 | -31,968 |
| **Long-term receivables** | **2,633** | **2,639** | **2,577** |
| * Other long-term receivables | 2,633 | 2,639 | 2,577 |
| **Total** | **601,415** | **1,101,812** | **846,979** |

*Source: Audited Financial Statements of the Holding Company in 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

**Table 34: Targets on consolidated receivables of the Corporation**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| **Short-term receivables** | **912,991** | **1,337,797** | **1,043,142** |
| * Short-term receivables from customers | 880,324 | 1,214,895 | 995,168 |
| * Short-term prepayment to sellers | 18,433 | 23,086 | 19,785 |
| * Other short-term receivables | 57,177 | 139,872 | 66,311 |
| * Provision for doubtful short-term receivables | -42,944 | -40,056 | -38,123 |
| **Long-term receivables** | **2,929** | **3,273** | **3,366** |
| * Other long-term receivables | 2,929 | 3,273 | 3,366 |
| **Total** | **915,920** | **1,341,071** | **1,046,508** |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

The total receivables of the Corporation recorded are VND 915 billion in 2021, VND 1,341 billion in 2022 and VND 1,047 billion as of June 30, 2023. PVChem's receivable structure is about 99% short-term receivables of less than 1 year and about 1% long-term receivables. Short-term receivables include 3 main items: Short-term receivables from customers, short-term prepayment to sellers and other short-term receivables. Specifically, the items are as follows:

* Short-term receivables from customers account for the largest rate of short-term receivables. At the end of 2021, 2022, and the first 6 months of 2023, these receivables are recorded at VND 880 billion, VND 1,215 billion and VND 995 billion respectively.
* In 2022, other short-term receivables increase sharply with a balance of VND 139 billion, accounting for nearly 12% of the Corporation's receivables (In previous years, other short-term receivables only fluctuated around 4% to 6% of total receivables).
* As of June 30, 2023, other short-term receivables decreased to VND 66 billion, only accounting for about 6.5% of total receivables).
* **Payables**

**Table 35: Targets on payables of the Holding Company**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| 1. Short-term payables | **640,490** | **996,606** | **847,119** |
| 1. Short-term payables to sellers | 122,600 | 332,345 | 145,487 |
| 1. Short-term payment by buyers | 7,912 | 14,175 | 7,288 |
| 1. Taxes and other payables to the State Budget | 3,492 | 2,689 | 957 |
| 1. Payables to the employees | 6,321 | 8,377 | 3,849 |
| 1. Short-term payable expenses | 14,487 | 47,128 | 35,025 |
| 1. Other short-term payables | 2,384 | 2,765 | 13,207 |
| 1. Short-term loans and financial lease debt | 481,482 | 588,970 | 640,340 |
| 1. Bonus and welfare fund | 1,813 | 158 | 965 |
| 1. Long-term payables | **7,242** | **6,804** | **3,452** |
| 1. Unrealized revenue | 210 | 88 | 115 |
| 1. Long-term loans and financial lease debt | 0 | 0 | 0 |
| 1. Provisions for long-term payables | 7,032 | 6,717 | 3,337 |
| **Total payables** | **647,732** | **1,003,411** | **850,570** |

*Source: Separate Audited Financial Statements for 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

**Table 36: Targets on consolidated payables of the Corporation**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| 1. **Short-term payables** | **976,481** | **1,377,862** | **1,190,061** |
| 1. Short-term payables to sellers | 239,426 | 479,526 | 258,405 |
| 1. Short-term payment by buyers | 110,725 | 116,471 | 121,601 |
| 1. Taxes and other payables to the State Budget | 14,110 | 12,682 | 15,894 |
| 1. Payables to the employees | 13,426 | 12,870 | 11,037 |
| 1. Short-term payable expenses | 83,586 | 103,193 | 93,709 |
| 1. Short-term unrealized revenue | 186 | 47 | 0 |
| 1. Other short-term payables | 4,763 | 7,808 | 31,488 |
| 1. Short-term loans and financial lease debt | 507,982 | 643,912 | 653,804 |
| 1. Provision for short-term payables | 0 | 682 | 0 |
| 1. Bonus and welfare fund | 2,278 | 670 | 4,124 |
| 1. **Long-term payables** | **32,784** | **34,227** | **18,230** |
| 1. Unrealized revenue | 210 | 88 | 115 |
| 1. Other long-term payables | 39 | 127 | 127 |
| 1. Deferred income tax payables | 2,554 | 2,554 | 3,052 |
| 1. Provisions for long-term payables | 29,981 | 31,458 | 14,936 |
| **Total payables** | **1,009,265** | **1,412,089** | **1,208,291** |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

PVChem's total payables as of 2021 are VND 1,009 billion, accounting for 55% of total capital. These payables are mainly short-term less than 1 year. By 2022, the total payables of the Corporation will be VND 1,412 billion, accounting for 62.88% of total capital. In which, the short-term payable structure includes two main items: payables to sellers of more than VND 479 billion (accounting for 33.96% of total payables), loans and financial lease debt of more than VND 643 billion (accounting for 45.6% of total payables).

As of June 30, 2023, the Corporation's total payables decreased to VND 1,208 billion, accounting for nearly 60% of total capital source. Short-term payables still account for a large rate of total payables, in which, loans and financial lease debt account for the largest rate of VND 653 billion, accounting for 54.1% of total payables.

The Corporation makes full and timely payments of all payables when due. Currently, the Corporation does not have any overdue payables.

* + - 1. Payables as prescribed by law

The Corporation always complies with and strictly implements the provisions of law on financial obligations to the state. The Corporation does not have any overdue taxes or other payables to State Budget.

**Table 37: Taxes and payables to State Budget of the Holding Company over the years**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| VAT | 1,376 | 1,376 | -186 |
| Corporate income tax | - | - | - |
| Personal income tax | 2,116 | 2,116 | 858 |
| Other taxes | - | - | 100 |
| **Total** | **3,492** | **2,689** | **772** |

*Source: Separate Audited Financial Statements 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

**Table 38: Consolidated taxes and payables to State Budget of the Corporation over the years**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| VAT | 3,462 | 3,366 | 5,826 |
| Corporate income tax | 7,113 | 7,057 | 8,756 |
| Personal income tax | 3,100 | 2,050 | 1,212 |
| Other taxes | 435 | 210 | 100 |
| **Total** | **14,110** | **12,683** | **15,894** |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

**VAT:** The Corporation pays VAT according to the deduction method. VAT rates for items comply with current law regulations.

**Corporate income tax:** The Corporation and its subsidiaries are obliged to pay corporate income tax to State Budget equal to 20% of taxable profit.

* + - 1. Appropriation for funds according to law

In 2021, 2022 and in the first 6 months of 2023, the Bonus and welfare fund and Investment and development fund are appropriated from undistributed profit after tax according to the approved General Mandate.

**Table 39: Balance of funds of the Holding Company**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| Bonus and welfare fund | 1,813 | 158 | 965 |
| Investment and development fund | 150,685 | 150,685 | 150,685 |
| **Total** | **152,498** | **150,843** | **151,650** |

*Source: Separate Audited Financial Statements 2021, 2022 and Reviewed Financial Statements of the Holding Company in the first 6 months of 2023*

**Table 40: Consolidated balance of funds of the Corporation**

*Unit: Million VND*

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **December 31, 2021** | **December 31, 2022** | **June 30, 2023** |
| Bonus and welfare fund | 2,278 | 670 | 4,124 |
| Investment and development fund | 153,709 | 153,709 | 153,709 |
| **Total** | **155,986** | **154,378** | **157,833** |

*Source: Consolidated Audited Financial Statements 2021, 2022 and Consolidated Reviewed Financial Statements in the first 6 months of 2023*

* + - 1. Major changes that may affect the financial status of the Issuer since the end of the most recent fiscal year

None.

* + 1. Main financial targets

**Table 41: Financial targets of the Holding Company**

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **Unit** | **2021** | **2022** |
| * *Short-term payment rate* | Times | 1.51 | 1.38 |
| (Short-term assets/Short-term payables) |
| * *Quick Ratio* | Times | 1.44 | 1.30 |
| (Short-term assets - Inventory)/Short-term payables |
| Rate of Payables/Total Assets | % | 49.3 | 58.84 |
| Rate of Payables/Owners’ equity | % | 97.4 | 142.98 |
| * *Total asset turnover*   (Net revenue/Average total assets) | Cycle | 1.46 | 1.15 |
| * *Working capital turnover*   (Net revenue/Average total short-term assets) | Cycle | 1.89 | 1.43 |
| * *Inventory turnover*   (Cost of goods sold/Average inventory) | Cycle | 42.32 | 33.77 |
| ROS | % | 0.26 | 0.55 |
| ROE | % | 0.74 | 1.57 |
| ROA | % | 0.38 | 0.71 |
| EPS | VND/share | 100.11 | 214.14 |

**Table 42: Consolidated financial targets of the Corporation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **Unit** | **2021** | **2022** |
| * *Rate of short-term payment*   (Short-term assets/short-term payables) | Times | 1.65 | 1.5 |
| * *Quick Ratio*   *(Short-term assets - Inventory)/Short-term payables* | Times | 1.31 | 1.19 |
| Rate of Payables/Total Assets | % | 55.74 | 62.88 |
| Rate of Payables/Owners’ equity | % | 125.93 | 169.43 |
| * *Total asset turnover*   (Net revenue/Average total assets) | Cycle | 1.58 | 1.45 |
| * *Working capital turnover*   (Net revenue/Average total short-term assets) | Cycle | 1.8 | 1.60 |
| * *Inventory turnover*   (Cost of goods sold/Average inventory) | Cycle | 12.26 | 8.74 |
| ROS | % | 0.87 | 0.93 |
| ROE | % | 2.97 | 3.33 |
| ROA | % | 1.38 | 1.34 |
| EPS | VND/share | 482.07 | 230.06 |

* Opinion of the independent audit company: None.
  1. Opinion of the audit company on the Financial Statements of the Issuer

Deloitte Vietnam Audit Company Limited is an independent audit company auditing the Corporation's Financial Statements 2019. KPMG Limited is an independent audit company auditing the Corporation’s Financial Statements for the fiscal years 2021 and 2022. The opinion of the independent audit company is as follows:

**Audited Financial Statements 2021:**

*“In our opinion, the Consolidated Financial Statements honestly and fairly reflect, in all material aspects, the consolidated financial status of PetroVietnam Chemical and Services Corporation as of December 31, 2021, consolidated business results and consolidated cash flows of the Corporation for the year ended on the same date, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of the Financial Statements.”*

*“In our opinion, the Separate Financial Statements honestly and fairly reflect, in all material aspects, the consolidated financial status of PetroVietnam Chemical and Services Corporation as of December 31, 2021, consolidated business results and consolidated cash flows of the Corporation for the year ended on the same date, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of the Financial Statements.”*

**Audited Financial Statements 2022:**

*“In our opinion, the Consolidated Financial Statements honestly and fairly reflect, in all material aspects, the consolidated financial status of PetroVietnam Chemical and Services Corporation as of December 31, 2022, consolidated business results and consolidated cash flows of the Corporation for the year ended on the same date, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of the Financial Statements.”*

*“In our opinion, the Separate Financial Statements honestly and fairly reflect, in all material aspects, the consolidated financial status of PetroVietnam Chemical and Services Corporation as of December 31, 2022, consolidated business results and consolidated cash flows of the Corporation for the year ended on the same date, in accordance with Vietnamese Accounting Standards, Vietnamese Enterprise Accounting Regime and legal regulations related to the preparation and presentation of the Financial Statements.”*

* 1. Revenue, profit and dividend plan
     1. Plan

***Table 43: Profit and dividend plan 2023***

*Unit: Billion VND*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Targets** | **Corporation (consolidated)** | | | **Holding Company** | | |
| **2022 Results** | **2023 Plan** | **Increase/Decrease compared to 2022 (%)** | **2022 Results** | **2023 Plan** | **Increase/Decrease compared to 2022 (%)** |
| 1 | Total revenue | 2,935.5 | 2,500 | -14.84 | 1,963.76 | 1,600 | -18.52 |
| 2 | Profit before tax | 38.73 | 42 | 8.44 | 10.7 | 24.1 | 125.23 |
| 3 | Profit after tax | 27.25 | 29.4 | 7.89 | 10.7 | 24.1 | 125.23 |
| 4 | Rate of Profit after tax/Owners’ equity | 3.23% | NA | NA | 1.52% | NA | NA |
| 5 | Rate of Dividend payment/Charter capital | NA | NA | NA | 1.8% | 4% | 122.22 |

*Source: PVChem*

*(\*) At the Annual General Meeting of Shareholders 2023 held on June 26, 2023, shareholders approved the Dividend payment/Charter capital in 2022 of 1.8% in cash.*

**Competent authority approves 2023 plan:** PVChem has developed a production and business plan in accordance with market reality as well as the Corporation's internal resources, submitted it and approved by the Annual General Meeting of Shareholders 2023.

* + 1. Basis for developing the Plan

PVChem's 2023 plan is built on the following bases: (i) closely follow the growth goals in the 5-year Production and business plan (2021-2025) and PVChem Development Strategy until 2035; (ii) forecast crude oil prices to be stable and the epidemic status to be controlled; (iii) review and evaluate market demand, PVChem's implementation capacity in 2023, and factors affecting the Production and business plan 2023. Construction plan targets, especially the consolidated profit target and the profit target of the Holding Company - PVChem, have high growth compared to 2022 (Consolidated profit after tax increases by 8.4% compared to 2022 and Profit of the Holding Company increases by 125% compared to 2022) for the following reasons:

For service field: Since the end of 2022, PVChem has signed a number of contracts to provide drilling fluid services with oil and gas contractors; PVChem has won major bidding packages to provide major maintenance and repair services for Nghi Son and Dung Quat Oil Refinery, creating a premise for the 2023 Plan. At the same time, PVChem has been successfully cooperating with experienced and capable foreign contractors to implement service provision contracts, especially in the field of drilling fluid services and repair and maintenance services for oil and gas projects,... It is expected that in 2023, profit from the service field will increase.

For the business field: PVChem has negotiated and extended the Sulfur offtake contract for the next 2 years (2023-2024), with a total volume of about 64,000-128,000 tons/year. In addition, PVChem has won the bid and signed a contract to supply mining chemicals, drilling chemicals, oil refining chemicals... with oil and gas contractors. It is expected that revenue and profit of the business field will increase compared to 2022.

Production field: PVChem has been actively implementing plans to improve the operational efficiency of Cai Mep Factory such as: Looking for warehouse rental customers; Coordinating with partners to research the production of Cement/Concrete additives and researching to improve the value of Bentonite products; Finding customers outside the industry to sell products. It is expected that revenue and profit from the production field will increase.

PVChem is continuing to complete the conversion of PVChem - CS Branch into an LLC and is completing procedures to continue converting PVChem - ITS Branch into an LLC. Converting to a new, larger-scale operating model will help units be autonomous in the process of implementing production and business activities, creating motivation for development in 2023.

At the same time, in 2023, to ensure the completion of the planned goals, PVChem has been focusing on developing and expanding production and business activities, looking for new products/services to increase revenue and profit. PVChem is also actively implementing control measures, reducing management expenses, production expenses... striving to complete the planned targets. PVChem's consolidated business results in the first 6 months of 2023 are positive with consolidated revenue targets reaching 54.58% of the yearly plan; profit before tax reaching 66.52% of the yearly plan; profit after tax reaching 59% of the plan for the whole year 2023. This will be the motivation for PVChem to continue striving to complete the planned targets for the remaining quarters and the whole year 2023.

* + 1. Evaluation of consulting organization

From the perspective of a consulting organization, PetroVietnam Securities Joint Stock Company (PSI) has collected information, researched, and analyzed carefully and reasonably to make assessments and forecasts about the Corporation's business activities.

Based on PVChem's business results over the years (2020-2022); based on signed contracts as well as expectations of synchronous development in all three fields of service - business - production; product/service provision for the oil and gas industry (search, exploration, exploitation, petrochemical refining...) and other industries, we assess that the Corporation's business plan 2023 is appropriate.

PSI notes that the above comments are made from the perspective of a consulting organization based on information collected selectively and considered objectively. However, the above comments do not imply a guarantee of securities prices or the certainty of forecast data. PSI recommends that investors refer to this Prospectus before deciding to invest.

1. INFORMATION ABOUT FOUNDING SHAREHOLDER, MAJOR SHAREHOLDER, MEMBER OF THE BOARD OF DIRECTORS, SUPERVISORS, GENERAL MANAGER, DEPUTY GENERAL MANAGER, CHIEF ACCOUNTANT
   1. Information about founding shareholder

The Corporation has no founding shareholders that is in the transfer restriction period.

* 1. Information about major shareholders

***Table 44: List of shareholders holding more than 5% of the Company's share capital***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Full name** | **Address** | **Number of shares** | **Rate (%)** |
| 1 | Vietnam Oil and Gas Group | 18 Lang Ha, Hanoi | 17,999,619 | 36% |

* **Major shareholder:**
* Year of establishment: September 9, 1977
* Business Registration Certificate No. 0100681592
* Head office address: 18 Lang Ha, Hanoi
* Charter capital: VND 281,500,000,000,000
* Legal representative: Mr. Le Manh Hung
* Authorized representative at the Issuer:

|  |  |  |  |
| --- | --- | --- | --- |
| **Information** | | **Number of shares held** | **Rate of Ownership/Actual contributed charter capital (%)** |
| *Authorized representative: Mr. Truong Dai Nghia* | *Chair of the Board of Directors* | *12,999,619* | *26%* |
| *Authorized representative: Mr. Phan Cong Thanh* | *Member of the Board of Directors-cum-General Manager* | *5,000,000* | *10%* |
| **TOTAL** |  | **17,999,619** | **36%** |

* Number and rate of shares held and shares with voting rights:

|  |  |  |
| --- | --- | --- |
| **Shares held** | **Current** | **Expected after the offering** |
| Number of shares | 17,999,619 | 36,999,238 |
| Rate of shares held (%) | 36% | 36% |
| Voting rate (%) | 36% | 36% |

* Information about ongoing transactions between PVN and the authorized representative of the Corporation:

|  |  |
| --- | --- |
| PVN brand management fee | 112,424,265 |
| Selling goods | 2,285,714,286 |

* Related interests to the Issuer: dividend of VND 3,239,931,420
  1. Information about members of the Board of Directors, Supervisors, General Manager, Deputy General Manager, Chief Accountant

1. **Members of the Board of Directors**

**Table 45: List of members of the Board of Directors**

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Full name** | **Position** | **Executive/Non-executive member** |
| 1 | Mr. Truong Dai Nghia | Chair of the Board of Directors | Non-executive member |
| 2 | Mr. Phan Cong Thanh | Member of the Board of Directors | Executive member |
| 3 | Mr. Nguyen Ngoc Quynh | Member of the Board of Directors | Non-executive member |
| 4 | Mr. Ha Duy Tan | Member of the Board of Directors | Non-executive member |
| 5 | Mr. Tran Hong Kien | Independent member of the Board of Directors | Non-executive member |

**CV of members of the Board of Directors:**

* **Chair of the Board of Directors: Mr. Truong Dai Nghia**
* Full name: Truong Dai Nghia
* Gender: Male
* Date of birth: November 30, 1973
* Place of birth: Hung Yen Town, Hai Hung Province
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 033073000089, Date of issue: April 18, 2018, Place of issue: Police Department of Residence Registration and Management and National Population Database
* Ethnicity: Kinh
* Hometown: Dai Loc District, Quang Nam Province
* Permanent address: 29 Thach Thao 1, Vinhomes Green Bay Me Tri, Nam Tu Liem District, Hanoi
* Office contact phone number: 024 3856 2861
* Educational level: 12/12
* Qualification: Master
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| 1994 - 1999 | Product Sharing Contract Supervision Company (PVSC), part of PetroVietnam Oil Joint Stock Corporation (now Vietnam Oil & Gas Company – Petrovietnam) | Contract Management Department Specialist |
| 2000 - 2002 | Petroleum Investment Development Joint Stock Company (PIDC), PVN | * Contract Management Department Specialist * Project Development Department Specialist |
| 2002 - 2018 | Vietnam Oil and Gas Group | * Planning Department Specialist * Deputy Head of Investment Department, Planning Department * Deputy Head of Planning Department * Deputy Chief of Office, Secretary of the Board of Members |
| 2018 - present | Petrovietnam Chemical and Services Joint Stock Corporation | Chair of the Board of Directors |
| January 04, 2023 - Present | Công ty TNHH Dịch vụ Hóa chất Dầu khí (tentatively translated as “PetroVietNam Chemical & Services Company Limited”) | Chair of the Company |

* Current position held at the Corporation: Chair of the Board of Directors
* Positions held at other organizations and number of shares owned at these organizations:

Position: Chair of PetroVietNam Chemical & Services Company Limited

Number of shares owned in this organization: None

* Quantity and rate of securities ownership at PVChem of individual and affiliated individual:
* Individual ownership: 0 shares
* Representative of PVN's capital contribution: 12,999,619 shares, equivalent to 26% of PVChem’s charter capital
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Truong Dai Nghia's affiliated individuals who are also shareholders, PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Truong Dai Nghia and affiliated individuals: None
* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 1,020,648,000 | VND 979,110,000 | VND 554,334,500 |
| **Total** | **VND 1,020,648,000** | **VND 979,110,000** | **VND 554,334,500** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None
* **Member of the Board of Directors: Mr. Phan Cong Thanh**
* Full name: Phan Cong Thanh
* Gender: Male
* Date of birth: May 10, 1974
* Place of birth: Phu Xuyen District, Hanoi
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 001074036559, Date of issue: July 24, 2021, Place of issue: Police Department for Administrative Management of Social Order
* Ethnicity: Kinh
* Hometown: Phu Xuyen District, Hanoi
* Permanent address: Room A3704 Thang Long Number One Apartment, 1 Thang Long Avenue, Trung Hoa Ward, Cau Giay District, Hanoi
* Office contact phone number: 024 3856 2861
* Educational level: 12/12
* Qualification: Master of chemical technology
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| July 1997 - May 2009 | Center for Metal Protection and Corrosion Research - Hanoi University of Science and Technology | Engineer |
| June 2009 - October 2009 | Institute of Science and Technology - University of Transport and Communications | Engineer |
| November 2009 - November 2014 | Corrosion Department - Petroleum Institute Branch - Center for Technology Application and Transfer | Head of Department |
| February 2014 - January 2016 | Petroleum Institute Branch - Center for Technology Application and Transfer | Deputy Manager |
| February 2016 - April 2018 | Branch of PetroVietnam Chemical and Services Corporation - Research and Development and Technical Services Center | Acting Manager |
| April 2018 - December 2019 | Branch of PetroVietnam Chemical and Services Corporation - Research and Development and Technical Services Center | Manager |
| December 2019 - December 2020 | Petrovietnam Chemical and Services Corporation (PVChem) | Deputy General Manager-cum-Manager of PVChem-RT Branch |
| December 2020 - April 2021 | Petrovietnam Chemical and Services Corporation (PVChem)  PVChem-Tech Company Limited | Deputy General Manager-cum-Manager of PVChem-RT Branch; Chair of PVChem-Tech |
| April 2021 - September 2021 | Petrovietnam Chemical and Services Corporation (PVChem) PVChem-Tech Company Limited | Deputy General Manager-cum-Chair of PVChem-Tech Company |
| July 2021 - present | Petrovietnam Chemical and Services Corporation (PVChem) | Member of the Board of Directors-cum-General Manager |

* Current position held at the Corporation: Member of the Board of Directors-cum-General Manager
* Positions held at other organizations and number of shares owned at these organizations: None
* Quantity and rate of securities ownership at PVChem of individual and affiliated individual:
* Individual ownership: 0 shares
* Representative of PVN's capital contribution: 5,000,000 shares, equivalent to 10% of PVChem’s charter capital
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Phan Cong Thanh's affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Phan Cong Thanh and affiliated individuals: None
* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 816,842,600 | VND 957,398,400 | VND 528,876,609 |
| **Total** | **VND 816,842,600** | **VND 957,398,400** | **VND 528,876,609** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None.
* **Member of the Board of Directors: Mr. Nguyen Ngoc Quynh**
* Full name: Nguyen Ngoc Quynh
* Gender: Male
* Date of birth: April 1, 1977
* Place of birth: Vu Thu District, Thai Binh Province
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 034077007394, Date of issue: April 26, 2018, Place of issue: Police Department of Residence Registration and Management and National Population Database
* Ethnicity: Kinh
* Hometown: Vu Thu District, Thai Binh Province
* Permanent address: 28, Lane 93, Khuong Mai Ward, Thanh Xuan District, Hanoi
* Office contact phone number: 024 38562 861
* Educational level: 12/12
* Qualification: Engineer
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| November 2001 - December 2006 | Công ty Dịch vụ Kỹ thuật Dầu khí (tentatively translated as PetroVietnam Technical Services Company Limited”) | Specialist |
| January 2007 - April 2009 | Công ty Dầu khí Tản Viên (tentatively translated as “Tan Vien Petroleum Company”) | Deputy Head of Investment Planning Department |
| April 2009 - November 2009 | Trading Construction Works Organization - Ministry of Transport | Deputy Manager - Thang Long 9 Project Management Board - Vietracimex |
| December 2009 - July 2010 | Freelance |  |
| July 2010 - February 2011 | Petrovietnam Chemical and Services Joint Stock Corporation | Planning Department Specialist |
| March 2011 - May 2015 | Petrovietnam Chemical and Services Joint Stock Corporation | Member of the Supervisory Board |
| April 2015 - Present | Petrovietnam Chemical and Services Joint Stock Corporation | Member of the Board of Directors |
| September 22, 2021 - Present | Petrovietnam Chemical and Services Joint Stock Corporation  PVChem Drilling Mud and Services Company Ltd (DMC) | Member of the Board of Directors;  Chair of DMC Company |

* Current position held at the Corporation: Member of the Board of Directors
* Positions held at other organizations and number of shares owned at these organizations: PVChem Drilling Mud and Services Company Ltd (DMC)
* Number of shares owned in this organization: None
* Quantity and rate of securities ownership at PVChem of individual and affiliated individual:
* Individual ownership: 700 shares, equivalent to 0.0014% of PVChem’s charter capital
* Representative ownership: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Nguyen Ngoc Quynh’s affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies whose charter capital is controlled by the Issuer with Mr. Nguyen Ngoc Quynh and affiliated individuals:
* Contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Nguyen Ngoc Quynh: None
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Nguyen Ngoc Quynh's related party-PVChem Drilling Mud and Services Company Ltd (DMC):

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Signing party** | **Relations** | **Transaction type** | **Transaction value as of June 30, 2023 (VND)** | **Important terms** | **Competent authority approved** |
| 1 | M-I Oil & Gas Services Vietnam Limited Liability Company | Subsidiary of PVChem | Goods/service purchase contract | 65,110,898,175 | Sign the contract according to well drilling |  |
| 2 | DMC - Southern Petroleum Chemicals Joint Stock Company | Subsidiary of PVChem | Goods/service purchase contract | 3,076,883,050 | Sign the principle contract |  |
| 3 | Petrovietnam Chemical and Services Joint Stock Corporation - Petroleum Chemical Services Branch | PVChem's dependent accounting unit | Goods purchase contract | 942,055,664 | Sign the principle contract |  |
| 4 | DMC-Drilling Fluids and Well Services (DMC - WS) | PVChem's dependent accounting unit | Goods/service purchase contract | 3,188,846,005 | Sign the contract for each purchase |  |
| 5 | M-I Oil & Gas Services Vietnam Limited Liability Company | Subsidiary of PVChem | Service provision contract | 1,936,966,251 | Sign the contract for each service |  |
| 6 | DMC - Southern Petroleum Chemicals Joint Stock Company | Subsidiary of PVChem | Goods purchase contract | 14,135,457,457 | Sign the principle contract |  |
| 7 | PVChem |  | Contract for sales of goods/services | 23,972,406,260 | Sign for each contract/order |  |

* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 850,368,000 | VND 815,760,000 | VND 461,852,000 |
| **Total** | **VND 850,368,000** | **VND 815,760,000** | **VND 461,852,000** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None
* **Member of the Board of Directors: Mr. Ha Duy Tan**
* Full name: Ha Duy Tan
* Gender: Male
* Date of birth: November 16, 1974
* Place of birth: Hai Ba Trung District, Hanoi
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 001074007125, Date of issue: October 23, 2015, Place of issue: Police Department of Residence Registration and Management and National Population Database
* Ethnicity: Kinh
* Hometown: Hoang Hoa District, Thanh Hoa Province
* Permanent address: Room 1204, Building M5, 91 Nguyen Chi Thanh, Dong Da District, Hanoi
* Office contact phone number: 024 38562 861
* Educational level: 12/12
* Qualification: Engineer
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Working place** | **Position** |
| 1996 - 1999 | Ministry of Planning and Investment | Specialist |
| 1999 - 2001 | Công ty Dầu khí Hà Nội (tentatively translated as “Hanoi Petroleum Company”), Central Finance and Administration Board | Specialist |
| 2001 - 2004 | Công ty Dầu khí Hà Nội (tentatively translated as “Hanoi Petroleum Company”), Central Finance and Administration Board | Deputy Head of Department |
| 2004-2006 | Vietnam Oil and Gas Corporation | Specialist |
| 2006 - 2009 | Vietnam Oil and Gas Group | Deputy Head of Department |
| 2009 | Vietnam Oil and Gas Group | Deputy Head of Construction Department |
| October 2009 - November 2020 | Petrovietnam Chemical and Services Joint Stock Corporation | Member of the Board of Directors |
| November 2020 - September 2021 | Petrovietnam Chemical and Services Joint Stock Corporation  PVChem Drilling Mud and Services Company Ltd (DMC) | Member of the Board of Directors; Chair of the Company |
| September 22, 2021 - Present | Petrovietnam Chemical and Services Joint Stock Corporation  PVChem-Tech Company Limited | Member of the Board of Directors;  Chair of the Company |

* Current position held at the Corporation: Member of the Board of Directors
* Positions held at other organizations and number of shares owned at these organizations: Chair of PVChem-Tech Company Limited

Number of shares owned in this organization: 0 shares

* Quantity and rate of securities ownership at PVChem of individual and affiliated individual:
* Individual ownership: 0 shares
* Representative ownership: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Ha Duy Tan's affiliated individuals who are also shareholders and PDMR of the Company: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Ha Duy Tan and affiliated individuals:
* Contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Ha Duy Tan: None
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Ha Duy Tan's related party-PVChem-Tech Company Limited:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Contracting party** | **Relations** | **Transaction type** | **Transaction value** | **Important terms** | **Competent authority approved** | **Transaction time** |
| 1 | PVChem |  | Equipment sales contract | VND 17,407 million |  |  | 2022-2023 |
| 2 | PVChem |  | Chemical sales contract | VND 2,821 million |  |  | 2023 |
| 3 | PVChem |  | Service and chemical supply contracts | VND 28,866 million |  |  | 2023 |
| 4 | PetroVietNam Chemical And Services Corporation - Branch of Industrial Technical Services (PVCHEM-ITS): | PVChem's dependent accounting unit | Consulting and technical support | VND 1,359 million |  |  | 2021-2022 |
| 5 | PetroVietNam Chemical And Services Corporation - Branch of Industrial Technical Services (PVCHEM-ITS): | PVChem's dependent accounting unit | Rental of training rooms, training fields, and scaffolding | VND 368 million |  |  | 2023 |

* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 850,368,000 | VND 815,760,000 | VND 461,852,000 |
| **Total** | **VND 850,368,000** | **VND 815,760,000** | **VND 461,852,000** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None
* **Member of the Board of Directors: Mr. Tran Hong Kien**
* Full name: Tran Hong Kien
* Gender: Male
* Date of birth: November 08, 1981
* Place of birth: Hoan Kiem District, Hanoi
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 033073000089, Date of issue: November 04, 2021, Place of issue: Police Department for Administrative Management of Social Order
* Ethnicity: Kinh
* Hometown: Nam Dan District, Nghe An Province
* Permanent address: 03, Ngo Quyen, Ly Thai To Ward, Hoan Kiem District, Hanoi
* Office contact phone number: 024 3856 2861
* Educational level: 12/12
* Qualification: Master of Finance
* Working process

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| November 2006 - July 2007 | PetroVietnam Exploration Production Corporation | Project Specialist |
| August 2007 - November 2007 | Petro Vietnam Finance Joint Stock Corporation | Credit Specialist |
| December 2007 - May 2008 | Công ty đầu tư Openasia Group (tentatively translated as “Openasia Group Investment Company”) | Investment Specialist |
| June 2008 - January 2009 | Ocean Commercial Joint Stock Bank | Deputy Head of Risk Management Department |
| January 2009 - April 2009 | PetroVietnam Exploration Production Corporation | Deputy Head of Capital Arrangement Department |
| April 2009 - December 2019 | joint operating company vietgazprom | Deputy Manager of Finance |
| December 2009 - Present | Petrovietnam Chemical and Services Joint Stock Corporation | Independent member of the Board of Directors |
| July 03, 2023 - Present | Phuong Dong Viet Shipping and Logistics Corporation | Deputy Manager |

* Current position held at the Corporation: Independent member of the Board of Directors
* Positions held at other organizations and number of shares owned at these organizations:

Position: Deputy Manager of Phuong Dong Viet Shipping and Logistics Corporation

* Number of shares owned in this organization: 0 shares
* Quantity and rate of securities ownership at PVChem of the individual and affiliated individual:
* Individual ownership: 0 shares
* Representative ownership: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Tran Hong Kien’s affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Tran Hong Kien and affiliated individuals: None
* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 794,640,000 | VND 762,300,000 | VND 452,240,000 |
| **Total** | **VND 794,640,000** | **VND 762,300,000** | **VND 452,240,000** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None

1. **Audit Committee**

**Table 46: List of members of the Company's Audit Committee**

|  |  |  |
| --- | --- | --- |
| **No.** | **Full name** | **Position** |
| 1 | Mr. Tran Hong Kien | Chair of the Audit Committee |
| 2 | Mr. Nguyen Ngoc Quynh | Member of the Audit Committee |
| 3 | Mr. Ha Duy Tan | Member of the Audit Committee |

CV of members of the Audit Committee.

* **Chair of the Audit Committee: Mr. Tran Hong Kien**

See in the “Board of Directors” section.

* **Member of the Audit Committee: Mr. Nguyen Ngoc Quynh**

See in the “Board of Directors” section.

* **Member of the Audit Committee: Mr. Ha Duy Tan**

See in the “Board of Directors” section.

1. **Board of Management and Chief Accountant**

**Table 47: List of members of the Board of Managers and the Chief Accountant of the Company**

|  |  |  |
| --- | --- | --- |
| **No.** | **Full name** | **Position** |
| 1 | Mr. Phan Cong Thanh | General Manager |
| 2 | Mr. Bui Tuan Ngoc | Deputy General Manager |
| 3 | Mr. Truong Viet Phuong | Deputy General Manager |
| 4 | Mr. Pham Ngoc Khue | Deputy General Manager |
| 5 | Mr. Tran Van Trinh | Chief Accountant |

**CV of members of the Board of Managers**

* **The General Manager. Mr. Phan Cong Thanh**

See in the “Board of Directors” section.

* **Deputy General Manager: Mr. Bui Tuan Ngoc**
* Full name: Bui Tuan Ngoc
* Gender: Male
* Date of birth: March 23, 1966
* Place of birth: Lac Thuy District, Hoa Binh Province
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 017066000024, Date of issue: October 23, 2015, Place of issue: Police Department of Residence Registration and Management and National Population Database
* Ethnicity: Kinh
* Hometown: Lac Thuy District, Hoa Binh Province:
* Permanent address: Room 1409, N010 Dich Vong Urban Area, Dich Vong, Cau Giay District, Hanoi
* Contact phone: 093 6689 377
* Educational level: 10/10
* Qualification: Bachelor of Industrial Finance
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| February 1991 - 1995 | Petroleum Drilling Fluids and Chemicals Company (DMC) | Specialist |
| June 1995 - February 1998 | Công ty liên doanh Barite Tuyên Quang - DMC (tentatively translated as” Barite Tuyen Quang Joint Venture Company - DMC”) | Deputy Chief Accountant |
| March 1998 - September 2002 | Petroleum Drilling Fluids and Chemicals Company (DMC) | Specialist |
| October 2002 - 2005 | Petroleum Drilling Fluids and Chemicals Company (DMC) | Deputy Chief Accountant |
| 2006 - February 2007 | Petroleum Drilling Fluids and Chemicals Company (DMC) | Deputy Chief Accountant |
| March 2007 - March 2008 | Hydroelectric Project Management Board, Petroleum Group | Chief Accountant |
| April 2008 - July 2010 | PetroVietnam Power Project Management Consulting Company Limited | Chief Accountant |
| August 2010 - September 20, 2011 | PetroVietnam Power Project Consultant Joint Stock Company | Chief Accountant |
| September 26, 2011 - April 2018 | Petroleum Drilling Fluids and Chemicals Corporation - JSC (DMC) | Chief Accountant |
| May 2018 - December 2019 | Petroleum Drilling Fluids and Chemicals Corporation - JSC (DMC) | Member of the Board of Directors |
| December 2019 - Present | DMC Corporation (now PVChem) | Deputy General Manager |
| June 13, 2023 - Present | PVChem Industrial Technical Services Company Limited | Chair of the Company |

* Current position held at the Corporation: Deputy General Manager
* Positions held at other organizations and number of shares owned at these organizations:

Position: Chair of PVChem Industrial Technical Services Company Limited

* Number of shares owned in this organization: None
* Quantity and rate of securities ownership at PVChem of individual and affiliated individual:
* Individual ownership: 0 shares
* Representative ownership: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Bui Tuan Ngoc’s affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Bui Tuan Ngoc and affiliated individuals: None
* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 783,106,745 | VND 853,783,854 | VND 466,631,200 |
| **Total** | **VND 783,106,745** | **VND 853,783,854** | **VND 466,631,200** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None
* **Deputy General Manager: Mr. Truong Viet Phuong**
* Full name: Truong Viet Phuong
* Gender: Male
* Date of birth: September 21, 1980
* Place of birth: Hoang Hoa District, Thanh Hoa Province
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 038080000166, Date of issue: October 27, 2014, Place of issue: Police Department of Residence Registration and Management and National Population Database
* Ethnicity: Kinh
* Hometown: Hoang Hoa District, Thanh Hoa Province
* Permanent address: 83, Lane 3, Giang Vo, Ba Dinh District, Hanoi City
* Office contact phone number: 024 3856 2861
* Educational level: 12/12
* Qualification: Master of International Finance
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| February 2006 - July 2006 | Vinamex Company | Assistant General Manager |
| September 2006 - December 2009 | Vietnam Oil and Gas Group | Specialist |
| January 2010 - April 2013 | Vietnam Oil and Gas Group | Secretary of Deputy General Manager |
| May 2013 - August 2014 | * PetroVietnam Engineering Consultancy Joint Stock Company * Petro Vietnam Construction Investment Consultant Joint Stock Company | * Deputy General Manager * Chair of the Board of Directors |
| August 2014 - July 31, 2017 | Vietnam Oil and Gas Group | Deputy Head of Planning Department |
| August 1, 2017 - May 31, 2018 | Vietnam Oil and Gas Group | Deputy Head of Finance Department |
| June 1, 2018 - July 4, 2018 | Vietnam Oil and Gas Group | Finance Department |
| August 01, 2018 - Present | Petrovietnam Chemical and Services Corporation (PVChem) | Deputy General Manager |

* Current position held at the Corporation: Deputy General Manager
* Positions held at other organizations and number of shares owned at these organizations: None
* Quantity and rate of securities ownership at PVChem of individual and affiliated individual:
* Individual ownership: 0 shares
* Representative ownership: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Truong Viet Phuong's affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Truong Viet Phuong and affiliated individuals: None
* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 783,106,745 | VND 853,783,854 | VND 466,631,200 |
| **Total** | **VND 783,106,745** | **VND 853,783,854** | **VND 466,631,200** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None.
* **Deputy General Manager: Mr. Pham Ngoc Khue**
* Full name: Pham Ngoc Khue
* Gender: Male
* Date of birth: March 26, 1967
* Place of birth: Tu Liem District, Hanoi
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 001067020770, Date of issue: April 25, 2021, Place of issue: Police Department for Administrative Management of Social Order
* Ethnicity: Kinh
* Hometown: Vinh Bao District, Hai Phong City
* Permanent address: Room 1, Floor 17, Tower 4, Dolphin Plaza Apartment Building - 28 Tran Binh/6 Nguyen Hoang, My Dinh 2 Ward, Nam Tu Liem District, Hanoi
* Office contact phone number: 024 3856 2861
* Educational level: 12/12
* Qualification: Master of petroleum technology
* Working process

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| July 1994 - April 1999 | Exploration Room, Công ty giám sát các hợp đồng chia sản phẩm dầu khí (PVSC) (tentatively translated as “Petroleum product sharing contracts monitoring company (PVSC)”) | Well Geophysics Engineer |
| May 1999 - December 2000 | Study for a master's degree in Petroleum Engineering - Norwegian University of Science and Technology - NTNU |  |
| January 2001 - March 2003 | Mining Technology Department, Petroleum Investment Development Joint Stock Company (PIDC) | Well Geophysics & Petroleum Technology Engineer |
| April 2003 - July 2005 | PIDC Algeria Branch, PIDC | Well Geophysics & Petroleum Technology Engineer |
| August 2005 - May 2006 | PIDC Company | Deputy Head of Mine Technology and Exploitation Department |
| June 2006 - December 2006 | PIDC Company | Deputy Head of Human Resources Department |
| January 2007 - May 2007 | PIDC Company | Deputy Head of Human Resources Department |
| June 2007 - October 2007 | PetroVietnam Exploration Production Corporation (PVEP) | Head of the Peru Project Implementation Committee |
| November 2007 - February 2008 | PVEP Corporation | Manager of Peruvian Oil and Gas Company |
| March 2008 - May 2008 | PVEP Corporation | Head of the Iran Project Implementation Committee |
| May 2008 - March 2011 | PVEP Corporation | Manager of Persian Oil and Gas Company (Iran) |
| March 2011 - January 2019 | PVEP Corporation | Head of Investment and Development Board |
| January 2019 - June 2, 2019 | PVEP Corporation | Head of the Department of Science, Technology and Environmental Health Safety |
| June 3, 2019 - Present | Petroleum Drilling Fluids and Chemicals Corporation - JSC (DMC). DMC changed its business name to PetroVietnam Chemical and Services Corporation on January 15, 2020 | Deputy General Manager |
| November 2019 - May 25, 2021 | M-I & Gas Services Vietnam Limited Liability Company | Member of the Board of Members |
| May 26, 2021 - Present | M-I & Gas Services Vietnam Limited Liability Company | Chair of the Board of Directors |

* Current position held at the Corporation: Deputy General Manager
* Positions held at other organizations and number of shares owned at these organizations: Chair of M-I & Gas Services Vietnam Limited Liability Company

Number of shares owned in this organization: None

* Quantity and rate of securities ownership at PVChem of the individual and affiliated individual:
* Individual ownership: 0 shares
* Representative capital: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Pham Ngoc Khue’s affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Pham Ngoc Khue and affiliated individuals:
* Contracts and transactions between the Issuer, its subsidiaries, and companies in which the Issuer holds control of over 50% of the charter capital with Mr. Pham Ngoc Khue: None
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Pham Ngoc Khue's related party-M-I & Gas Services Vietnam Limited Liability Company

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Contracting party** | **Relations** | **Transaction type** | **Transaction value (million VND)** | **Important terms** | **Competent authority approved** |
| 1 | DMC - Southern Petroleum Chemicals Joint Stock Company | Subsidiary of PVChem | Purchase | 2022: 4,392  First 6 months of 2023: 1,381 | Chemical and service provision, personnel rental |  |
| 2 | PVChem Drilling Mud and Services Company Ltd | Subsidiary of PVChem | Sell/form a joint venture to supply to third parties | First 6 months of 2023: 59,192 | Chemical provision |  |
| 3 | PVChem Drilling Mud and Services Company Ltd | Subsidiary of PVChem | Purchase | 2022: 3,951  First 6 months of 2023: 1,761 | Chemical and service provision, personnel rental. |  |
| 4 | Petrovietnam Chemical and Services Corporation |  | Purchase | First 6 months of 2023: 6,000 | Chemical provision |  |
| 5 | Petrovietnam Chemical and Services Joint Stock Corporation - Petroleum Chemical Services Branch | PVChem's dependent accounting unit | Purchase | 2022: 19,435  First 6 months of 2023: 1,488 | Chemical provision |  |

* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 783,106,745 | VND 853,783,854 | VND 466,631,200 |
| **Total** | **VND 783,106,745** | **VND 853,783,854** | **VND 466,631,200** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None

**CV of the Chief Accountant**

* **Chief Accountant: Mr. Tran Van Trinh**
* Full name: Tran Van Trinh
* Gender: Male
* Date of birth: March 6, 1971
* Place of birth: Hai Hau District, Nam Dinh Province
* Nationality: Vietnamese
* ID Card/Citizen Identification/Passport Number: 036071000602, Date of issue: April 25, 2021, Place of issue: Police Department for Administrative Management of Social Order
* Ethnicity: Kinh
* Hometown: Hai Hau District, Nam Dinh Province
* Permanent address: Adjacent house number 15-OCT2-Co Nhue New Urban Area, Vien 1 TDP, Co Nhue 2 Ward, Bac Tu Liem District, Hanoi
* Office contact phone number: 024 3856 2861
* Educational level: 12/12
* Qualification: Master of economic management
* Working process:

|  |  |  |
| --- | --- | --- |
| **Time** | **Work unit** | **Position** |
| September 1993 - December 1994 | Con Dao Tax Department, Ba Ria - Vung Tau Province | Tax officer |
| January 1995 - December 1995 | Tổng Công ty CSVC thiết bị - Bộ Giáo dục (tentatively translated as “Facilities and Equipment Corporation - Ministry of Education”) | Accountant |
| February 1996 - March 1997 | Công ty Rượu và Nước giải khát Ba Đình Tổng Công ty Hồ Tây (tentatively translated as “Ba Dinh Liquor and Beverage Joint Stock Company - West Lake Corporation”) | In charge of the Finance and Accounting Department |
| April 1997 - February 2005 | Miwon Viet Nam Company Limited | * General Accountant * Head of Accounting Department |
| March 2005 - July 2005 | Công ty Dịch vụ thương mại số 01 (tentatively translated as “Commercial Service Company No. 01”), Vietnam National Textile and Garment Group | Deputy Head of Finance and Accounting Department |
| August 2005 - March 2006 | Commercial Service Company No. 01, Vietnam National Textile and Garment Group | Head of Finance and Accounting Department |
| March 2006 - March 2008 | Công ty XNK Dệt May (tentatively translated as “Textile and Garment Import - Export Company”), Vietnam National Textile and Garment Group | Head of Market Planning Department-cum-Assistant General Manager-cum-Chief of the Supervisory Board |
| April 2008 - January 2009 | Công ty CP Đầu tư Tài chính Dầu khí - PVFC invest (tentatively translated as “Petroleum Finance Investment Joint Stock Company - PVFC invest”), later changed to VietNam Investment and Asset Trading Joint Stock Company | Deputy Chief of Office-cum-Assistant General Manager-cum-Deputy Head of Marketing & IT Department |
| January 2009 - June 2009 | Petroleum Finance Investment Joint Stock Company - PVFC invest, later changed to VietNam Investment and Asset Trading Joint Stock Company | Head of Professional Planning Department |
| June 2009 - June 2011 | Petroleum Finance Investment Joint Stock Company - PVFC invest, later changed to VietNam Investment and Asset Trading Joint Stock Company | Deputy General Manager-cum-Member of the Board of Directors of Công ty Khoáng sản DK Điện Biên (tentatively translated as “DK Dien Bien Minerals Company”-cum-Deputy Manager of Management Board of Nga Tu So Market Shopping Center Project |
| July 2011 - April 2018 | Petroleum Drilling Fluids and Chemicals Corporation - JSC (DMC) | Deputy Head of Finance and Accounting Department-cum-Member of the Board of Directors of DMC-MT |
| May 2018 - June 2018 | DMC Corporation | Deputy Head of Finance and Accounting Department-cum-In charge of Accounting of DMC Corporation |
| July 2018 - Present | DMC Corporation (from January 15, 2020, changed its name to Petrovietnam Chemical and Services Corporation (PVChem)) | Chief Accountant |

* Current position held at the Corporation: Chief Accountant
* Positions held at other organizations and number of shares owned at these organizations: None
* Quantity and rate of securities ownership at PVChem of the individual and affiliated individual:
* Individual ownership: 0 shares
* Representative ownership: 0 shares
* Affiliated individual: 0 shares
* Law violations: None
* Information about Mr. Tran Van Trinh’s affiliated individuals who are also shareholders and PDMR of the Corporation: None
* Interests related to the Corporation:
* Information about ongoing or signed and unexecuted contracts and transactions between the Issuer, its subsidiaries, companies in which the Issuer holds control of over 50% of the charter capital with Mr. Tran Van Trinh and affiliated individuals: None
* Debts to the Company: None
* Remuneration, salary and other interests paid over the years are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **Target** | **2021** | **2022** | **First 6 months of 2023** |
| Salary, remuneration | VND 731,960,909 | VND 797,832,000 | VND 436,051,000 |
| **Total** | **VND 731,960,909** | **VND 797,832,000** | **VND 436,051,000** |

* Relevant interests in other businesses in the same field as the Issuer or being a major customer/supplier of the Issuer: None.

1. INFORMATION ABOUT THE OFFERING
   1. Share type:

Common share, freely transferable.

* 1. Share par value:

VND 10,000/share

* 1. Total number of shares issued/offered: 31,200,000 shares, in which:

Number of shares issued to increase share capital from the source of owners’ equity (investment and development fund): 10,000,000 shares.

Number of additional shares offered to the public to existing shareholders: 21,200,000 shares.

* 1. Total value of shares issued, offered at par value: VND 312,000,000,000, in which:

Total value of shares issued to increase share capital from the source of owners’ capital (investment and development fund): VND 100,000,000,000

Total value of additional shares offered to the public to existing shareholders: VND 212,000,000,000.

* 1. Expected offering price

VND 10,000/share.

* 1. Price calculation method

In General Mandate No. 766/NQ-PVChem dated June 26, 2023, the Annual General Meeting of Shareholders 2023 has decided on the offering price of VND 10,000/share. The offering price is determined to be equal to par value.

* 1. Distribution method:

Approve exercising the rights to receive shares to increase capital from the source of owners’ equity and exercising the corresponding purchasing rights of shareholders on the record date for the list of shareholders.

* Shareholders will register to exercise the rights to receive shares to increase capital from the source of owners’ equity and the rights to purchase shares at the depository member where their accounts are opened and their shares are deposited.
* Shareholders who have not deposited securities will register to exercise the rights to receive shares to increase capital from the source of owners’ equity and the rights to purchase shares at the Corporation's headquarters and pay money to purchase shares into the blocked account according to the information in section 11.
  + 1. Share issuance to increase share capital from the source of owners’ equity (investment and development fund)

|  |  |
| --- | --- |
| Number of shares expected to be issued | 10,000,000 shares. |
| Total expected issue value at par value | VND 100,000,000,000 |
| Rights exercise rate | 10:2 (At the record date for the list exercising the rights, shareholders owning 10 shares will receive 02 new shares) |
| Subject of the issuance | Existing shareholders named on the list of shareholders at the record date to increase capital from the source of owners’ equity (investment and development fund) |
| Capital source used | Investment and development fund as of December 31, 2022 on PVChem's Audited Separate Financial Statements 2022 |
| Fractional share | The number of shares each shareholder receives will be rounded down to the unit. The number of fractional shares (decimal part) arising from rounding down to the unit (if any) will be canceled.  For example: Shareholder A owns 189 shares. Shareholder A is entitled to receive 189x2/10=37.8 shares. According to the rounding principle, shareholder A will receive 37 shares. |
| Execution time | Expected in 2023. |

* + 1. Offer additional shares to the public for existing shareholders

|  |  |
| --- | --- |
| Offering form | Offer additional shares to existing shareholders by exercising the purchase rights |
| Subject of the offering | Existing shareholders named on the recorded list to receive the rights to purchase additional shares offered to existing shareholders |
| Right exercise rate | 10:4.24 (On the record date for the list of shareholders, shareholders owning 01 common share will receive 01 rights, and are entitled to purchase 4.24 new shares for every 10 rights they own). |
| Transfer of purchase rights: | The rights to purchase shares are allowed to be divided into parts to transfer to many different subjects at the price approved between the parties and can only be transferred once. The transferee may not transfer it further to a third party. |
| Rounding principle and plan for handling fractional shares | The number of shares purchased will be rounded down to the unit according to the rounding down principle. The number of fractional shares (if any) arising when exercising the rights and the entire number of shares existing shareholders do not exercise the rights to purchase will have the criteria and decision to offer to other parties determined by the Board of Directors in an appropriate manner and conditions but not more favorable than the offering conditions for existing shareholders. This number of shares (if any) will be restricted from transfer within one year from the date of completing the offering.  For example: Shareholder A owns 189 shares. Shareholder A has the right to purchase 189x4.24/10=76.053 shares. According to the rounding principle, shareholder A will be entitled to purchase 76 shares. |
| Method on handling shares that are not fully distributed | The number of shares existing shareholders entitled to purchase will be rounded down to the unit according to the rounding down principle. The number of fractional shares (if any) arising when exercising the rights and the entire number of shares existing shareholders do not exercise the rights to purchase will have the criteria and decision to offer to other parties determined by the Board of Directors in an appropriate manner and conditions but not more favorable than the offering conditions for existing shareholders. This number of shares (if any) will be restricted from transfer within one year from the date of completing the offering. The handling of arising fractional shares and shares that existing shareholders do not exercise the rights to purchase must ensure compliance with the provisions of Article 42 of Decree No. 155/ND-CP dated December 31, 2020.  In the event that at the end of the issuance (including the extended period, if any), the offered shares are not fully distributed, the remaining shares will be considered unissued and the total number of shares successfully offered in this round will be decreased accordingly; The increase in charter capital corresponds to the amount of capital actually contributed by shareholders. |
| Transfer restrictions | The rights to purchase shares are allowed to be divided into parts to transfer to many different subjects at the price approved between the parties and can only be transferred once. The transferee cannot further transfer to a third party. |
| Minimum offering rate | Not applicable |
| Execution time | Expected in 2023. |

* 1. Registration for purchasing shares
* **Deadline for registration to purchase shares:**

Within a minimum of 20 days from the effective date of the purchase rights, shareholders on the list at the record date can exercise the rights to purchase shares and pay money according to the prescribed purchase rate. The Corporation will officially announce the purchase registration deadline when the Corporation is granted a Certificate on public offering of securities by the State Securities Commission.

* **Numbers of shares registered to purchase:**

Shares issued to existing shareholders are the number of shares with the rights to purchase according to the rate or/and the number of shares from receiving the transfer of the rights to purchase or/and the number of shares not fully distributed that the Board of Directors decides to further distribute.

* **Purchase term:**

It is expected to be in 2023 after the Company is granted a Certificate on registration for public offering of securities from the State Securities Commission.

* **Registration and payment method:**

Within at least 20 days from the effective date of the purchase rights, shareholders on the list of purchase rights owners will register to exercise the rights to purchase shares and pay money according to the prescribed purchase rate.

* Shareholders will register to exercise the rights to purchase shares at the depository member where their accounts are opened and their shares are deposited.
* Shareholders who have not deposited securities will register to exercise the rights to purchase shares at the Corporation's headquarters and pay money for shares into the blocked account according to the information in section 11.
  1. Expected schedule for share distribution

The time for distributing shares to investors is expected to be within 90 days from the effective date of the Certificate on registration for the public offering of securities. In case it lasts longer than the above regulations, the Corporation will ask for permission from the State Securities Commission to consider extending the distribution but not exceeding 30 days at most.

The expected schedule is as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **No.** | **Content of work** | **Expected time** | **Note** |
| 1 | The State Securities Commission issues the Certificate on registration for public offering of securities | T |  |
| 2 | Notice on public offering | T+5 |  |
| 3 | Record the list of shareholders exercising the rights to receive shares issued to increase share capital from the source of owners’ equity and exercising the rights to purchase shares | T+5 |  |
| 4 | VSDC sends the recorded list of shareholders to PVChem  1. List of rights allocation to receive shares issued from the source of owners’ equity  2. List of rights allocation to purchase additional shares offered to existing shareholders | T+19 |  |
| 5 | PVChem sends a Notice on confirming the comprehensive list of securities owners to receive shares issued to increase share capital from the source of owners’ equity/ allocation of purchase rights to VSDC | T+21 |  |
| **I** | **Regarding the issuance to increase share capital from the source of owners’ equity** |  |  |
| 1 | The Board of Directors decides on the issue results according to the content of increasing share capital from the source of owners’ equity on the basis of the list of rights exercise. | T+25 |  |
| 2 | Report on results of share issuance from the source of owners’ equity to the State Securities Commission | T+26 |  |
| 3 | Change the Business Registration Certificate according to the new charter capital | T+31 |  |
| 4 | Additional registration and listing of additional shares issued | T+61 |  |
| **II** | **Regarding the offering of additional shares to the public for existing shareholders** |  |  |
| 1 | Existing shareholders exercise the rights to purchase shares and transfer the rights to purchase shares | From T+23 to T+55 | Clause 4, Article 26 of the Law on Securities 2019 stipulates: The Issuer must complete the securities distribution within 90 days from the effective date of the Certificate on registration for the public offering of securities. In case the Issuer cannot complete the securities distribution to the public within this deadline, the State Securities Commission shall consider extending the securities distribution but not exceeding 30 days. |
| 2 | Handle shares that existing shareholders have not fully registered to purchase and fractional shares arising when exercising the rights |
| 3 | Report the issue results to the State Securities Commission on the basis of the list of exercising the rights and handling arising shares (if any) | T+60 |  |
| 4 | Change the Business Registration Certificate according to the new charter capital | T+65 |  |
| 5 | Additional registration and listing of additional shares offered | T+105 |  |

The specific distribution time will be detailed on the Notice on securities offering upon approval by the State Securities Commission.

* 1. Restrictions relating to share transfer

Shares offered via offering additional shares to the public are not subject to transfer restrictions.

The General Meeting of Shareholders authorizes the Board of Directors to continue offering shares that are not fully distributed to subjects, ensuring that the offering conditions, conditions on rights and obligations are not more favorable than the offering conditions for investors registering to participate in the offering in accordance with the law. Shares that are not fully distributed by the Board of Directors to other subjects will be restricted from transfer within 01 year according to the provisions of law.

The Corporation commits not to distribute to its Subsidiaries, ensuring compliance with Clause 2, Article 195 of the Law on Enterprises 2020: “Subsidiaries are not allowed to invest in purchasing shares or contributing capital to the Holding Company. Subsidiaries of the same Holding Company are not allowed to simultaneously contribute capital or purchase shares for cross-ownership.”

* 1. Blocked account receiving money for shares

All proceeds from the offering will be transferred to the Corporation's blocked account, details as follows:

* Account owner: Petrovietnam Chemical and Services Corporation
* Account number: 1031234567
* Open at Joint Stock Commercial Bank for Foreign Trade of Vietnam - West Hanoi Branch

This blocked account is not currently a payment account of the Company, and Joint Stock Commercial Bank for Foreign Trade of Vietnam - West Hanoi Branch is also not a related individual of the Corporation.

The Corporation is not allowed to use the money in the blocked account in any form until the end of the offering, reporting to the State Securities Commission and receiving a Notice of receipt of the Report on offering results from the State Securities Commission.

* 1. Opinion of competent authority on the increase in the charter capital of the Issuer (in case the Issuer belongs to a conditional business line that specialized law requires approval from a competent state management agency)

PVChem does not belong to a conditional business line that requires specialized law to have approval from a competent state management agency.

* 1. Cancellation of the offering (in case the proceeds from the offering are used to implement the project)

This provision does not apply because the proceeds from the offering are not intended to mobilize capital to implement the project. Therefore, the offering is not subject to cancellation when the minimum offering success rate of 70% is not guaranteed.

* 1. Measure to ensure compliance with foreign ownership regulations

According to the authorization of the Annual General Meeting of Shareholders 2023, the Board of Directors has developed a plan to ensure compliance with regulations on foreign ownership as follows:

* Existing shareholders are only allowed to transfer the rights to purchase shares to domestic individuals and organizations;
* For shares that investors do not register to purchase or pay for or fractional shares, the Board of Directors will not redistribute those to foreign investors (both organizations and individuals).
* On July 18, 2023, PVChem received Official Dispatch No. 4713/UBCK-PTTT dated July 18, 2023 from the State Securities Commission on the Dossier notifying the maximum foreign ownership rate of Petrovietnam Chemical and Services Corporation. Accordingly, the maximum foreign ownership rate at PVChem is 0%.
  1. Related taxes

During operations, the Corporation needs to fulfill financial obligations to the State such as corporate income tax, and VAT... depending on the business and investment fields of the Corporation and complying with State policies from time to time. Specifically, as follows:

* + 1. For the Corporation
* **Corporate income tax**

According to Law on Corporate Income Tax No. 14/2008/QH12 dated June 3, 2008 and Law No. 31/2013/QH13 promulgated by the National Assembly on June 19, 2013 on amending and supplementing a number of articles of the Law on Corporate Income Tax, the Corporation is applying the corporate income tax rate of 20% calculated on taxable profit.

* **VAT**

The Corporation is applying VAT rate according to the provisions of Law on VAT No. 13/2008/QH12 dated June 3, 2008, the Law on amending and supplementing a number of articles of the Law on VAT 2013 and Resolutions of the National Assembly on VAT reduction policies.

* **Other taxes**

The Corporation declares and submits according to the provisions of current Law.

* + 1. For individual investor

Income from dividends and income from share transfer are subject to personal income tax at the following tax rate:

* **Income from securities transfer**
* *For domestic investors*, income from securities transfer is subject to a tax rate of 0.1% on the securities transfer price each time (according to the provisions of Circular 111/2013/TT-BTC, Circular 92/2015/TT-BTC and Circular No. 25/2018/TT-BTC).
* *For foreign investors*, income from securities transfer is subject to a personal income tax rate of 0.1% on the total amount received from the transfer as prescribed in Circular No. 111/2013/TT-BTC.
* **Income from dividends: According to Circular No. 111/2013/TT-BTC, the income of an individual from dividends is considered taxable income with a full tax rate of 5%.**
* In case the investor receives dividends in cash, the tax rate is 5%.
* In case of receiving dividends by share, investors must comply with the provisions of Circular No. 111/2013/TT-BTC, Circular No. 25/2018/TT-BTC and relevant tax laws.
  + 1. For organizational investor
* **Income from securities transfer:**
* For domestic organization: According to the provisions of Circular No. 78/2014/TT-BTC dated June 18, 2014, income from capital transfer and securities transfer is other income subject to a corporate income tax rate of 20%.
* For foreign business: For foreign organizations doing business in Vietnam not under the Law on Enterprises or Investment Law, income from securities transfer will have to bear corporate income tax at the rate of 0.1% on taxable revenue as instructed in Circular No. 103/2014/TT-BTC dated August 6, 2014.
* **Income from dividends: is exempt from tax according to the provisions of Clause 6, Article 4 of the Law on Corporate Income Tax 2008.**
* **Other taxes**

Resource tax, land tax, land rent, business license tax, and fees of the Corporation have to be declared and paid to the local tax authority according to State regulations.

* 1. Information about commitments

The Corporation commits to:

* Change the Business Registration Certificate according to the new charter capital, additionally register for newly issued shares and additionally register for listing, ensuring compliance with regulations requiring the Issuer to complete the listing registration dossier within 30 days from the date of completing the public offering of additional shares.
* Meet the regulations at Point e, Clause I, Article 15 of Law on Securities No. 54/2019/QH14, specifically: “Issuers are not subject to criminal prosecution or have been convicted of one of the crimes of infringing upon the economic management order without having their criminal records cleared.”.
  1. Information about other securities offered and issued in the same round (if any)

None.

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1. OFFERING PURPOSE

Supplement capital source for expanding production and business activities via capital contribution to establish subsidiaries; supplement capital for subsidiaries according to the unit's capital increase plan.

1. PLAN ON USING PROCEEDS FROM THE OFFERING

According to Annual General Mandate No. 766/NQ-PVChem dated June 26, 2023, the plan on using capital obtained (VND 212 billion calculated based on the offering price) from the offering is expected to be as follows:

***Unit: Billion VND***

|  |  |  |
| --- | --- | --- |
| **No.** | **Purpose** | **Amount of money** |
| ***I*** | ***Contribute capital to establish the company*** | ***182*** |
| 1 | PetroVietNam Chemical & Services Company Limited (PVChem-CS) | 124\* |
| 2 | PVChem Industrial Technical Services Company Limited (PVChem-ITS) | 58\* |
| ***II*** | ***Contribute more capital to member units*** | ***30*** |
| 1 | PVChem Drilling Mud and Services Company Ltd (DMC) | 30 |
| **Total** | | **212** |

The Annual General Meeting of Shareholders 2023 has authorized the Board of Directors to allocate the proceeds in the following order of priority in case of not collecting the full amount from the offering as expected: (i) contribute capital to establish PVChem Drilling Mud and Services Company Ltd (DMC); (ii) contribute capital to establish PVChem Industrial Technical Services Company Limited (PVChem-ITS); (iii) contribute additional capital to PVChem Drilling Mud and Services Company Ltd (DMC); use other valid capital sources to make up for the capital shortage and report to the General Meeting of Shareholders at the nearest meeting in accordance with the provisions of Law.

*\* PVChem will use other valid capital sources of the Corporation to contribute the full charter capital according to the Business Registration Certificate of PVChem-CS Company (VND 125 billion) and PVChem-TTS (VND 60 billion).*

* According to the provisions of Clause 1, Article 75 of the Law on Enterprises 2020, PVChem must contribute capital to PVChem-CS and PVChem-ITS companies with sufficient and correct types of assets committed when registering to establish a business within 90 days from the date of issuing the Business Registration Certificate. Specifically:
* The deadline for capital contribution to PetroVietNam Chemical & Services Company Limited (PVChem-CS) is August 7, 2023.
* The deadline for capital contribution to PVChem Industrial Technical Services Company Limited (PVChem-ITS) is September 24, 2023.
* In the event that at the end of the prescribed offering, PVChem does not offer all shares as registered and the proceeds from the offering are not collected in full as expected, depending on the actual status, PVChem's Board of Directors will supplement from other valid capital sources of the business in accordance with the authorization of the Annual General Meeting of Shareholders 2023.
* PVChem will comply with:
* Be responsible for corresponding to the committed capital contribution for the Company's financial obligations arising during the period before the last date the Company registers to change its charter capital as prescribed in the provisions of Clause 3, Article 75 of the Law on Enterprises 2020.
* Be responsible (using all of the owned assets) for the Company's financial obligations and damages caused by not contributing, not contributing in full, or not contributing on time to charter capital as prescribed in Article 75 of the Law on Enterprises 2020.
* Be responsible when the business registration agency handles administrative violations in the field of business establishment according to current law provisions.

**Information about the unit entitled to additional capital contribution and company entitled to a capital contribution to establish:**

1. **Contribute capital to establish PetroVietNam Chemical & Services Company Limited (PVChem-CS)**

On April 26, 2022, PVChem’s Board of Directors promulgated Decision No. 409/QD-PVChem on approving the Plan to establish PetroVietNam Chemical & Services Company Limited (PVChem-CS) on the basis of converting PVChem-CS Branch. Accordingly, the charter capital of PetroVietNam Chemical & Services Company Limited (PVChem-CS) is VND 125 billion. At the same time, the Company is responsible for inheriting and receiving all rights and obligations regarding assets, labor, signed economic contracts, and debts transferred from the Branch at the time of conversion into a Company. On November 18, 2022, PVChem’s Board of Directors officially promulgated Decision No. 1288/QD-PVChem on the establishment of PetroVietNam Chemical & Services Company Limited (PVChem-CS)

* On May 9, 2023, Ho Chi Minh City Department of Planning and Investment issued Business Registration Certificate Number 0317824165 to PetroVietNam Chemical & Services Company Limited (PVChem-CS)
* According to the Annual General Mandate 2023 and Board Resolution No. 782/NQ-PVChem dated June 29, 2023 on implementing the issue plan and approving the dossier on registration to offer shares to the public, the capital obtained from the offering allocated for the establishment of PetroVietNam Chemical & Services Company Limited (PVChem-CS) is VND 124 billion.

On August 10, 2023, the Chair of PetroVietNam Chemical & Services Company Limited (PVChem-CS) announced Decision No. 04/QD-PVChem CS on approving the plan to use the Company's contributed capital. Accordingly, the owner's capital contribution is allocated as follows:

|  |  |  |
| --- | --- | --- |
| **No.** | **Purpose** | **Amount of money** |
| 1 | Working capital for production and business activities | VND 123 billion |
| 2 | Fixed asset purchase | VND 2 billion |
|  | **Total** | **VND 125 billion** |

Based on the reality of PVChem-CS Branch and the Company, details of using the Company's capital contribution from the capital obtained from the offering are as follows:

***Unit: VND***

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Content** | **Supplier** | **Detailed information** | **Credit/LC maturity period** | **Value to be paid (VND)** | **Amount allocated from the offering (VND)** |
| 1 | Fulfill payment obligations for signed contracts to purchase plastic pellets from PVChem-CS Branch and borrow from BIDV Transaction Office for payment (Inherited from PVChem-CS Branch) | VINOMIG SINGAPORE PTE.LTD | Contract No. VS-PVChemCS/70/0603/2023 dated March 6, 2023 with Credit contract No. 09/2023/2436791/HDTD dated March 30, 2023 with BIDV Transaction Office | December 21, 2023 | 22,081,210,425 | 22,000,000,000 |
| 2 | Contract No. VS-PVChemCS/71/1503/2023 dated March 15, 2023; Credit Contract No. 10/2023/2436791/HDTD dated March 30, 2023 with BIDV Transaction Office | December 29, 2023 | 26,448,703,380 | 26,000,000,000 |
| 3 | Contract No. VS-PVChemCS/72/1503/2023 dated March 15, 2023;  Credit Contract No. 11/2023/2436791/HDTD dated March 30, 2023 with BIDV Transaction Office | December 29, 2023 | 16,973,095,200 | 16,500,000,000 |
| 4 | Contract VS-PVChem CS/73/16023 dated March 15, 2023; Credit Contract No. 05/2023/2436791/HDTD dated March 30, 2023 with BIDV Transaction Office | December 29, 2023 | 25,217,917,200 | 25,000,000,000 |
| 5 | Fulfill payment obligations for signed contracts to purchase plastic resins from PVChem-CS Branch (Inherited from PVChem-CS Branch) | VINOMIG SINGAPORE PTE.LTD | Contract No. VS-PVChemCS/74/100523 dated May 5, 2023; Set of documents for opening LC at BIDV Transaction Office | February 12, 2024 | USD 970,447.5 equivalent to VND 23,154,877,350\* | 22,000,000,000 |
| 6 | Contract No. VS-PVChemCS/75/100523 dated May 10, 2023 Set of documents for opening LC at BIDV Transaction Office | February 07, 2024 | USD 530,145 equivalent to VND 12,649,259,700\* | 11,500,000,000 |
| 7 | Fixed asset purchase from PVChem-CS branch |  | Fixed asset purchase from PVChem-CS branch |  | 2,000,000,000 | 1,000,000,000 |
|  |  |  | **Total** |  | **128,525,063,255** | **124,000,000,000** |

* Temporary exchange rate: VND 23,860/USD according to the selling exchange rate announced for the second time on August 28, 2023 by BIDV

Expected time of using capital: December 2023 and Q1/2024.

1. **Contribute capital to establish PVChem Industrial Technical Services Company Limited**

On May 30, 2023, PVChem’s Board of Directors promulgated Decision No. 615/QD-PVChem on approving the amendment and supplement to the plan to establish PVChem Industrial Technical Services Company Limited on the basis of converting PVChem-ITS Branch. Accordingly, the charter capital of PVChem Industrial Technical Services Company Limited is VND 60 billion. At the same time, the Company is responsible for inheriting and receiving all rights and obligations regarding assets, labor, signed economic contracts, and debts transferred from the Branch at the time of conversion into a Company. In addition, PVChem’s Board of Directors also promulgates Resolution No. 616/NQ-PVChem dated May 30, 2023, on the establishment of PVChem Industrial Technical Services Company Limited.

* On June 26, 2023, Hanoi Department of Planning and Investment issued Business Registration Certificate Number 0110398224 to PVChem Industrial Technical Services Company Limited.
* According to the Annual General Mandate 2023 and Board Resolution No. 782/NQ-PVChem dated June 29, 2023 of PVChem’s Board of Directors on implementing the issue plan and approving the dossier on registration to offer shares to the public, the capital obtained from the offering allocated for the establishment of PVChem Industrial Technical Services Company Limited is VND 58 billion.
* On August 09, 2023, the Chair of PVChem Industrial Technical Services Company Limited announced Decision No. 02/QD-PVChemITS on approving the plan to use the Company's contributed capital. Accordingly, the owner's capital contribution is allocated as follows:

|  |  |  |
| --- | --- | --- |
| No. | Purpose | Amount of money |
| 1 | Supplement working capital to serve production and business activities | VND 58.5 billion |
| 2 | Machinery and equipment repurchase | VND 1.5 billion |
|  | **Total** | **VND 60 billion** |

Based on the reality of the PVChemITS Branch and the Company, details of using the Company's capital contribution from the capital obtained from the offering are as follows:

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***Unit: VND***

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Partner** | **Services provided** | **Contract No.** | **Contract term** | **Total Contract/Appendix value** | **Payment term** | **Remaining value to be paid** | **Payment amount used from capital obtained from the offering** | **Note** |
| **I** |  | **Fulfill payment obligations for signed contracts with subcontractors of PVChem-ITS Branch (Inherited from PVChem-ITS Branch)** | | | | | |  |  |
| **1** | **Branch of Southern Electricity Corporation Limited - Southern Electricity Services Company** | Operational management of 110kV switching station and connection lines - Hong Liem 3 Solar Power Plant | * Contract No. 610/2020/HDLQVH-PVChem ITS-SPSC dated December 9, 2023 * Appendix No. 05/2023/HDQLVH- PVChemlTS-SPSC-PLHD dated February 27, 2023 | From March 1, 2023 to December 21, 2023 | 1,453,949,270 | Payment after every 3 months of service equivalent to VND 450,120 million within 10 days from the date Party A receives a valid dossier; The fourth time is at the end of the contract corresponding to the remaining amount. | 553,709,270 | 553,700,000 | *Expected payment: from December 2023 to early 2024* |
| **2** | **Petroleum Maintenance Services Joint Stock Company** | Service provision of anti-corrosion paint in the Technology and Support Area for 3 years under Contract No. 559/2809 | * Contract No. 310A- 202'2/HD/PVCHEMITS-PMS dated September 14, 2022 * Additional Appendix No. 01 dated March 17, 2023 of Contract No. 310A-2022/HD/PVCHEMITS-PMS | 3 years from September 14, 2022. | 60,144,240,960 Actual value is calculated temporarily every 6 months from the date of signing the contract | Advance payment of 30% of the provisional value for the second 6 months within 30 days from the date of receiving the advance dossier. 70% of the remaining value is payable within 30 days according to the monthly volume after having a complete set of payment dossiers. | 50,276,568,952 | 12,168,000,000 | *Payment of 70% of the core value of PL01-HD 310A by the end of 2023 and early 2024 (not monthly acceptance but overall acceptance)* |
| **3** | **Huthaco Construction and Commercial Service Limited Company** | Provide scaffolding installation services to implement maintenance, repair and inspection of equipment at Dung Quat Oil Refinery | Contract No. 143-2022/HD/PVCHEMITS-HTC dated April 29, 2022 | 3 years from April 29, 2022. | According to the unit price of each item specified in the contract. Estimated capacity is 200,000 m3/year. VND 146,000 to VND 167,000/m3 | 100% of service value is accepted in each round within 30 days from the date Party A receives the set of payment documents. | 6,193,508,196 | 6,193,500,000 | *Expected to complete the contract value by the end of 2023, payment from December 2023 to early 2024* |
| **4** | **Huthaco Construction and Commercial Service Limited Company** | Provide scaffolding installation services - TA23 Overall Maintenance Project at Nghi Son Oil Refinery in 2023 | Contract No. 173-2023/HD/PVCHEMITS-HTC dated June 6, 2023 | From June 26, 2023 until completing the disassembly as required by Nghi Son Oil Refinery | 18,510,906,700 | The final payment corresponds to 30% of the remaining value of the contract within 45 days from the date of receiving valid payment dossier. | 14,808,725,360 | 5,553,000,000 | *Final payment expected in December 2023* |
| **5** | **PTSC Quang Ngai Joint Stock Company** | Package 2-CDU: Hire services for disassembly, maintenance and repair of static mechanical equipment for areas A100, A200, A300, A400, AB00, C500 and AG00 - Overall maintenance and repair project TA23 - at Nghi Son Refinery and Petrochemical Plant in 2023 | Contract 245- 2023/HD/PVCHEMITS-PTSC QN dated July 10, 2023 | From July 10, 2023 to October 30, 2023 | 58,478,322,816 | Final payment corresponding to 45% of the remaining value of the contract within 45 days from the date of receiving the valid payment dossier (including Acceptance Minutes of Service Completion and Minutes of Contract Confirmation and Liquidation) | 44,941,674,016 | 26,315,000,000 | *Final payment expected in December 2023* |
| **6** | **PTSC Quang Ngai Joint Stock Company** | Package 1- PPU: Hire services for disassembly, maintenance, and repair of static mechanical equipment for the PPU workshop - TA23 Overall Maintenance and Repair Project - at Nghi Son Refinery and Petrochemical Plant in 2023 | Contract No. 246-2023/HD/PVCHEMITS-PTSC QN dated July 10, 2023 | From July 10, 2023 to the end of October 30, 2023 | 10,780,111,800 | Final payment corresponding to 45% of the remaining value of the contract within 45 days from the date of receiving the valid payment dossier (including Acceptance Minutes of Service Completion and Minutes of Contract Confirmation and Liquidation) | 8,284,715,550 | 4,851,000,000 | *Final payment expected in December 2023* |
| **7** | **Yoko Viet Nam Company Limited** | Provide Yoko supplies | Contract No. 2007-2023/HD/PVCHEMITS-YVN dated July 20, 2023 | 26 weeks from July 20, 2023 | 769,933,728 | 50% of the remaining value of the contract within 5 working days after Party A receives the full set of payment dossier (including Goods Delivery Record and Financial Invoice) | 413,482,928 | 413,400,000 | *Final payment in Q1/2024* |
| **8** | **Yoko Viet Nam Company Limited** | Provide Yoko supplies | Contract No. 2208-2023/HD/PVCHEMITS-YVN dated August 22, 2023 | 30 weeks from August 22, 2023 | 2,146,606,000 | 50% of the remaining value of the contract within 5 working days after Party A receives the full set of payment dossier (including Goods Delivery Record and Financial Invoice) | 2,146,606,000 | 1,152,800,000 | *Final payment in Q1/2024* |
| **9** | **Investment and Development Management Joint Stock Company** | Office rental contract | Contract No. 19/2022/PVCHEMITS-IDMC dated November 12, 2022 | 36 months from January 10, 2023 | Contract based on unit price Unit price from January 10, 2024 is VND 79,889,160/ month (Appendix A) | Periodically every 3 months | 486,523,639 | 239,600,000 | *Expected office rent for Q1/2024 is late December 2023 to early January 2024* |
| **II** |  |  | **Other working capital (salary payment...)** | | | | | 560,000,000 |  |
| **TOTAL:** | | | |  | **162,178,571,274** |  | **128,105,513,911** | **58,000,000,000** |  |

Expected capital use time: December 2023 and Q1/2024

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1. **Contribute additional capital to PVChem Drilling Mud and Services Company Ltd (DMC)**

PVChem Drilling Mud and Services Company Ltd (DMC) is a one-member LLC with a current charter capital of VND 90 billion.

In order to expand the scale of operations and develop DMC, on October 10, 2022, PVChem’s Board of Directors promulgated Resolution No. 1144/NQ-PVChem on approving the plan to increase charter capital for PVChem Drilling Mud and Services Company Ltd (DMC). Accordingly, the additional charter capital for DMC is VND 30 billion, bringing DMC's total charter capital after capital increase to VND 120 billion.

According to the Annual General Mandate 2023 and Board Resolution No. 782/NQ-PVChem dated June 29, 2023 of PVChem’s Board of Directors on implementing the issue plan and approving the dossier on registration to offer shares to the public, the capital obtained from the offering allocated for the establishment of PVChem Drilling Mud and Services Company Ltd (DMC) is VND 30 billion.

According to the plan approved in Resolution No. 1144/NQ-PVChem dated October 10, 2022 on approving the plan to increase charter capital for PVChem Drilling Mud and Services Company Ltd (DMC), the plan to use capital obtained from DMC's charter capital increase is to supplement working capital to expand production and business in 2023.

On August 29, 2023, the Chair of DMC announced Decision No. 655/NQ-DMC on approving the proposed plan to use capital from the increase of charter capital for PVChem Drilling Mud and Services Company Ltd (DMC), specifically as follows:

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***Unit: VND***

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **No.** | **Content** | **Partner** | **Detailed information** | **Contract term** | **Payment term** | **Expected value to be paid** | **Payment amount used from capital obtained from the offering** | **Note** |
| 1 | Fulfill payment obligations for chemical purchase contracts signed with suppliers and borrow from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch to pay suppliers. | * An Phat General Chemical Trading Company Limited * Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch | * Principle Contract No. 001/2023/HDNT/DMC-AP * Debt Receipt No. 07/2023 dated August 23, 2023 | November 16, 2023 | Due date: November 16, 2023 | 6,776,880,000 | 6,776,880,000 | Borrow working capital from VCB Vung Tau to purchase chemicals for An Phat General Chemical Trading Company Limited |
| 2 | * Tan Thanh Produce Company Limited * Joint Stock Commercial Bank for Foreign Trade of Vietnam - Vung Tau Branch | * Contract No. 01/2023/DMC-TT dated August 10, 2023 * Debt Receipt No. 08/2023 dated August 30, 2023 | February 21, 2024 | Due date: February 21, 2024 | 9,250,000,000 | 9,250,000,000 | Borrow working capital from VCB Vung Tau to purchase chemicals for Tan Thanh Produce Company Limited |
| 3 | Payment to chemical suppliers serving mining activities | An Phat General Chemical Trading Company Limited | Principle Contract No. 001/2023/HDNT/DMC-AP | Principle contract until December 31, 2023 | 45 days from the date Party A receives all goods and the Goods delivery record signed by the delivery representatives of both parties. | 15,322,000,000 | 3,973,120,000 | The unit price of each item is in Appendix 01 of the Contract.  Value of imported goods that need to be paid to purchase chemicals for PVEP: Lot 01/97&02/97; Lot 01&02 |
| 4 | Payments to drilling fluid chemical suppliers | M-I & Gas Services Vietnam Limited Liability Company | Principle Contract No. DMC-MI/2021/C01; Appendix No. 01 HD/DMC-Ml/VSP | Principle contract does not specify a specific term. | 45 days from the date of receiving the Invoice. | 20,000,000,000 | 10,000,000,000 | The unit price of each item is in Appendix 01.  Estimated value of imported shipments: Purchase chemicals for Vietsovpetro and PVEP POC |
|  | **Total** | | |  |  | **51,348,880,000** | **30,000,000,000** |  |

Expected time of using the increased capital: Q4/2023.

1. PARTNERS RELATED TO THE OFFERING
   1. Partners related to the offering

* **Audit company:**

**KPMG Limited**

Address: Floor 46, Keangnam Landmark 72 Building, E6 Pham Hung Street, Me Tri Ward, Nam Tu Liem District, Hanoi.

Tel: (84-24) 3946 1600 Fax: (84-24) 3946 1601

* **Consulting organization:**

**PetroVietnam Securities Joint Stock Company**

Address: Floor 2, Hanoi Tourist Building, 18 Ly Thuong Kiet, Phan Chu Trinh, Hoan Kiem, Hanoi.

Tel: 024.39343888

Website: [www.psi.vn/](http://www.psi.vn/)

* 1. Consulting organization expresses the opinion on the offering

As an issue consulting organization, PetroVietnam Securities Joint Stock Company has collected information, researched and analyzed it carefully and in detail to make assessments about the offering.

The public offering of additional shares by Petrovietnam Chemical and Services Corporation complies with the Regulations of Law on Securities No. 54/2019/QH14, Decree No. 155/2020/ND-CP and Circulars guiding the implementation of Laws and Decrees.

Accordingly, this offering form includes:

**"Issue shares to increase share capital from the source of owners’ equity (investment and development fund)"**, specifically, the Corporation will issue 10,000,000 shares at a par value of VND 10,000/share.

**"Offer additional shares to the public for existing shareholders"**, specifically, the Corporation will offer 21,200,000 shares with the offering price of VND 10,000/share.

With a feasible business plan, the consulting organization believes that the Corporation's offering is likely to be successful.

We would also like to note that the opinions are given from the perspective of a consulting organization, based on selectively collected information without implying a guarantee of the securities value or the certainty of the forecast data. This comment is only for reference for investors when making their own investment decisions.

Investors should carefully study the information contained in this Prospectus and, if necessary, consult their own tax, legal or business advisors to make investment decisions.

1. OTHER IMPORTANT INFORMATION THAT MAY INFLUENCE INVESTORS' DECISIONS

None.

1. DATE, SIGNATURE, STAMP OF REPRESENTATIVE OF THE ISSUER AND CONSULTING ORGANIZATION

Hanoi, September 29, 2023

**REPRESENTATIVE OF THE ISSUER**

**CHAIR OF THE BOARD OF DIRECTORS**

**TRUONG DAI NGHIA**

|  |  |
| --- | --- |
| **GENERAL MANAGER** | **CHIEF ACCOUNTANT** |
|  |  |
| **PHAN CONG THANH** | **TRAN VAN TRINH** |

**REPRESENTATIVE OF CONSULTING ORGANIZATION  
PETROVIETNAM SECURITIES JOINT STOCK COMPANY**

**MANAGER**

**PHAN QUYNH NGA**

1. APPENDIX
2. Business Registration Certificate No. 0100150873 issued by the Ha Noi Department of Planning and Investment for the 1st time on October 18, 2005, registered for the 26th change on November 10, 2021;
3. Annual General Mandate No. 766/NQ-PVChem dated June 26, 2023, attached to Proposal No. 736/TTr-PVChem dated June 21, 2023, on the Plan to increase PVChem's charter capital in 2023; Board Resolution on approving the implementation of the issue plan and offering registration dossier;
4. Charter of organization and operation of PVChem;
5. Separate and Consolidated Financial Statements for 2021, and 2022 (audited); Separate and Consolidated Financial Statements in the first 6 months of 2023;
6. Document No. 784PVChem-TCKT dated June 29, 2023 of the Board of Directors committing to listing shares;
7. Document No. 786/PVChem-TCKT dated June 29, 2023, of the Company committing to meeting the regulations at Point e, Clause 1, Article 15 of the Law on Securities;
8. Vietcombank's written confirmation on opening a blocked account to receive money for shares in the offering;
9. Decision No. 409/QD-PVChem dated April 26, 2022 of PVChem’s Board of Directors on approving the plan to establish PetroVietNam Chemical & Services Company Limited;
10. Decision No. 1288/QD-PVChem dated November 18, 2022, of the Board of Directors on establishing PetroVietNam Chemical & Services Company Limited;
11. Business Registration Certificate of PetroVietNam Chemical & Services Company Limited Number 0317824165 issued by Ho Chi Minh City Department of Planning and Investment for the first time on May 9, 2023;
12. Decision No. 04/QD-PVChem CS dated August 10, 2023 of the Chair of PetroVietNam Chemical & Services Company Limited on approving the plan to use contributed capital;
13. Decision No. 615/QD-PVChem dated May 30, 2023 of PVChem’s Board of Directors on approving amendment and supplement to the plan to establish PVChem Industrial Technical Services Company Limited;
14. Board Resolution No. 616/NQ-PVChem dated May 30, 2023 of PVChem on establishing PVChem Industrial Technical Services Company Limited;
15. Business Registration Certificate of PVChem Industrial Technical Services Company Limited Number 0110398224 issued by Hanoi Department of Planning and Investment for the first time on June 26, 2023;
16. Decision No. 02/QD-PVChemlTS dated August 9, 2023 of the Chair of PVChem Industrial Technical Services Company Limited on approving the plan to use contributed capital;
17. Board Resolution No. 1144/NQ-PVChem dated October 10, 2022 on approving the plan to increase charter capital for PVChem Drilling Mud and Services Company Ltd (DMC);
18. Business Registration Certificate for PVChem Drilling Mud and Services Company Ltd (DMC);
19. Resolution No. 655/NQ-DMC dated August 29, 2023 of the Chair of PVChem Drilling Mud and Services Company Ltd (DMC) on approving the expected plan to use capital from increasing charter capital for PVChem Drilling Mud and Services Company Ltd (DMC).