

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
(Incorporated in the Socialist Republic of Vietnam)

**SEPARATED FINANCIAL STATEMENTS**  
**QUARTER 04 -2017**

## **Petrovietnam Drilling And Well Services Corporation**

### **General information about the Company**

**Business Registration Certificate** No. 4103004335 dated 15 February 2006 and its twelfth admendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City

<b>Board of Management</b>	Mr. Do Van Khanh	Chairman
	Mr. Do Duc Chien	Vice chairman
	Mr. Pham Tien Dung	Member
	Ms. Ho Ngoc Yen Phuong	Member
	Ms. Nguyen Thi Thuy	Member (appointed on 24 August 2017)
	Mr. Duong Xuan Quang	Member (resigned on 24 August 2017)
	Mr. Le Van Be	Member
	Ms. Pham Thi An Binh	Member

Board of Directors	Mr. Pham Tien Dung	President
	Mr. Tran Van Hoat	Vice President
	Mr. Dao Ngoc Anh	Vice President
	Mr. Nguyen Xuan Cuong	Vice President
	Mr. Trinh Van Vinh	Vice President
	Mr. Vu Van Minh	Vice President
	Mr. Ho Vu Hai	Vice President
	Mr. Do Danh Rang	Vice President (appointed on 13 April 2017)

Registered office 4th Floor, Sailing Tower,  
111A Pasteur Street,  
District 1, Ho Chi Minh City,  
S.R Vietnam.

## SEPARATED BALANCE SHEET

As at 31 December 2017

Unit: USD

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
1	2	3	4	5
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>204,389,689</b>	<b>216,603,252</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.01</b>	<b>34,466,214</b>	<b>66,652,454</b>
1. Cash	111		34,245,610	64,430,137
2. Cash equivalents	112		220,604	2,222,317
<b>II. Short-term financial investments</b>	<b>120</b>	<b>V.02</b>	<b>92,049,676</b>	<b>73,014,967</b>
1. Held for trading securities	121		-	-
2. Provision for held for trading securities (*)	122		-	-
3. Short-term held to maturity investments	123		92,049,676	73,014,967
<b>III. Short-term receivables</b>	<b>130</b>		<b>61,666,419</b>	<b>60,241,736</b>
1. Short-term receivables from customers	131	V.03	60,296,252	57,245,458
2. Short-term advances to suppliers	132		470,025	178,439
3. Short-term inter-company receivables	133		-	-
4. Receivable from construction contracts under percent	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136	V.04	12,121,158	8,366,101
7. Provision for doubtful short-term receivables (*)	137	V.05	(11,221,016)	(5,548,262)
8. Asset shortage awaiting resolution	139		-	-
<b>IV. Inventories</b>	<b>140</b>		<b>15,755,316</b>	<b>16,264,058</b>
1. Inventories	141	V.06	18,525,154	19,394,213
2. Provision for inventories (*)	149		(2,769,838)	(3,130,155)
<b>V. Other short-term assets</b>	<b>150</b>		<b>452,064</b>	<b>430,037</b>
1. Short-term prepayments	151	V.10	430,463	344,192
2. Deductible value added tax	152		21,601	85,845
3. Taxes and other receivables from the State budget	153	V.13	-	-
4. Repos of government bonds	154		-	-
5. Other short-term assets	155		-	-
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>459,814,853</b>	<b>480,324,231</b>
<b>I- Long-term receivables</b>	<b>210</b>		<b>603,551</b>	<b>492,313</b>
1. Long-term receivables from customers	211	V.03	-	-
2. Long-term advances to suppliers	212		-	-
3. Capital provided to subordinate units	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loans receivables	215		-	-
6. Other long-term receivables	216	V.04	603,551	492,313
7. Provision for doubtful long-term receivables (*)	219		-	-

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
<b>II. Fixed assets</b>	<b>220</b>		<b>321,830,570</b>	<b>342,701,893</b>
1. Tangible fixed assets	221	V.08	316,435,141	336,894,606
- Cost	222		558,710,262	558,601,518
- Accumulated depreciation (*)	223		(242,275,121)	(221,706,912)
2. Finance lease fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.09	5,395,429	5,807,287
- Cost	228		9,391,642	9,370,319
- Accumulated depreciation (*)	229		(3,996,213)	(3,563,032)
<b>III. Investment property</b>	<b>230</b>		<b>-</b>	<b>-</b>
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>V.07</b>	<b>703,582</b>	<b>413,761</b>
1. Long-term work in progress	241		-	-
2. Construction in progress	242		703,582	413,761
<b>V. Long-term financial investments</b>	<b>250</b>	<b>V.02</b>	<b>136,004,180</b>	<b>135,953,513</b>
1. Investments in subsidiaries	251		120,294,164	120,294,164
2. Investments in joint ventures and associates	252		18,026,446	18,026,446
3. Other long-term investments	253		-	-
4. Provision for long-term financial investments (*)	254		(2,316,430)	(2,367,097)
5. Long-term held to maturity investments	255		-	-
<b>VI. Other non-current assets</b>	<b>260</b>		<b>672,970</b>	<b>762,751</b>
1. Long-term prepayments	261	V.10	24,866	33,929
2. Deferred tax assets	262	V.17	648,104	728,822
3. Long-term equipments, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>664,204,542</b>	<b>696,927,483</b>
<b>C - LIABILITIES</b>	<b>300</b>		<b>99,774,119</b>	<b>137,774,540</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>79,047,420</b>	<b>76,669,813</b>
1. Short-term payables to suppliers	311	V.12	36,092,139	26,299,777
2. Short-term advance from customers	312		-	-
3. Taxes and amounts payable to the State budget	313	V.13	5,700,669	700,770
4. Payables to employees	314		3,257,790	2,519,611
5. Short-term accrued expenses	315	V.14	6,840,711	5,697,971
6. Short-term inter-company payables	316		-	-
7. Payables relating to construction contracts under per	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	1,537,693	10,919,729
10. Short-term loans and finance leases	320	V.11	17,200,000	17,200,000
11. Provision for current liabilities	321	V.16	5,691,395	9,197,074
12. Bonus and welfare funds	322		2,727,023	4,134,881
13. Price stabilization fund	323		-	-
14. Repos of government bonds	324		-	-

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
<b>II. Non-current liabilities</b>	<b>330</b>		<b>20,726,699</b>	<b>61,104,727</b>
1. Long-term payables to suppliers	331	V.12	-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333	V.14	-	-
4. Capital payables to inter-companies	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.15	-	-
8. Long-term loans and finance leases	338	V.11	7,588,277	24,788,277
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341	V.17	-	-
12. Provision for non-current liabilities	342	V.16	4,958,844	4,575,715
13. Scientific and technological fund	343		8,179,578	31,740,735
<b>D - OWNER'S EQUITY (400 = 410 + 430)</b>	<b>400</b>		<b>564,430,423</b>	<b>559,152,943</b>
<b>I. Shareholders' equity</b>	<b>410</b>	<b>V.18</b>	<b>564,430,423</b>	<b>559,152,943</b>
1. Contributions from owners	411		196,947,181	196,947,181
- Ordinary shares with voting right	411a		196,947,181	196,947,181
- Preference shares	411b		-	-
2. Share premium	412		126,770,844	126,770,844
3. Options embedded in convertible bonds	413		-	-
4. Other owner's capital	414		-	-
5. Treasury shares (*)	415		(966,501)	(966,501)
6. Differences upon asset revaluation	416		-	-
7. Foreign exchange differences	417	V.19	(2,675,283)	(2,554,169)
8. Investment and development fund	418		59,536,858	58,668,981
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity fund	420		-	-
11. Retained earnings	421		184,817,324	180,286,607
- Accumulated by the end of the previous period	421a		180,286,607	176,981,499
- Retained earnings of current period	421b		4,530,717	3,305,108
12. Capital expenditure fund	422		-	-
<b>II. Funding and other funds</b>	<b>430</b>		-	-
1. Funding	431		-	-
2. Funds that formed fixed assets	432		-	-
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>664,204,542</b>	<b>696,927,483</b>

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

## SEPARATED INCOME STATEMENT

QUARTER 04 - 2017

Unit: USD

ITEM	Code	Note	QUARTER 04		YEAR TO DATE	
			2017	2016	2017	2016
1	2	3	4	5	6	7
1. Gross revenue	01	VI.1	34,859,156	21,436,554	112,439,762	98,963,899
2. Deductions	02	VI.2	-	-	-	-
3. Net revenue	10		34,859,156	21,436,554	112,439,762	98,963,899
4. Cost of sales	11	VI.3	38,082,762	22,545,867	120,532,980	93,112,077
<b>5. Gross profit</b>	<b>20</b>		<b>(3,223,606)</b>	<b>(1,109,313)</b>	<b>(8,093,218)</b>	<b>5,851,822</b>
6. Financial income	21	VI.4	2,339,280	6,453,887	13,944,337	17,771,430
7. Financial expenses	22	VI.5	(993,357)	3,163,656	3,201,010	4,358,490
- In which: Interest expense	23		76,017	128,764	358,924	505,632
9. Selling expenses	24	VI.8	276,290	368,919	538,639	889,172
10. General and administration expenses	25	VI.8	3,812,316	3,349,287	17,266,278	17,212,495
<b>11. Operating profit</b>	<b>30</b>		<b>(3,979,575)</b>	<b>(1,537,288)</b>	<b>(15,154,808)</b>	<b>1,163,095</b>
12. Other income	31	VI.6	19,902,922	3,599,039	26,379,330	4,024,200
13. Other expenses	32	VI.7	299,736	92,448	437,323	96,469
14. (Loss)/Profit from other activities	40		19,603,186	3,506,591	25,942,007	3,927,731
<b>15. Accounting profit before tax</b>	<b>50</b>		<b>15,623,611</b>	<b>1,969,303</b>	<b>10,787,199</b>	<b>5,090,826</b>
16. Current corporate income tax expense	51	VI.10	4,580,289	609,742	6,175,763	1,019,231
17. Deferred corporate tax expense/(income)	52	VI.11	(52,553)	294,129	80,719	602,303
<b>18. Net profit after corporate income tax</b>	<b>60</b>		<b>11,095,875</b>	<b>1,065,432</b>	<b>4,530,717</b>	<b>3,469,292</b>

Ho Chi Minh City, 29 January 2018

**Preparer**

**Chief Accountant**

**President**

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

## SEPARATED CASH FLOW STATEMENT

(Indirect method)

QUARTER 04 - 2017

Unit: USD

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
1	2	3	4	5
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>1. Profit before tax</i>	<b>01</b>		<b>10,787,199</b>	<b>5,090,826</b>
<i>2. Adjustments for:</i>			<b>(12,952,207)</b>	<b>(2,569,429)</b>
- Depreciation and amortization	02		21,420,608	14,376,803
- Provisions	03		2,139,220	2,583,715
- Unrealized foreign exchange	04		1,696,899	(1,173,773)
- Gains from investing activities	05		(12,431,266)	(15,229,763)
- Interest expense	06		358,924	505,632
- Other adjustments	07		(26,136,592)	(3,632,043)
<i>3. Operating profit before movements in working capital</i>	<b>08</b>		<b>(2,165,008)</b>	<b>2,521,397</b>
- Changes in account receivables	09		(3,713,670)	38,614,540
- Changes in inventories	10		869,059	1,015,587
- Changes in account payables (excluding interest payables, corporate income tax payables)	11		5,830,341	(25,960,349)
- Changes in prepaid expenses	12		(77,208)	259,736
- Changes in held for trading securities	13		-	-
- Interest paid	14		(459,257)	(821,469)
- Corporate income tax paid	15		(1,603,710)	(2,039,105)
- Other cash outflows	16		451,832	130,656
- Other cash inflows	17		(1,455,484)	(2,953,317)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>20</b>		<b>(2,323,105)</b>	<b>10,767,676</b>
<b>II. CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
1. Acquisition of fixed assets and other non-current assets	21		(919,548)	(7,828,277)
2. Proceeds from disposal of fixed assets and other non-current assets	22		55	186
3. Cash outflow for buying debt instruments of other companies	23		(88,235,644)	(74,341,140)
4. Cash recovered from lending, selling debt instruments of other companies	24		70,110,670	26,265,559
5. Investments in other entities	25		-	-
6. Cash recovered from investments in other entities	26		-	-
7. Interest, dividends and profits received	27		6,434,061	14,153,897
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>30</b>		<b>(12,610,406)</b>	<b>(41,749,775)</b>

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
<b>III. CASH FLOWS USED IN FINANCING ACTIVITIES</b>				
1. Proceeds from share issuance and capital contributions from owners	31		-	-
2. Capital withdrawals to owners, treasury shares purchases	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayments of borrowings	34		(17,200,000)	(17,200,000)
5. Repayments of principal owed under finance leased	35		-	-
6. Dividend, profits distributed to owners	36		-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>40</b>		<b>(17,200,000)</b>	<b>(17,200,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>50</b>		<b>(32,133,511)</b>	<b>(48,182,099)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>66,652,454</b>	<b>114,872,445</b>
Effect of changes in foreign exchange rates	61		(52,729)	(37,893)
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>		<b>34,466,214</b>	<b>66,652,453</b>

Ho Chi Minh City, 29 January 2018

**Preparer**

**Chief Accountant**

**President**

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung



## NOTES TO THE SEPARATED FINANCIAL STATEMENTS

*For the period ended 31 December 2017.*

### I. GENERAL INFORMATION

#### 1. Ownership structure

##### **The Company**

Petrovietnam Drilling and Well Services Corporation (the “Company”) is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No. 4103004335 dated 15 February 2006 and its twelfth amendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City. The Company has merged from the equitization of Petrovietnam Drilling and Well Services Company, a wholly-owned subsidiary of Vietnam Oil and Gas Group (hereinafter referred to as “Petrovietnam”).

- Summary of ownership structure:

+ The State:	50.40%
+ Other shareholders:	49.60%

#### 2. Operating industry

Drilling contractor and drilling-related services provider in the oil and gas industry.

#### 3. Principal activities:

The Company’s principal activities include:

##### ***Its subsidiaries:***

+ PVD Trading and Technical Services Joint Stock Company (“PVD Tech”): Engineering and manufacturing equipment skid; providing Surface/Subsea wellhead and mudline rental services, providing full range of conductor services and trading services for oil and gas industry.

+ PVD Well Services Company Limited (“PVD Well”): Provide well technical services, tool rental, tubular running, manage pressure drilling, solids control...

+ PVD Offshore Services Company Limited (“PVD Offshore”): Drilling manpower supply service, inspection, maintenance and workshop service and oil spill response service...

+ Petroleum Well Logging Company Limited (“PVD Logging”): Provide advanced technology services in drilling operations for the oil and gas industry including mud logging, slick-line & cased hole logging, well testing and provision of geological specialists...

+ PVD Deepwater Drilling Company Limited (“PVD Deepwater”): PVD Deepwater was authorised by the Company and its partners in the Business Corporation Contract (“BCC”) including Petrovietnam, Military Joint-Stock Commercial Bank (“MBBank”) and Ocean Joint Stock Commercial Bank (“OceanBank”), to manage and operate the business cooperation project in financing to build the Tender Assist Drilling Rig (“PV Drilling V” or “TAD”).

The Company and its partners in BCC including Petrovietnam, MBBank and OceanBank have corporated in financing and operating the TAD for the period of 17 years since 10 September 2009. According to BCC, the Company has been authorised to manage and operate the project as well as accounted for its financial performance as a basic of profit/(loss) sharing to all partners on contribution percentage in BCC. The Company has 62.43% of capital contribution in BCC.

+ PV Drilling Overseas Company Private Limited (“PVD Overseas”): Operating the modern offshore rig PV DRILLING VI.

+ PVD Technical Training and Certification Joint Stock Company (“PVD Training”): Training, certification for petroleum, manpower supply and technology and marine safety equipment...

#### **4. Normal production and business cycle**

The Company’s normal production and business cycle is carried out for a time period of 12 months.

#### **5. Significant events that occurred in the financial year**

During the period ended 31 December 2017, activities of the Company are affected when Oil and Gas contractors adjusted drilling and exploitation schedule due to crude oil prices dropped sharply since the end of 2014.

## 6. The Company's structure

- The Company consists of two divisions and three overseas branches:

Name	Address
Head Office	4th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
The Drilling Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVD Drilling Investment Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVD Drilling - Branch office in Algeria	Cité Si El, Houas, No. 02, Villa No. 101, Hassi Messaoud, Ouargla, Algeria
PVD Drilling - Branch office in Myanmar	No 33/36, Garden Street (U Yin Lane), Bahan Township, Yangon, Myanmar
PVD Drilling - Branch office in Thailand	7th Floor, Shinawatra Tower III Building, 1010 Vibhavadi Rangsit Rd., Chatuchak, Bangkok, Thailand
PVD Drilling - Branch office in Malaysia	35J-2-9, KLSC Jalan Wangsa Delima 5, Wangsa Maju, 53300 Kuala Lumpur, Malaysia

**- List of subsidiaries**

<b>Company's name</b>	<b>Address</b>	<b>The Company's interest</b>	<b>The Company's voting right</b>
PVD Offshore Services Company Limited (“PVD Offshore”)	43A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	100%	100%
PVD Well Services Company Limited (“PVD Well”)	Room 13, 12Ath Floor, Vincom Center Building, 47 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%
Petroleum Well Logging Company Limited (“PVD Logging”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
PVD Trading and Technical Services Joint Stock Company (“PVD Tech”)	8th Floor, Green Power Building, 35 Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	97%	97%
PVD Deepwater Drilling Company Limited (“PVD Deepwater”)	5th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
Công ty TNHH PV Drilling Overseas (PVD Overseas)	No. 9 Temasek Boulevard, #31_00 Suntec Tower 2, Singapore	80%	80%
PVD Technical Training and Certification Joint Stock Company (“PVD Training”)	Dong Xuyen Industrial Zone, 30/4 Street, Rach Dua Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	52%	52%

**- List of joint ventures**

<b>Company's name</b>	<b>Address</b>	<b>The Company's interest</b>	<b>The Company's voting right</b>
BJ Services-PV Drilling Joint Venture Company Limited (“BJ-PVD”)	65A, 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	49%	50%
PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited (“PVD-Baker Hughes”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	51%	50%
PV Drilling Tubulars Management Company Limited (“PVD Tubulars”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	51%	50%
Vietubes Company Limited (“Vietubes”)	Dong Xuyen Industrial Zone, Rach Dua Ward, Ba Ria - Vung Tau Province, Vietnam	51%	50%

**7. Disclosure of information comparability in the financial statements**

The Company's separated financial statements are comparable.

## **II. ACCOUNTING PERIOD, REPORTING CURRENCY**

1. The Company's financial year begins on 1 January and ends on 31 December.
2. The accompanying separated financial statements, expressed in United States Dollar ("USD"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The expression of financial statement in USD is registered and approved by the Ministry of Finance in Letter No.8036/BTC-CDKT dated 21 June 2010 and changing currency unit from VND to USD since 1 January 2010. The Company's Board of Directors believes that the presentation of the separated financial statement of the Company in USD is necessary to reflect the economic nature of the Company's business transactions.

## **III. ADOPTED ACCOUNTING STANDARDS AND CONVENTIONS**

1. The Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.
2. Annoucement of compliance to Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting: The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

## V- Notes to the Separated Balance Sheet

Unit: USD

### 1. Cash and cash equivalents

	31/12/2017	1/1/2017
- Cash on hand	87,212	119,241
- Cash in bank	34,158,398	64,310,896
<b>Total</b>	<b>34,245,610</b>	<b>64,430,137</b>

### 2. Financial investments

	31/12/2017		1/1/2017	
	Cost	Carrying value	Cost	Carrying value
- Short-term held to maturity investments				
Term-deposit	92,049,676	92,049,676	73,014,967	73,014,967

Long-term financial investments	31/12/2017			1/1/2017		
	Cost	Provision	Fair value	Cost	Provision	Fair value
<b>- Subsidiaries</b>	<b>120,294,164</b>	<b>(2,219,627)</b>	<b>118,074,537</b>	<b>120,294,164</b>	<b>(2,367,097)</b>	<b>117,927,067</b>
PVD Logging	4,236,959	-	4,236,959	4,236,959	-	4,236,959
PVD Offshore	6,748,980	-	6,748,980	6,748,980	-	6,748,980
PVD Tech	10,038,600	-	10,038,600	10,038,600	-	10,038,600
PVD Well	4,081,469	-	4,081,469	4,081,469	-	4,081,469
PVD Deepwater	39,692,090	-	39,692,090	39,692,090	-	39,692,090
PVD Overseas	54,400,000	(2,219,627)	52,180,373	54,400,000	(2,367,097)	52,032,903
PVD Training	1,096,066	-	1,096,066	1,096,066	-	1,096,066
<b>- Joint ventures and associates</b>	<b>18,026,446</b>	<b>(96,803)</b>	<b>17,929,643</b>	<b>18,026,446</b>	<b>-</b>	<b>18,026,446</b>
BJ-PVD	2,399,255	(96,803)	2,302,452	2,399,255	-	2,399,255
PVD-Baker Hughes	10,200,000	-	10,200,000	10,200,000	-	10,200,000
PVD Tubulars	1,450,655	-	1,450,655	1,450,655	-	1,450,655
Vietubes	3,976,536	-	3,976,536	3,976,536	-	3,976,536

### 3. Receivables from customers

	31/12/2017	1/1/2017
a) Short-term		
Premier Oil Vietnam Offshore B.V.	6,860,331	22,839
Petrovietnam Domestic Exploration Production Operating Company Limited	16,682,372	17,087,484
Petrovietnam Exploration Production Corporation	6,520,524	6,542,185
Other trade receivables	30,233,025	33,592,951
<b>Total</b>	<b>60,296,252</b>	<b>57,245,458</b>
b) Receivables from related parties	<b>5,649,596</b>	<b>15,371,926</b>
<b>Subsidiaries</b>	<b>4,811,437</b>	<b>15,069,677</b>
PVD Logging	-	410,748
PVD Well	-	530,069
PVD Deepwater	4,811,437	14,128,861
<b>Joint-ventures</b>	<b>838,159</b>	<b>302,249</b>
BJ-PVD	214,598	63,173
PVD-Expro	-	62,339
PVD-Baker Hughes	623,562	176,737

#### 4. Other receivables

	31/12/2017		1/1/2017	
	Carrying value	Provision	Carrying value	Provision
<b>a) Short-term</b>	<b>12,121,158</b>	-	<b>8,366,101</b>	-
- Receivables from employees	56,161	-	9,858	-
- Deposits	124,722	-	127,558	-
- Interest income receivables	3,624,108	-	1,550,579	-
- Inter-company receivables	7,871,253	-	5,326,229	-
- Other receivables	444,914	-	1,351,877	-
<b>b) Long-term</b>	<b>603,551</b>	-	<b>492,313</b>	-
- Deposits	603,551	-	492,313	-
<b>Total</b>	<b>12,724,709</b>	-	<b>8,858,414</b>	-

#### 5. Doubtful debts

	31/12/2017		1/1/2017	
	Cost	Provision	Cost	Provision
- Total value of receivables, overdue debts over 6 months or no overdue doubtful debts;	23,191,505	(11,221,016)	18,425,546	(5,548,262)
Petrovietnam Exploration Production Corporation	6,520,524	(3,260,262)	6,393,828	(1,918,149)
Petrovietnam Domestic Exploration Production Operating Company Limited	16,670,981	(7,960,754)	10,732,324	(3,217,360)
Other trade receivables	-	-	1,299,393	(412,754)
<b>Total</b>	<b>23,191,505</b>	<b>(11,221,016)</b>	<b>18,425,546</b>	<b>(5,548,262)</b>

#### 6. Inventory

	31/12/2017		1/1/2017	
	Cost	Provision	Cost	Provision
- Raw materials	18,418,592	(2,769,838)	19,381,050	(3,130,155)
- Tools and supplies	106,562	-	13,163	-
<b>Total</b>	<b>18,525,154</b>	<b>(2,769,838)</b>	<b>19,394,213</b>	<b>(3,130,155)</b>

#### 7. Long-term assets in progress

	31/12/2017	1/1/2017
	Construction in progress	
- Purchase	703,582	413,761
+ Other construction works	301,597	11,776
+ ERP Project - Phase 3	401,985	401,985
<b>Total</b>	<b>703,582</b>	<b>413,761</b>

8. Tangible fixed assets

Unit: USD

	Building, structures	Machinery, equipments	Motor vehicle	Office equipments	Others	Total
<b>Cost</b>						
<b>As at 1/1/2017</b>	<b>11,809,469</b>	<b>542,255,725</b>	<b>2,189,712</b>	<b>2,295,848</b>	<b>50,764</b>	<b>558,601,518</b>
- Additions	7,334	483,171	-	121,036	-	611,541
- From construction in progress	-	-	-	-	-	-
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(23,328)	-	(23,328)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(24,630)	(457,967)	(139)	3,267	-	(479,469)
<b>As at 31/12/2017</b>	<b>11,792,173</b>	<b>542,280,929</b>	<b>2,189,573</b>	<b>2,396,823</b>	<b>50,764</b>	<b>558,710,262</b>
<b>Accumulated depreciation</b>						
<b>As at 1/1/2017</b>	<b>3,112,206</b>	<b>214,596,122</b>	<b>2,048,582</b>	<b>1,899,238</b>	<b>50,764</b>	<b>221,706,912</b>
- Charge for the year	300,004	20,446,626	114,737	128,313	-	20,989,680
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(23,328)	-	(23,328)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(23,802)	(373,979)	(139)	(223)	-	(398,143)
<b>As at 31/12/2017</b>	<b>3,388,408</b>	<b>234,668,769</b>	<b>2,163,180</b>	<b>2,004,000</b>	<b>50,764</b>	<b>242,275,121</b>
<b>Carrying value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 1/1/2017</b>	<b>8,697,263</b>	<b>327,659,603</b>	<b>141,130</b>	<b>396,610</b>	<b>-</b>	<b>336,894,606</b>
<b>As at 31/12/2017</b>	<b>8,403,765</b>	<b>307,612,160</b>	<b>26,393</b>	<b>392,823</b>	<b>-</b>	<b>316,435,141</b>

\* Carrying value of pledged assets as collateral for loans

119,787,454

\* Cost of assets fully depreciated but are still in use

8,527,959



9. Intangible fixed assets

Unit: USD

	Land use rights	Computer software	Others	Total
<b>Cost</b>				
<b>As at 1/1/2017</b>	<b>6,121,918</b>	<b>3,248,401</b>	-	<b>9,370,319</b>
- Additions	-	21,633	-	21,633
- Internally generated	-	-	-	-
- From business combination	-	-	-	-
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	-	(310)	-	(310)
<b>As at 31/12/2017</b>	<b>6,121,918</b>	<b>3,269,724</b>	-	<b>9,391,642</b>
<b>Accumulated depreciation</b>				
<b>As at 1/1/2017</b>	<b>907,717</b>	<b>2,655,315</b>	-	<b>3,563,032</b>
- Charge for the year	103,926	333,965	-	437,891
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	-	(4,710)	-	(4,710)
<b>As at 31/12/2017</b>	<b>1,011,643</b>	<b>2,984,570</b>	-	<b>3,996,213</b>
<b>Carrying value</b>				
<b>As at 1/1/2017</b>	<b>5,214,201</b>	<b>593,086</b>	-	<b>5,807,287</b>
<b>As at 31/12/2017</b>	<b>5,110,275</b>	<b>285,154</b>	-	<b>5,395,429</b>

\* Cost of assets fully amortised but are still in use

2,055,553

<b>10. Prepayments</b>		<b>31/12/2017</b>	<b>1/1/2017</b>
<b>a) Short-term</b>		<b>430,463</b>	<b>344,192</b>
- Insurance premiums		359,645	309,077
- Others		70,818	35,115
<b>b) Long-term</b>		<b>24,866</b>	<b>33,929</b>
- Others		24,866	33,929
<b>Total</b>		<b>455,329</b>	<b>378,121</b>

<b>11. Loans and finance leases</b>	<b>31/12/2017</b>		<b>During the period</b>		<b>1/1/2017</b>	
	<b>Carrying value</b>	<b>Payable amount</b>	<b>Increases</b>	<b>Decreases</b>	<b>Carrying value</b>	<b>Payable amount</b>
a) Short-term	17,200,000	17,200,000	17,200,000	(17,200,000)	17,200,000	17,200,000
Current portions of long-term loans	17,200,000	17,200,000	17,200,000	(17,200,000)	17,200,000	17,200,000
b) Long-term	7,588,277	7,588,277	-	(17,200,000)	24,788,277	24,788,277
Second year	7,588,277	7,588,277	-	(9,611,723)	17,200,000	17,200,000
Third to fifth year inclusive	-	-	-	(7,588,277)	7,588,277	7,588,277
<b>Total</b>	<b>24,788,277</b>	<b>24,788,277</b>	<b>17,200,000</b>	<b>(34,400,000)</b>	<b>41,988,277</b>	<b>41,988,277</b>

<b>12. Payables to suppliers</b>		<b>31/12/2017</b>	<b>1/1/2017</b>
a) Short-term			
PVD Overseas		15,077,665	12,574,677
PVD Offshore		5,082,853	4,477,206
Other suppliers		15,931,621	9,247,894
<b>Total</b>		<b>36,092,139</b>	<b>26,299,777</b>

b) Payables to related parties			
<b>Subsidiaries</b>		<b>22,429,051</b>	<b>18,578,345</b>
PVD Logging		329,676	-
PVD Offshore		5,082,853	4,477,206
PVD Tech		609,287	780,294
PVD Well		890,260	-
PVD Overseas		15,077,665	12,574,677
PVD Training		439,310	746,168

### **13. Taxes and amounts payable to the State budget**

	<b>1/1/2017</b>	<b>Additions</b>	<b>Paid</b>	<b>31/12/2017</b>
a) Payables				
Value added tax - Domestic	303,282	2,771,589	2,678,567	396,304
Value added tax - Import	-	13,327	13,327	-
Import duties	-	217,978	217,978	-
Corporate income tax	8,236	6,175,763	1,603,710	4,580,289
Personal income tax	379,725	5,881,919	5,897,328	364,316
Other taxes	3,695	2,775,408	2,419,343	359,760
- Business license tax	-	221	221	-
- Withholding tax	3,695	2,775,187	2,419,122	359,760
Fees, charges and other payables	5,832	180,304	186,136	-
<b>Total</b>	<b>700,770</b>	<b>18,016,288</b>	<b>13,016,389</b>	<b>5,700,669</b>

<b>14. Accrued expenses</b>	<b>31/12/2017</b>	<b>1/1/2017</b>
Short-term		
- Accrued expenses related to cost of good sold	5,472,811	5,266,179
+ <i>Operation of drilling rigs</i>	3,970,143	4,365,115
+ <i>Goods supplied and services rendered</i>	1,502,668	901,064
- Other	1,367,900	431,792
+ <i>Interest expense</i>	144,885	245,218
+ <i>Other expenses</i>	1,223,015	186,574
<b>Total</b>	<b>6,840,711</b>	<b>5,697,971</b>

<b>15. Other payables</b>	<b>31/12/2017</b>	<b>1/1/2017</b>
Short-term		
- Funding of trade union	19,110	16,891
- Social insurance	42,052	18,927
- Health insurance	6,448	2,068
- Unemployment insurance	6,596	3,779
- Inter-company payables to subsidiaries	-	9,514,057
- Other payables	1,463,487	1,364,007
<b>Total</b>	<b>1,537,693</b>	<b>10,919,729</b>

<b>16. Provision</b>	<b>31/12/2017</b>	<b>1/1/2017</b>
a) Short-term		
- Other provisions	5,691,395	9,197,074
+ <i>Provision for periodic overhaul of fixed assets</i>	5,220,714	8,729,214
+ <i>Other provisions</i>	470,681	467,860
<b>Total</b>	<b>5,691,395</b>	<b>9,197,074</b>

b) Long-term		
- Other provisions	4,958,844	4,575,715
+ <i>Provision for periodic overhaul of fixed assets</i>	4,958,844	4,575,715
<b>Total</b>	<b>4,958,844</b>	<b>4,575,715</b>

**17. Deferred income tax assets and deferred income tax payables**

**Deferred income tax assets:**

	31/12/2017	1/1/2017
- Corporate income tax rates used for determination of value of deferred income ta	20%	20%
- Deferred income tax assets related to deductible temporary differences	648,104	728,822
<b>Deferred income tax assets</b>	<b>648,104</b>	<b>728,822</b>

**18. Owner's equity**

a) Comparison table of owner's equity fluctuations

	Share capital	Share premium	Treasury shares (*)	Foreign exchange differences	Investment and development fund	Retained earning	Total
A	1	2	3	4	5	6	7
<b>As at 1/1/2016</b>	<b>181,630,323</b>	<b>126,770,844</b>	<b>(966,501)</b>	<b>(2,299,523)</b>	<b>58,538,325</b>	<b>192,298,357</b>	<b>555,971,825</b>
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	3,469,292	3,469,292
- Transfer from subsidiaries	-	-	-	-	130,656	-	130,656
- Treasury shares transactions	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	(164,184)	(164,184)
- Dividend declared	15,316,858	-	-	-	-	(15,316,858)	-
- Other decreased	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(254,646)	-	-	(254,646)
<b>As at 31/12/2016</b>	<b>196,947,181</b>	<b>126,770,844</b>	<b>(966,501)</b>	<b>(2,554,169)</b>	<b>58,668,981</b>	<b>180,286,607</b>	<b>559,152,943</b>
<b>As at 1/1/2017</b>	<b>196,947,181</b>	<b>126,770,844</b>	<b>(966,501)</b>	<b>(2,554,169)</b>	<b>58,668,981</b>	<b>180,286,607</b>	<b>559,152,943</b>
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	4,530,717	4,530,717
- Treasury shares transactions	-	-	-	-	-	-	-
- Capital decreased	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	-	-
- Dividend declared	-	-	-	-	-	-	-
- Other decreased	-	-	-	-	867,877	-	867,877
- Foreign exchange differences	-	-	-	(121,114)	-	-	(121,114)
<b>As at 31/12/2017</b>	<b>196,947,181</b>	<b>126,770,844</b>	<b>(966,501)</b>	<b>(2,675,283)</b>	<b>59,536,858</b>	<b>184,817,324</b>	<b>564,430,423</b>

	<b>31/12/2017</b>	<b>1/1/2017</b>
b- Details of share capital		
- The State	99,241,649	99,241,649
- Others	97,705,532	97,705,532
<b>Total</b>	<b>196,947,181</b>	<b>196,947,181</b>
c) Capital transactions with owners and distribution of dividends or profits		
- Share capital		
+ As at 1/1/2017	196,947,181	181,630,323
+ Increase in capital	-	15,316,858
+ As at 31/12/2017	<b>196,947,181</b>	<b>196,947,181</b>
- Dividend and profit distributed	-	15,316,858
d) Number of shares		
- Authorized shares	<b>383,266,160</b>	<b>383,266,160</b>
- Issued shares	-	-
+ Ordinary shares	383,266,160	383,266,160
+ Preference shares	-	-
- Treasury shares	-	-
+ Ordinary shares	416,000	416,000
+ Preference shares	-	-
- Shares in circulation	-	-
+ Ordinary shares	382,850,160	382,850,160
+ Preference shares	-	-
* Par value per share: 10,000 VND		
đ) Funds		
- Investment and development fund	59,536,858	58,668,981
- Scientific and technological fund	8,179,578	31,740,735
+ Available	7,757,316	31,311,511
+ The carrying amount of assets formed from the fund	422,262	429,224
e) Income and expense directly recorded into equity: None		

**19. Foreign exchange differences**

- Translation of financial statements of foreign operation (Algeria Branch)

**Total**

<b>31/12/2017</b>	<b>1/1/2017</b>
(2,675,283)	(2,554,169)
<b>(2,675,283)</b>	<b>(2,554,169)</b>

**20. Off balance-sheet**

Foreign currencies

- GBP

- VND

- EUR

- SGD

- DZD

- MMK

<b>31/12/2017</b>	<b>1/1/2017</b>
2,775	2,775
2,137,973,300,871	1,816,680,389,129
3,113	7,749
36,342	36,342
5,315,352	41,546,994
1,342,675	1,342,675

## VI. Extracted notes to the Separated income statement:

Unit: USD

<b>1. Net revenue</b>	<b>QUARTER 04 - 2017</b>	<b>QUARTER 04 - 2016</b>
- Sales of drilling services	26,743,804	14,949,338
- Sale of other services	8,115,352	6,487,216
<b>Total</b>	<b>34,859,156</b>	<b>21,436,554</b>
<b>2. Cost of sales</b>	<b>QUARTER 04 - 2017</b>	<b>QUARTER 04 - 2016</b>
- Cost of drilling services	30,072,811	16,629,724
- Cost of other services	8,009,951	5,916,143
<b>Total</b>	<b>38,082,762</b>	<b>22,545,867</b>
<b>3. Financial income</b>	<b>QUARTER 04 - 2017</b>	<b>QUARTER 04 - 2016</b>
- Interests of deposits or loans	1,543,151	1,096,370
- Dividends or distributed profits;	135,224	3,617,176
- Interests of exchange differences	660,905	1,740,341
<b>Total</b>	<b>2,339,280</b>	<b>6,453,887</b>
<b>4. Financial expenses</b>	<b>QUARTER 04 - 2017</b>	<b>QUARTER 04 - 2016</b>
- Interests of loans	76,017	128,764
- Losses of exchange differences	676,997	667,795
- Other financial expenses	(1,746,371)	2,367,097
<b>Total</b>	<b>(993,357)</b>	<b>3,163,656</b>
<b>5. Cost by nature</b>	<b>QUARTER 04 - 2017</b>	<b>QUARTER 04 - 2016</b>
- Raw materials and consumables	1,944,503	1,473,893
- Labour	14,539,252	10,836,950
- Depreciation and amortization	6,664,995	3,844,119
- Provisions	(4,288,387)	(1,866,570)
- Out-sourced services	21,958,750	11,254,480
- Other expenses	1,352,255	721,201
<b>Total</b>	<b>42,171,368</b>	<b>26,264,073</b>

## VII. Other informations

### 1- Financial instruments

Unit: USD

	<u>31/12/2017</u>	<u>1/1/2017</u>
<b>+ Financial asset</b>		
Cash and cash equivalents	34,466,214	66,652,454
Trade and other receivables	61,071,672	60,555,610
Other investments	92,049,676	73,014,967
Deposits	728,273	642,350
<b>Total</b>	<b><u>188,315,835</u></b>	<b><u>200,865,381</u></b>
<b>+ Financial liability</b>		
Loans and borrowings	24,788,277	41,988,277
Trade and other payables	37,555,626	37,177,841
Accrued expenses	6,840,711	5,697,971
<b>Total</b>	<b><u>69,184,614</u></b>	<b><u>84,864,089</u></b>

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC dated 06 November 2009 (“Circular 210”) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards (“IFRS”) on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

#### - Financial risk

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk. The Company has hedging these risks exposures by controlling and managing the cash flows (including foreign currencies cash flows) and closely tracking with market information to have proper hedging instruments.

#### + Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on - going basis. The Company assess that there is no significant credit risk exposure to any counterparty because receivables are from huge and trustful customers operating in the oil and gas industry.

#### + Liquidity risk

Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following tables detail the Company’s remaining contractual maturity for its financial assets and financial liabilities.

	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<i>As at 1/1/2017</i> <u>Total</u>
<b>Financial asset</b>				
Cash and cash equivalents	66,652,454	-	-	66,652,454
Trade and other receivables	60,555,610	-	-	60,555,610
Other investments	73,014,967	-	-	73,014,967
Deposits	150,037	492,313	-	642,350
<b>Total</b>	<b><u>200,373,068</u></b>	<b><u>492,313</u></b>	<b><u>-</u></b>	<b><u>200,865,381</u></b>
<b>Financial liability</b>				
Loans and borrowings	17,200,000	24,788,277	-	41,988,277
Trade and other payables	37,177,841	-	-	37,177,841
Accrued expenses	5,697,971	-	-	5,697,971
<b>Total</b>	<b><u>60,075,812</u></b>	<b><u>24,788,277</u></b>	<b><u>-</u></b>	<b><u>84,864,089</u></b>
<b>Liquidity gap</b>	<b><u>140,297,256</u></b>	<b><u>(24,295,964)</u></b>	<b><u>-</u></b>	<b><u>116,001,292</u></b>



	<i>As at 31/12/2017</i>			
<b>Financial asset</b>	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	34,466,214	-	-	34,466,214
Trade and other receivables	61,071,672	-	-	61,071,672
Other investments	92,049,676	-	-	92,049,676
Deposits	124,722	603,551	-	728,273
<b>Total</b>	<b>187,712,284</b>	<b>603,551</b>	<b>-</b>	<b>188,315,835</b>
<b>Financial liability</b>	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	17,200,000	7,588,277	-	24,788,277
Trade and other payables	37,555,626	-	-	37,555,626
Accrued expenses	6,840,711	-	-	6,840,711
<b>Total</b>	<b>61,596,337</b>	<b>7,588,277</b>	<b>-</b>	<b>69,184,614</b>
<b>Liquidity gap</b>	<b>126,115,947</b>	<b>(6,984,726)</b>	<b>-</b>	<b>119,131,221</b>

**+ Market risk**

++ Foreign currency risk management: The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. However, the Company manages to balance the cash inflow and outflow of foreign currencies by negotiating business contracts based on the demand foreign currencies payable to its receivables sources in order to minimize the foreign currency risk.

++ Interest rate risk management: The Company is exposed to interest rate risks arising mainly from interest bearing loans. The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate ratio between fixed and floating rate borrowings.

2. Contingent liabilities, commitment and other information: None

3. Events after the reporting date: None

4. Related parties information

	<u>31/12/2017</u>	<u>1/1/2017</u>
<b>Receivables</b>		
Petrovietnam Company's subsidiaries	1,165	421,870
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	34,790,687	32,214,629
The Company's subsidiaries	12,682,690	15,069,677
The Company's joint ventures	838,159	302,249
<b>Payables</b>		
Petrovietnam Company's subsidiaries	827,291	1,281,158
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	1,104,865	1,085,301
The Company's subsidiaries	22,429,051	18,578,345
The Company's joint ventures	1,519,820	-

5. Segment reporting: A business segment includes reporting entities that have similar business operation and risks characteristics. A geographical segment includes reporting entities that have same operation location and are subject to local regulations.

6. Comparative information: This period and comparative period financial performance figures had been converted to VND using average exchange rate of the period.

This period and comparative period cash-flow statement figures had been converted to VND using average exchange rate of the period. For certain cases, for example for significant economic transactions, the exchange rate at the transaction date is used.

7. Going concern assumption: The Company is a going concern entity and no significant disruption in business occurred.

8. Other information: Several comparative information about transaction with related parties had been re-classified based on updated information about Petrovietnam's subsidiaries.

Ho Chi Minh City, 29 January 2018

**Preparer**

**Chief Accountant**

**President**

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
(Incorporated in the Socialist Republic of Vietnam)

**CONVERTED SEPARATED FINANCIAL STATEMENTS**  
**QUARTER 04 -2017**

## **Petrovietnam Drilling And Well Services Corporation**

### **General information about the Company**

**Business Registration Certificate** No. 4103004335 dated 15 February 2006 and its twelfth admendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City

<b>Board of Management</b>	Mr. Do Van Khanh	Chairman
	Mr. Do Duc Chien	Vice chairman
	Mr. Pham Tien Dung	Member
	Ms. Ho Ngoc Yen Phuong	Member
	Ms. Nguyen Thi Thuy	Member (appointed on 24 August 2017)
	Mr. Duong Xuan Quang	Member (resigned on 24 August 2017)
	Mr. Le Van Be	Member
	Ms. Pham Thi An Binh	Member

<b>Board of Directors</b>	Mr. Pham Tien Dung	President
	Mr. Tran Van Hoat	Vice President
	Mr. Dao Ngoc Anh	Vice President
	Mr. Nguyen Xuan Cuong	Vice President
	Mr. Trinh Van Vinh	Vice President
	Mr. Vu Van Minh	Vice President
	Mr. Ho Vu Hai	Vice President
	Mr. Do Danh Rang	Vice President (appointed on 13 April 2017)

**Registered office** 4th Floor, Sailing Tower,  
111A Pasteur Street,  
District 1, Ho Chi Minh City,  
S.R Vietnam.

## SEPARATED BALANCE SHEET

As at 31 December 2017

Unit: VND

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
1	2	3	4	5
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>4,632,492,301,185</b>	<b>4,916,893,820,400</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.01</b>	<b>781,176,740,310</b>	<b>1,513,010,705,800</b>
1. Cash	111		776,176,750,650	1,462,564,109,900
2. Cash equivalents	112		4,999,989,660	50,446,595,900
<b>II. Short-term financial investments</b>	<b>120</b>	<b>V.02</b>	<b>2,086,305,906,540</b>	<b>1,657,439,750,900</b>
1. Held for trading securities	121		-	-
2. Provision for held for trading securities (*)	122		-	-
3. Short-term held to maturity investments	123		2,086,305,906,540	1,657,439,750,900
<b>III. Short-term receivables</b>	<b>130</b>		<b>1,397,669,386,635</b>	<b>1,367,487,407,200</b>
1. Short-term receivables from customers	131	V.03	1,366,614,551,580	1,299,471,896,600
2. Short-term advances to suppliers	132		10,653,116,625	4,050,565,300
3. Short-term inter-company receivables	133		-	-
4. Receivable from construction contracts under perc	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136	V.04	274,726,046,070	189,910,492,700
7. Provison for doubtful short-term receivables (*)	137	V.05	(254,324,327,640)	(125,945,547,400)
8. Asset shortage awaiting resolution	139		-	-
<b>IV. Inventories</b>	<b>140</b>		<b>357,094,237,140</b>	<b>369,194,116,600</b>
1. Inventories	141	V.06	419,872,615,410	440,248,635,100
2. Provision for inventories (*)	149		(62,778,378,270)	(71,054,518,500)
<b>V. Other short-term assets</b>	<b>150</b>		<b>10,246,030,560</b>	<b>9,761,839,900</b>
1. Short-term prepayments	151	V.10	9,756,443,895	7,813,158,400
2. Deductible value added tax	152		489,586,665	1,948,681,500
3. Taxes and other receivables from the State budget	153	V.13	-	-
4. Repos of government bonds	154		-	-
5. Other short-term assets	155		-	-
<b>B - NON-CURRENT ASSETS</b>	<b>200</b>		<b>10,421,703,643,245</b>	<b>10,903,360,066,400</b>
<b>I- Long-term receivables</b>	<b>210</b>		<b>13,679,483,415</b>	<b>11,175,505,100</b>
1. Long-term receivables from customers	211	V.03	-	-
2. Long-term advances to suppliers	212		-	-
3. Capital provided to subordinate units	213		-	-
4. Long-term inter-company receivables	214		-	-
5. Long-term loans receivables	215		-	-
6. Other long-term receivables	216	V.04	13,679,483,415	11,175,505,100
7. Provison for doubtful long-term receivables (*)	219		-	-

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
<b>II. Fixed assets</b>	<b>220</b>		<b>7,294,289,869,050</b>	<b>7,779,332,971,100</b>
1. Tangible fixed assets	221	V.08	7,172,002,470,765	7,647,507,556,200
- Cost	222		12,663,168,088,230	12,680,254,458,600
- Accumulated depreciation (*)	223		(5,491,165,617,465)	(5,032,746,902,400)
2. Finance lease fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.09	122,287,398,285	131,825,414,900
- Cost	228		212,861,565,930	212,706,241,300
- Accumulated depreciation (*)	229		(90,574,167,645)	(80,880,826,400)
<b>III. Investment property</b>	<b>230</b>		-	-
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
<b>IV. Long-term assets in progress</b>	<b>240</b>	<b>V.07</b>	<b>15,946,686,030</b>	<b>9,392,374,700</b>
1. Long-term work in progress	241		-	-
2. Construction in progress	242		15,946,686,030	9,392,374,700
<b>V. Long-term financial investments</b>	<b>250</b>	<b>V.02</b>	<b>3,082,534,739,700</b>	<b>3,086,144,745,100</b>
1. Investments in subsidiaries	251		2,726,467,227,060	2,730,677,522,800
2. Investments in joint ventures and associates	252		408,569,398,590	409,200,324,200
3. Other long-term investments	253		-	-
4. Provision for long-term financial investments (*)	254		(52,501,885,950)	(53,733,101,900)
5. Long-term held to maturity investments	255		-	-
<b>VI. Other non-current assets</b>	<b>260</b>		<b>15,252,865,050</b>	<b>17,314,470,400</b>
1. Long-term prepayments	261	V.10	563,587,890	770,188,300
2. Deferred tax assets	262	V.17	14,689,277,160	16,544,282,100
3. Long-term equipments, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
<b>TOTAL ASSETS (270 = 100 + 200)</b>	<b>270</b>		<b>15,054,195,944,430</b>	<b>15,820,253,886,800</b>
<b>C - LIABILITIES</b>	<b>300</b>		<b>2,261,380,407,135</b>	<b>3,127,482,080,700</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>1,791,609,774,300</b>	<b>1,740,404,777,800</b>
1. Short-term payables to suppliers	311	V.12	818,028,330,435	597,004,937,900
2. Short-term advance from customers	312		-	-
3. Taxes and amounts payable to the State budget	313	V.13	129,205,662,885	15,907,479,000
4. Payables to employees	314		73,837,810,350	57,195,169,700
5. Short-term accrued expenses	315	V.14	155,044,714,815	129,343,941,700
6. Short-term inter-company payables	316		-	-
7. Payables relating to construction contracts under p	317		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	34,851,811,845	247,877,871,000
10. Short-term loans and finance leases	320	V.11	389,838,000,000	390,440,000,000
11. Provision for current liabilities	321	V.16	128,995,467,675	208,773,579,800
12. Bonus and welfare funds	322		61,807,976,295	93,861,798,700
13. Price stabilization fund	323		-	-
14. Repos of government bonds	324		-	-

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
<b>II. Non-current liabilities</b>	<b>330</b>		<b>469,770,632,835</b>	<b>1,387,077,302,900</b>
1. Long-term payables to suppliers	331	V.12	-	-
2. Long-term advance from customers	332		-	-
3. Long-term accrued expenses	333	V.14	-	-
4. Capital payables to inter-companies	334		-	-
5. Long-term inter-company payables	335		-	-
6. Long-term unearned revenue	336		-	-
7. Other long-term payables	337	V.15	-	-
8. Long-term loans and finance leases	338	V.11	171,988,298,205	562,693,887,900
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341	V.17	-	-
12. Provision for non-current liabilities	342	V.16	112,392,199,260	103,868,730,500
13. Scientific and technological fund	343		185,390,135,370	720,514,684,500
<b>D - OWNER'S EQUITY (400 = 410 + 430)</b>	<b>400</b>		<b>12,792,815,537,295</b>	<b>12,692,771,806,100</b>
<b>I. Shareholders' equity</b>	<b>410</b>	<b>V.18</b>	<b>12,792,815,537,295</b>	<b>12,692,771,806,100</b>
1. Contributions from owners	411		3,832,661,600,000	3,832,661,600,000
- Ordinary shares with voting right	411a		3,832,661,600,000	3,832,661,600,000
- Preference shares	411b		-	-
2. Share premium	412		2,434,086,374,663	2,434,086,374,663
3. Options embedded in convertible bonds	413		-	-
4. Other owner's capital	414		-	-
5. Treasury shares (*)	415		(20,948,559,850)	(20,948,559,850)
6. Differences upon asset revaluation	416		-	-
7. Foreign exchange differences	417	V.19	1,643,461,696,362	1,665,858,077,087
8. Investment and development fund	418		1,198,782,900,443	1,179,099,450,083
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity fund	420		-	-
11. Retained earnings	421		3,704,771,525,677	3,602,014,864,117
- Accumulated by the end of the previous period	421a		3,602,014,864,117	3,528,208,535,779
- Retained earnings of current period	421b		102,756,661,560	73,806,328,338
12. Capital expenditure fund	422		-	-
<b>II. Funding and other funds</b>	<b>430</b>		-	-
1. Funding	431		-	-
2. Funds that formed fixed assets	432		-	-
<b>TOTAL RESOURCES (440 = 300 + 400)</b>	<b>440</b>		<b>15,054,195,944,430</b>	<b>15,820,253,886,800</b>

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

## SEPARATED INCOME STATEMENT

QUARTER 04 - 2017

Unit: VND

ITEM <b>1</b>	Code <b>2</b>	Note <b>3</b>	QUARTER 04		YEAR TO DATE	
			2017 <b>4</b>	2016 <b>5</b>	2017 <b>6</b>	2016 <b>7</b>
1. Gross revenue	01	VI.1	790,605,658,080	478,699,687,374	2,550,133,802,160	2,209,962,828,569
2. Deductions	02	VI.2	-	-	-	-
3. Net revenue	10		790,605,658,080	478,699,687,374	2,550,133,802,160	2,209,962,828,569
4. Cost of sales	11	VI.3	863,717,042,160	503,471,755,977	2,733,687,986,400	2,079,285,791,487
<b>5. Gross profit</b>	<b>20</b>		<b>(73,111,384,080)</b>	<b>(24,772,068,603)</b>	<b>(183,554,184,240)</b>	<b>130,677,037,082</b>
6. Financial income	21	VI.4	53,054,870,400	144,121,747,657	316,257,563,160	396,853,803,330
7. Financial expenses	22	VI.5	(22,529,336,760)	70,647,599,196	72,598,906,800	97,329,440,190
<i>- In which: Interest expense</i>	23		1,724,065,560	2,875,428,884	8,140,396,320	11,291,268,192
9. Selling expenses	24		6,266,257,200	8,238,330,189	12,216,332,520	19,856,099,932
10. General and administration expenses	25	VI.8	86,463,326,880	74,792,927,997	391,599,185,040	384,372,225,845
<b>11. Operating profit</b>	<b>30</b>		<b>(90,256,761,000)</b>	<b>(34,329,178,328)</b>	<b>(343,711,045,440)</b>	<b>25,973,074,445</b>
12. Other income	31	VI.6	451,398,270,960	80,370,139,909	598,283,204,400	89,864,410,200
13. Other expenses	32	VI.7	6,798,012,480	2,064,456,288	9,918,485,640	2,154,293,901
14. (Loss)/Profit from other activities	40		444,600,258,480	78,305,683,621	588,364,718,760	87,710,116,299
<b>15. Accounting profit before tax</b>	<b>50</b>		<b>354,343,497,480</b>	<b>43,976,505,293</b>	<b>244,653,673,320</b>	<b>113,683,190,744</b>
16. Current corporate income tax expense	51	VI.10	103,880,954,520	13,616,148,602	140,066,304,840	22,760,447,461
17. Deferred corporate tax expense/(income)	52	VI.11	(1,191,902,040)	6,568,194,699	1,830,706,920	13,450,028,293
<b>18. Net profit after corporate income tax</b>	<b>60</b>		<b>251,654,445,000</b>	<b>23,792,161,992</b>	<b>102,756,661,560</b>	<b>77,472,714,990</b>

Ho Chi Minh City, 29 January 2018

**Preparer**

**Chief Accountant**

**President**

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung



## SEPARATED CASH FLOW STATEMENT

(Indirect method)

QUARTER 04 - 2017

Unit: VND

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
1	2	3	4	5
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<i>1. Profit before tax</i>	<b>01</b>		<b>244,653,673,320</b>	<b>113,683,190,744</b>
<i>2. Adjustments for:</i>			<b>(293,756,054,760)</b>	<b>(57,377,910,728)</b>
- Depreciation and amortization	02		485,819,389,440	321,048,387,793
- Provisions	03		48,517,509,600	57,696,939,665
- Unrealized foreign exchange	04		38,485,669,320	(26,211,524,863)
- Gains from investing activities	05		(281,941,112,880)	(340,095,837,553)
- Interest expense	06		8,140,396,320	11,291,268,192
- Other adjustments	07		(592,777,906,560)	(81,107,143,962)
<i>3. Operating profit before movements in working capital</i>	<b>08</b>		<b>(49,102,381,440)</b>	<b>56,305,280,016</b>
- Changes in account receivables	09		(84,226,035,600)	862,301,299,837
- Changes in inventories	10		19,710,258,120	22,679,073,297
- Changes in account payables (excluding interest payables, corporate income tax payables)	11		132,232,133,880	(579,720,543,032)
- Changes in prepaid expenses	12		(1,751,077,440)	5,800,164,616
- Changes in held for trading securities	13		-	-
- Interest paid	14		(10,415,948,760)	(18,344,224,239)
- Corporate income tax paid	15		(36,500,705,850)	(46,764,531,542)
- Other cash outflows	16		10,247,549,760	2,917,671,543
- Other cash inflows	17		(33,010,377,120)	(65,950,521,927)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>20</b>		<b>(52,816,584,450)</b>	<b>239,223,668,569</b>
<b>II. CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
1. Acquisition of fixed assets and other non-current assets	21		(20,855,348,640)	(174,813,253,687)
2. Proceeds from disposal of fixed assets and other non-current assets	22		1,247,400	4,153,566
3. Cash outflow for buying debt instruments of other companies	23		(2,001,184,400,000)	(1,660,112,000,000)
4. Cash recovered from lending, selling debt instruments of other companies	24		1,572,318,244,360	589,415,750,700
5. Investments in other entities	25		-	-
6. Cash recovered from investments in other entities	26		-	-
7. Interest, dividends and profits received	27		145,924,503,480	316,070,664,081
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>30</b>		<b>(303,795,753,400)</b>	<b>(929,434,685,340)</b>

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
<b>III. CASH FLOWS USED IN FINANCING ACTIVITIES</b>				
1. Proceeds from share issuance and capital contributions from owners	31		-	-
2. Capital withdrawals to owners, treasury shares purchases	32		-	-
3. Proceeds from borrowings	33		-	-
4. Repayments of borrowings	34		(390,096,000,000)	(384,093,200,000)
5. Repayments of principal owed under finance leased	35		-	-
6. Dividend, profits distributed to owners	36		-	-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>40</b>		<b>(390,096,000,000)</b>	<b>(384,093,200,000)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>50</b>		<b>(746,708,337,850)</b>	<b>(1,074,304,216,771)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>60</b>		<b>1,513,010,705,800</b>	<b>2,578,886,390,250</b>
Effect of changes in foreign exchange rates	61		(1,195,893,720)	(846,188,583)
Foreign exchange rates differences on conversion			16,070,266,080	9,274,720,904
<b>Cash and cash equivalents at the end of the year</b>	<b>70</b>	31	<b>781,176,740,310</b>	<b>1,513,010,705,800</b>

Ho Chi Minh City, 29 January 2018

**Preparer**

**Chief Accountant**

**President**

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

# NOTES TO THE SEPARATED FINANCIAL STATEMENTS

*For the period ended 31 December 2017.*

## I. GENERAL INFORMATION

### 1. Ownership structure

The Company

Petrovietnam Drilling and Well Services Corporation (the “Company”) is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No. 4103004335 dated 15 February 2006 and its twelfth amendment dated 20 December 2016 issued by the Department of Planning and Investment (“DPI”) of Ho Chi Minh City. The Company has merged from the equitization of Petrovietnam Drilling and Well Services Company, a wholly-owned subsidiary of Vietnam Oil and Gas Group (hereinafter referred to as “Petrovietnam”).

- Summary of ownership structure:

+ The State:	50.40%
+ Other shareholders:	49.60%

### 2. Operating industry

Drilling contractor and drilling-related services provider in the oil and gas industry.

### 3. Principal activities:

The Company’s principal activities include:

#### *Its subsidiaries:*

+ PVD Trading and Technical Services Joint Stock Company (“PVD Tech”): Engineering and manufacturing equipment skid; providing Surface/Subsea wellhead and mudline rental services, providing full range of conductor services and trading services for oil and gas industry.

+ PVD Well Services Company Limited (“PVD Well”): Provide well technical services, tool rental, tubular running, manage pressure drilling, solids control...

+ PVD Offshore Services Company Limited (“PVD Offshore”): Drilling manpower supply service, inspection, maintenance and workshop service and oil spill response service...

+ Petroleum Well Logging Company Limited (“PVD Logging”): Provide advanced technology services in drilling operations for the oil and gas industry including mud logging, slick-line & cased hole logging, well testing and provision of geological specialists...

+ PVD Deepwater Drilling Company Limited (“PVD Deepwater”): PVD Deepwater was authorised by the Company and its partners in the Business Corporation Contract (“BCC”) including Petrovietnam, Military Joint-Stock Commercial Bank (“MBBank”) and Ocean Joint Stock Commercial Bank (“OceanBank”), to manage and operate the business cooperation project in financing to build the Tender Assist Drilling Rig (“PV Drilling V” or “TAD”).

The Company and its partners in BCC including Petrovietnam, MBBank and OceanBank have corporated in financing and operating the TAD for the period of 17 years since 10 September 2009. According to BCC, the Company has been authorised to manage and operate the project as well as accounted for its financial performance as a basic of profit/(loss) sharing to all partners on contribution percentage in BCC. The Company has 62.43% of capital contribution in BCC.

+ PV Drilling Overseas Company Private Limited (“PVD Overseas”): Operating the modern offshore rig PV DRILLING VI.

+ PVD Technical Training and Certification Joint Stock Company (“PVD Training”): Training, certification for petroleum, manpower supply and technology and marine safety equipment...

***Its joint-ventures:***

+ BJ Services-PV Drilling Joint Venture Company Limited (“BJ-PVD”): Provision of coiled tubing service, cementing service, stimulation service, hydraulic fracturing service and fluid filtration services...

+ PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited (“PVD-Baker Hughes”): Supplying a wide range of services such as directional drilling and logging while drilling, drill bits, electric logging, liner hanger,...

+ Vietubes Company Limited (“Vietubes”): Threading, processing, repairing, restoring (including: threading, thread inspection, tubular unclogging, magnetic particle test, pressure test, tubular cleaning and coating) casting tubes, drilling collars, drilling pipes, conducting pipes and accessories for oil and gas industry

+ PV Drilling Tubulars Management Company Limited (“PVD Tubulars”): Provision of oil country tubular goods (OCTG) and total tubular management (TTM) services for Oil and Gas Companies.

**4. Normal production and business cycle**

The Company’s normal production and business cycle is carried out for a time period of 12 months.

**5. Significant events that occurred in the financial year**

During the period ended 31 December 2017, activities of the Company are affected when Oil and Gas contractors adjusted drilling and exploitation schedule due to crude oil prices dropped sharply since the end of 2014.

## 6. The Company's structure

- The Company consists of two divisions and three overseas branches:

Name	Address
Head Office	4th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
The Drilling Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVD Drilling Investment Division	3rd Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam
PVDrilling - Branch office in Algeria	Cit� Si El, Houas, No. 02, Villa No. 101, Hassi Messaoud, Ouargla, Algeria
PVDrilling - Branch office in Myanmar	No 33/36, Garden Street (U Yin Lane), Bahan Township, Yangon, Myanmar
PVDrilling - Branch office in Thailand	7th Floor, Shinawatra Tower III Building, 1010 Vibhavadi Rangsit Rd., Chatuchak, Bangkok, Thailand
PVDrilling - Branch office in Malaysia	35J-2-9, KLSC Jalan Wangsa Delima 5, Wangsa Maju, 53300 Kuala Lumpur, Malaysia

**- List of subsidiaries**

<b>Company's name</b>	<b>Address</b>	<b>The Group's interest</b>	<b>The Group's voting right</b>
PVD Offshore Services Company Limited (“PVD Offshore”)	43A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	100%	100%
PVD Well Services Company Limited (“PVD Well”)	Room 13, 12Ath Floor, Vincom Center Building, 47 Ly Tu Trong Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	100%	100%
Petroleum Well Logging Company Limited (“PVD Logging”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
PVD Trading and Technical Services Joint Stock Company (“PVD Tech”)	8th Floor, Green Power Building, 35 Ton Duc Thang Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam	97%	97%
PVD Deepwater Drilling Company Limited (“PVD Deepwater”)	5th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	100%	100%
Công ty TNHH PV Drilling Overseas (PVD Overseas)	No. 9 Temasek Boulevard, #31_00 Suntec Tower 2, Singapore	80%	80%
PVD Technical Training and Certification Joint Stock Company (“PVD Training”)	Dong Xuyen Industrial Zone, 30/4 Street, Rach Dua Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	52%	52%

**- List of joint ventures**

<b>Company's name</b>	<b>Address</b>	<b>The Group's interest</b>	<b>The Group's voting right</b>
BJ Services-PV Drilling Joint Venture Company Limited (“BJ-PVD”)	65A, 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam	49%	50%
PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited (“PVD-Baker Hughes”)	10th Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam	51%	50%
PV Drilling Tubulars Management Company Limited (“PVD Tubulars”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	51%	50%
Vietubes Company Limited (“Vietubes”)	Dong Xuyen Industrial Zone, Rach Dua Ward, Ba Ria - Vung Tau Province, Vietnam	51%	50%

**7. Disclosure of information comparability in the financial statements**

The Company's separated financial statements are comparable

## **II. ACCOUNTING PERIOD, REPORTING CURRENCY**

1. The Company's financial year begins on 1 January and ends on 31 December.
2. The accompanying separated financial statements, expressed in United States Dollar ("USD"), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The expression of financial statement in USD is registered and approved by the Ministry of Finance in Letter No.8036/BTC-CDKT dated 21 June 2010 and changing currency unit from VND to USD since 1 January 2010. The Company's Board of Directors believes that the presentation of the separated financial statement of the Company in USD is necessary to reflect the economic nature of the Company's business transactions.

## **III. ADOPTED ACCOUNTING STANDARDS AND CONVENTIONS**

1. The Company has adopted Circular No. 200/2014/TT-BTC issued by the Ministry of Finance on 22 December 2014.
2. Announcement of compliance to Vietnamese accounting standards, accounting regime for enterprises and legal regulations relating to financial reporting: The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

## V- Notes to the Separated Balance Sheet

Unit: VND

### 1. Cash and cash equivalents

	31/12/2017	1/1/2017
- Cash on hand	1,976,659,980	2,706,770,700
- Cash in bank	774,200,090,670	1,459,857,339,200
<b>Total</b>	<b>776,176,750,650</b>	<b>1,462,564,109,900</b>

### 2. Financial investments

	31/12/2017		1/1/2017	
	Cost	Carrying value	Cost	Carrying value
- Short-term held to maturity investments				
Term-deposit	2,086,305,906,540	2,086,305,906,540	1,657,439,750,900	1,657,439,750,900

Long-term investments	31/12/2017			1/1/2017		
	Cost	Provision	Fair value	Cost	Provision	Fair value
<b>- Subsidiaries</b>	<b>2,726,467,227,060</b>	<b>(50,307,845,955)</b>	<b>2,676,159,381,105</b>	<b>2,730,677,522,800</b>	<b>(53,733,101,900)</b>	<b>2,676,944,420,900</b>
PVD Logging	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
PVD Offshore	130,000,000,000	-	130,000,000,000	130,000,000,000	-	130,000,000,000
PVD Tech	194,000,000,000	-	194,000,000,000	194,000,000,000	-	194,000,000,000
PVD Well	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
PVD Deepwater	764,000,000,000	-	764,000,000,000	764,000,000,000	-	764,000,000,000
PVD Overseas	1,184,832,000,000	(50,307,845,955)	1,134,524,154,045	1,184,832,000,000	(53,733,101,900)	1,131,098,898,100
PVD Training	19,755,753,400	-	19,755,753,400	19,755,753,400	-	19,755,753,400
FX differences on conversion	273,879,473,660	-	273,879,473,660	278,089,769,400	-	278,089,769,400
<b>- Joint ventures and associates</b>	<b>408,569,398,590</b>	<b>(2,194,039,995)</b>	<b>406,375,358,595</b>	<b>409,200,324,200</b>	<b>-</b>	<b>409,200,324,200</b>
BJ-PVD	48,039,113,955	(2,194,039,995)	45,845,073,960	48,039,113,955	-	48,039,113,955
PVD-Baker Hughes	211,753,000,000	-	211,753,000,000	211,753,000,000	-	211,753,000,000
PVD Tubulars	30,515,952,000	-	30,515,952,000	30,515,952,000	-	30,515,952,000
Vietubes	86,787,891,394	-	86,787,891,394	86,787,891,394	-	86,787,891,394
FX differences on conversion	31,473,441,241	-	31,473,441,241	32,104,366,851	-	32,104,366,851

### 3. Receivables from customers

	31/12/2017	1/1/2017
a) Short-term		
Premier Oil Vietnam Offshore B.V.	155,489,404,691	518,436,989
Petrovietnam Domestic Exploration Production Operating Company Limited	378,105,963,336	387,885,880,671
Petrovietnam Exploration Production Corporation	147,787,670,649	148,507,597,684
Other trade receivables	685,231,512,904	762,559,981,256
<b>Total</b>	<b>1,366,614,551,580</b>	<b>1,299,471,896,600</b>
b) Receivables from related parties	<b>128,048,101,499</b>	<b>28,736,012,262</b>
<b>Subsidiaries</b>	<b>109,051,217,565</b>	<b>21,874,959,962</b>
PVD Logging	-	9,323,966,555
PVD Well	-	12,032,556,418
PVD Deepwater	109,051,217,565	518,436,989
<b>Joint-ventures</b>	<b>18,996,883,934</b>	<b>6,861,052,300</b>
BJ-PVD	4,863,853,924	1,434,027,100
PVD-Expro	-	1,415,095,300
PVD-Baker Hughes	14,133,030,010	4,011,929,900



#### 4. Other receivables

	31/12/2017		1/1/2017	
	Carrying value	Provision	Carrying value	Provision
<b>a) Short-term</b>	<b>274,726,046,070</b>	-	<b>189,910,492,700</b>	-
- Receivables from employees	1,272,889,065	-	223,776,600	-
- Deposits	2,826,824,130	-	2,895,566,600	-
- Interest income receivables	82,140,407,820	-	35,198,143,300	-
- Inter-company receivables	178,401,949,245	-	120,905,398,300	-
- Other receivables	10,083,975,810	-	30,687,607,900	-
<b>b) Long-term</b>	<b>13,679,483,415</b>	-	<b>11,175,505,100</b>	-
- Deposits	13,679,483,415	-	11,175,505,100	-
<b>Total</b>	<b>288,405,529,485</b>	-	<b>201,085,997,800</b>	-

#### 5. Doubtful debts

	31/12/2017		1/1/2017	
	Cost	Provision	Cost	Provision
- Total value of receivables, overdue debts over 6 months or no overdue doubtful debts;	525,635,457,199	(254,324,327,640)	418,259,888,518	(125,945,547,400)
Petrovietnam Exploration Production Corporation	147,787,670,567	(73,893,835,510)	145,139,904,211	(43,541,971,449)
Petrovietnam Domestic Exploration Production Operating Company Limited	377,847,786,632	(180,430,492,130)	243,623,759,533	(73,034,069,729)
Other trade receivables	-	-	29,496,224,774	(9,369,506,222)
<b>Total</b>	<b>525,635,457,199</b>	<b>(254,324,327,640)</b>	<b>418,259,888,518</b>	<b>(125,945,547,400)</b>

#### 6. Inventory

	31/12/2017		1/1/2017	
	Cost	Provision	Cost	Provision
- Raw materials	417,457,387,680	(62,778,378,270)	439,949,835,000	(71,054,518,500)
- Tools and supplies	2,415,227,730	-	298,800,100	-
<b>Total</b>	<b>419,872,615,410</b>	<b>(62,778,378,270)</b>	<b>440,248,635,100</b>	<b>(71,054,518,500)</b>

#### 7. Long-term assets in progress

	31/12/2017	1/1/2017
Construction in progress		
- Purchase	15,946,686,030	9,392,374,700
+ Other construction works	6,835,696,005	267,315,200
+ ERP Project - Phase 3	9,110,990,025	9,125,059,500
<b>Total</b>	<b>15,946,686,030</b>	<b>9,392,374,700</b>

## 8. Tangible fixed assets

Unit: VND

	Building, structures	Machinery, equipments	Motor vehicle	Office equipments	Others	Total
<b>Cost</b>						
<b>As at 1/1/2017</b>	<b>268,074,946,300</b>	<b>12,309,204,957,500</b>	<b>49,706,462,400</b>	<b>52,115,749,600</b>	<b>1,152,342,800</b>	<b>12,680,254,458,600</b>
- Additions	166,335,120	10,958,318,280	-	2,745,096,480	-	13,869,749,880
- From construction in progress	-	-	-	-	-	-
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(529,079,040)	-	(529,079,040)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(971,680,375)	(29,366,019,995)	(79,790,355)	(7,773,745)	(1,776,740)	(30,427,041,210)
<b>As at 31/12/2017</b>	<b>267,269,601,045</b>	<b>12,290,797,255,785</b>	<b>49,626,672,045</b>	<b>54,323,993,295</b>	<b>1,150,566,060</b>	<b>12,663,168,088,230</b>
<b>Accumulated depreciation</b>						
<b>As at 1/1/2017</b>	<b>70,647,076,200</b>	<b>4,871,331,969,400</b>	<b>46,502,811,400</b>	<b>43,112,702,600</b>	<b>1,152,342,800</b>	<b>5,032,746,902,400</b>
- Charge for the year	6,804,090,720	463,729,477,680	2,602,235,160	2,910,138,840	-	476,045,942,400
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	-	-	-	(529,079,040)	-	(529,079,040)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(652,899,600)	(16,293,797,695)	(76,571,860)	(73,102,400)	(1,776,740)	(17,098,148,295)
<b>As at 31/12/2017</b>	<b>76,798,267,320</b>	<b>5,318,767,649,385</b>	<b>49,028,474,700</b>	<b>45,420,660,000</b>	<b>1,150,566,060</b>	<b>5,491,165,617,465</b>
<b>Carrying value</b>						
<b>As at 1/1/2017</b>	<b>197,427,870,100</b>	<b>7,437,872,988,100</b>	<b>3,203,651,000</b>	<b>9,003,047,000</b>	-	<b>7,647,507,556,200</b>
<b>As at 31/12/2017</b>	<b>190,471,333,725</b>	<b>6,972,029,606,400</b>	<b>598,197,345</b>	<b>8,903,333,295</b>	-	<b>7,172,002,470,765</b>

\* Carrying value of pledged assets as collateral for loans

2,714,982,645,590

\* Cost of assets fully depreciated but are still in use

193,286,189,659

**9. Intangible fixed assets**

Unit: VND

	<b>Land use rights</b>	<b>Computer software</b>	<b>Others</b>	<b>Total</b>
<b>Cost</b>				
<b>As at 1/1/2017</b>	<b>138,967,538,600</b>	<b>73,738,702,700</b>	-	<b>212,706,241,300</b>
- Additions	-	490,636,440	-	490,636,440
- Internally generated	-	-	-	-
- From business combination	-	-	-	-
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	(214,267,130)	(121,044,680)	-	(335,311,810)
<b>As at 31/12/2017</b>	<b>138,753,271,470</b>	<b>74,108,294,460</b>	-	<b>212,861,565,930</b>
<b>Accumulated depreciation</b>				
<b>As at 1/1/2017</b>	<b>20,605,175,900</b>	<b>60,275,650,500</b>	-	<b>80,880,826,400</b>
- Charge for the year	2,357,041,680	7,574,326,200	-	9,931,367,880
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	(33,328,985)	(204,697,650)	-	(238,026,635)
<b>As at 31/12/2017</b>	<b>22,928,888,595</b>	<b>67,645,279,050</b>	-	<b>90,574,167,645</b>
<b>Carrying value</b>				
<b>As at 1/1/2017</b>	<b>118,362,362,700</b>	<b>13,463,052,200</b>	-	<b>131,825,414,900</b>
<b>As at 31/12/2017</b>	<b>115,824,382,875</b>	<b>6,463,015,410</b>	-	<b>122,287,398,285</b>

\* Cost of assets fully amortised but are still in use

46,589,102,721

<i>10. Prepayments</i>	<b>31/12/2017</b>	<b>1/1/2017</b>
<b>a) Short-term</b>	<b>9,756,443,895</b>	<b>7,813,158,400</b>
- Insurance premiums	8,151,353,925	7,016,047,900
- Others	1,605,089,970	797,110,500
<b>b) Long-term</b>	<b>563,587,890</b>	<b>770,188,300</b>
- Others	563,587,890	770,188,300
<b>Total</b>	<b>10,320,031,785</b>	<b>8,583,346,700</b>

<i>11. Loans and finance leases</i>	<b>31/12/2017</b>		<b>During the period</b>		<b>1/1/2017</b>	
	<b>Carrying value</b>	<b>Payable amount</b>	<b>Increases</b>	<b>Decreases</b>	<b>Carrying value</b>	<b>Payable amount</b>
a) Short-term	389,838,000,000	389,838,000,000	390,096,000,000	(390,698,000,000)	390,440,000,000	390,440,000,000
Current portions of LT loans	389,838,000,000	389,838,000,000	390,096,000,000	(390,698,000,000)	390,440,000,000	390,440,000,000
b) Long-term (LT)	171,988,298,205	171,988,298,205	-	(390,705,589,695)	562,693,887,900	562,693,887,900
Second year	171,988,298,205	171,988,298,205	-	(218,451,701,795)	390,440,000,000	390,440,000,000
Third to fifth year inclusive	-	-	-	(172,253,887,900)	172,253,887,900	172,253,887,900
<b>Total</b>	<b>561,826,298,205</b>	<b>561,826,298,205</b>	<b>390,096,000,000</b>	<b>(781,403,589,695)</b>	<b>953,133,887,900</b>	<b>953,133,887,900</b>

<i>12. Payables to suppliers</i>	<b>31/12/2017</b>	<b>1/1/2017</b>
a) Short-term		
PVD Overseas	341,735,277,225	285,445,167,900
PVD Offshore	115,202,863,245	101,632,576,200
Other suppliers	361,090,189,965	209,927,193,800
<b>Total</b>	<b>818,028,330,435</b>	<b>597,004,937,900</b>
b) Payables to related parties	<b>542,801,171,868</b>	<b>456,228,386,391</b>
<b>Subsidiaries</b>	<b>508,354,440,915</b>	<b>421,728,461,722</b>
PVD Logging	7,472,106,540	-
PVD Offshore	115,202,863,245	101,632,576,200
PVD Tech	13,809,489,855	17,712,673,800
PVD Well	20,177,742,900	-
PVD Overseas	341,735,277,225	285,445,167,900
PVD Training	9,956,961,150	16,938,043,822

### *13. Taxes and amounts payable to the State budget*

	<b>1/1/2017</b>	<b>Additions</b>	<b>Paid</b>	<b>FX difference on conversion</b>	<b>31/12/2017</b>
a) Payables					
Value added tax - Domestic	6,884,494,136	62,704,507,490	60,642,465,308	35,697,015	8,982,233,333
Value added tax - Import	-	303,235,774	303,235,774	-	-
Import duties	-	4,962,612,081	4,962,612,081	-	-
Corporate income tax	186,970,366	140,445,850,983	36,500,705,850	(319,880,046)	103,812,235,453
Personal income tax	8,619,761,813	133,618,390,096	133,993,225,264	12,306,828	8,257,233,473
Other taxes	83,855,462	63,198,829,739	55,099,708,978	(29,015,597)	8,153,960,626
- Business license tax	-	5,000,000	5,000,000	-	-
- Withholding tax	83,855,462	63,193,829,739	55,094,708,978	(29,015,597)	8,153,960,626
Fees, charges and other payables	132,397,223	4,105,863,371	4,238,777,737	517,143	-
<b>Total</b>	<b>15,907,479,000</b>	<b>409,339,289,534</b>	<b>295,740,730,992</b>	<b>(300,374,657)</b>	<b>129,205,662,885</b>

<b>14. Accrued expenses</b>	<b>31/12/2017</b>	<b>1/1/2017</b>
a) Short-term		
- Accrued expenses related to cost of good sold	124,041,261,315	119,542,263,300
+ <i>Operation of drilling rigs</i>	89,983,291,095	99,088,110,500
+ <i>Goods supplied and services rendered</i>	34,057,970,220	20,454,152,800
- Other	31,003,453,500	9,801,678,400
+ <i>Interest expense</i>	3,283,818,525	5,566,448,600
+ <i>Other expenses</i>	27,719,634,975	4,235,229,800
<b>Total</b>	<b>155,044,714,815</b>	<b>129,343,941,700</b>
b) Long-term		
<b>Total</b>	-	-

<b>15. Other payables</b>	<b>31/12/2017</b>	<b>1/1/2017</b>
a) Short-term		
- Funding of trade union	433,128,150	383,425,700
- Social insurance	953,108,580	429,642,900
- Health insurance	146,143,920	46,943,600
- Unemployment insurance	149,498,340	85,783,300
- Inter-company payables to subsidiaries	-	215,969,093,900
- Other payables	33,169,932,855	30,962,981,600
<b>Total</b>	<b>34,851,811,845</b>	<b>247,877,871,000</b>
b) Long-term		
<b>Total</b>	-	-

<b>16. Provision</b>	<b>31/12/2017</b>	<b>1/1/2017</b>
a) Short-term		
- Other provisions	128,995,467,675	208,773,579,800
+ <i>Provision for periodic overhaul of fixed assets</i>	118,327,482,810	198,153,148,003
+ <i>Other provisions</i>	10,667,984,865	10,620,431,797
<b>Total</b>	<b>128,995,467,675</b>	<b>208,773,579,800</b>
b) Long-term		
- Other provisions	112,392,199,260	103,868,730,500
+ <i>Provision for periodic overhaul of fixed assets</i>	112,392,199,260	103,868,730,500
<b>Total</b>	<b>112,392,199,260</b>	<b>103,868,730,500</b>

## 17. Deferred tax

### Deferred income tax assets:

	31/12/2017	1/1/2017
- Corporate income tax rates used for determination of value of deferred income tax	20%	20%
- Deferred income tax assets related to deductible temporary differences	14,689,277,160	16,544,282,100
<b>Deferred income tax assets</b>	<b>14,689,277,160</b>	<b>16,544,282,100</b>

## 18. Owner's equity

### a) Comparison table of owner's equity fluctuations

	Share capital	Share premium	Treasury shares (*)	Foreign exchange differences	Investment and development fund	Retained earning	Total
A	1	2	5	7	8	10	11
<b>As at 1/1/2016</b>	<b>3,484,662,590,000</b>	<b>2,434,086,374,663</b>	<b>(20,948,559,850)</b>	<b>1,531,370,425,356</b>	<b>1,176,189,095,302</b>	<b>3,876,207,545,779</b>	<b>12,481,567,471,250</b>
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	77,472,714,990	77,472,714,990
- Transfer from subsidiaries	-	-	-	-	2,910,354,781	-	2,910,354,781
- Treasury shares transactions	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	(3,666,386,652)	(3,666,386,652)
- Dividend declared	347,999,010,000	-	-	-	-	(347,999,010,000)	-
- Other decreased	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	134,487,651,731	-	-	134,487,651,731
<b>As at 31/12/2016</b>	<b>3,832,661,600,000</b>	<b>2,434,086,374,663</b>	<b>(20,948,559,850)</b>	<b>1,665,858,077,087</b>	<b>1,179,099,450,083</b>	<b>3,602,014,864,117</b>	<b>12,692,771,806,100</b>
<b>As at 1/1/2017</b>	<b>3,832,661,600,000</b>	<b>2,434,086,374,663</b>	<b>(20,948,559,850)</b>	<b>1,665,858,077,087</b>	<b>1,179,099,450,083</b>	<b>3,602,014,864,117</b>	<b>12,692,771,806,100</b>
- Capital increased	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	102,756,661,560	102,756,661,560
- Treasury shares transactions	-	-	-	-	-	-	-
- Capital decreased	-	-	-	-	-	-	-
- Loss for the year	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	-	-	-
- Dividend declared	-	-	-	-	-	-	-
- Other decreased	-	-	-	-	19,683,450,360	-	19,683,450,360
- Foreign exchange differences	-	-	-	(22,396,380,725)	-	-	(22,396,380,725)
<b>As at 31/03/2017</b>	<b>3,832,661,600,000</b>	<b>2,434,086,374,663</b>	<b>(20,948,559,850)</b>	<b>1,643,461,696,362</b>	<b>1,198,782,900,443</b>	<b>3,704,771,525,677</b>	<b>12,792,815,537,295</b>

	<b>31/12/2017</b>	<b>1/1/2017</b>
b- Details of share capital		
- The State	1,931,794,590,000	1,931,794,590,000
- Others	1,900,867,010,000	1,900,867,010,000
<b>Total</b>	<b>3,832,661,600,000</b>	<b>3,832,661,600,000</b>
c) Capital transactions with owners and distribution of dividends or profits		
- Share capital		
+ As at 1/1/2017	3,832,661,600,000	3,484,662,590,000
+ Increase in capital	-	347,999,010,000
+ As at 31/12/2017	3,832,661,600,000	3,832,661,600,000
- Dividend and profit distributed	-	347,999,010,000
d) Number of shares		
- Authorized shares	<b>383,266,160</b>	<b>383,266,160</b>
- Issued shares	-	-
+ Ordinary shares	383,266,160	383,266,160
+ Preference shares	-	-
- Treasury shares	-	-
+ Ordinary shares	416,000	416,000
+ Preference shares	-	-
- Shares in circulation	-	-
+ Ordinary shares	382,850,160	382,850,160
+ Preference shares	-	-
* Par value per share: 10,000 VND		
d) Funds		
- Investment and development fund	1,198,782,900,443	1,179,099,450,083
- Scientific and technological fund	185,390,135,370	720,514,684,500
+ Available	175,819,567,140	710,771,299,700
+ The carrying amount of assets formed from the fund	9,570,568,230	9,743,384,800

e) Income and expense directly recorded into equity: None

**19. Foreign exchange differences**

	<u>31/12/2017</u>	<u>1/1/2017</u>
- FX differences on conversion to VND financial statements	1,704,427,920,390	1,724,077,435,595
- Translation of financial statements of foreign operation (Algeria Branch)	(60,966,224,028)	(58,219,358,508)
<b>Total</b>	<b><u>1,643,461,696,362</u></b>	<b><u>1,665,858,077,087</u></b>

**20. Off balance-sheet**

Foreign currencies	<u>31/12/2017</u>	<u>1/1/2017</u>
- GBP	2,775	2,775
- VND	2,137,973,300,871	1,816,680,389,129
- EUR	3,113	7,749
- SGD	36,342	36,342
- DZD	5,315,352	41,546,994
- MMK	1,342,675	1,342,675



## VI. Extracted notes to the Separated income statement:

Unit: VND

	<u>QUARTER 04 - 2017</u>	<u>QUARTER 04 - 2016</u>
<b>1. Net revenue</b>		
- Sales of drilling services	606,549,474,720	333,833,666,878
- Sale of other services	184,056,183,360	144,866,020,496
<b>Total</b>	<b><u>790,605,658,080</u></b>	<b><u>478,699,687,374</u></b>
<b>2. Cost of sales</b>		
- Cost of drilling services	682,051,353,480	371,358,366,644
- Cost of other services	181,665,688,680	132,113,389,333
<b>Total</b>	<b><u>863,717,042,160</u></b>	<b><u>503,471,755,977</u></b>
<b>3. Financial income</b>		
- Interests of deposits or loans	34,998,664,680	24,483,038,470
- Dividends or distributed profits;	3,066,880,320	80,775,157,256
- Interests of exchange differences	14,989,325,400	38,863,551,931
<b>Total</b>	<b><u>53,054,870,400</u></b>	<b><u>144,121,747,657</u></b>
<b>4. Financial expenses</b>		
- Interests of loans	1,724,065,560	2,875,428,884
- Losses of exchange differences	15,354,291,960	14,912,527,205
- Other financial expenses	(39,607,694,280)	52,859,643,107
<b>Total</b>	<b><u>(22,529,336,760)</u></b>	<b><u>70,647,599,196</u></b>
<b>5. Cost by nature</b>		
- Raw materials and consumables	44,101,328,040	32,913,504,583
- Labour	329,750,235,360	241,999,930,450
- Depreciation and amortization	151,162,086,600	85,843,021,389
- Provisions	(97,260,617,160)	(41,682,363,951)
- Out-sourced services	498,024,450,000	251,323,792,880
- Other expenses	30,669,143,400	16,105,128,812
<b>Total</b>	<b><u>956,446,626,240</u></b>	<b><u>586,503,014,163</u></b>

## VII. Other informations

### 1- Financial instruments

Unit: VND

	<u>31/12/2017</u>	<u>1/1/2017</u>
<b>+ Financial asset</b>		
Cash and cash equivalents	781,176,740,310	1,513,010,705,800
Trade and other receivables	1,384,189,445,880	1,374,612,347,000
Other investments	2,086,305,906,540	1,657,439,750,900
Deposits	16,506,307,545	14,581,345,000
<b>Total</b>	<b><u>4,268,178,400,275</u></b>	<b><u>4,559,644,148,700</u></b>
<b>+ Financial liability</b>		
Loans and borrowings	561,826,298,205	953,133,887,900
Trade and other payables	851,198,266,916	843,937,008,008
Accrued expenses	155,044,714,815	129,343,941,700
<b>Total</b>	<b><u>1,568,069,279,936</u></b>	<b><u>1,926,414,837,608</u></b>

The Company has not yet assessed fair value of its financial assets and liabilities as at the balance sheet date since there are no comprehensive guidance under Circular No. 210/2009/TT-BTC dated 06 November 2009 (“Circular 210”) and other relevant prevailing regulations to determine fair value of these financial assets and liabilities. While Circular 210 refers to the application of International Financial Reporting Standards (“IFRS”) on presentation and disclosures of financial instruments, it did not adopt the equivalent guidance for the recognition and measurement of financial instruments, including application of fair value, in accordance with IFRS.

#### - Financial risk

Financial risks include market risk (including foreign currency risk, interest rate risk and price risk), credit risk, liquidity risk. The Company has hedging these risks exposures by controlling and managing the cash flows (including foreign currencies cash flows) and closely tracking with market information to have proper hedging instruments.

#### + Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an on - going basis. The Company assess that there is no significant credit risk exposure to any counterparty because receivables are from huge and trustful customers operating in the oil and gas industry.

#### + Liquidity risk

Liquidity is also managed by ensuring that the excess of maturing liabilities over maturing assets in any year is kept to manageable levels relative to the amount of funds that the Company believes can generate within that year. The Company policy is to regularly monitor current and expected liquidity requirements to ensure that the Company maintains sufficient reserves of cash, borrowings and adequate committed funding from its owners to meet its liquidity requirements in the short and longer term.

The following tables detail the Company’s remaining contractual maturity for its financial assets and financial liabilities.

	<i>As at 1/1/2017</i>			
<b>Financial asset</b>	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	1,513,010,705,800	-	-	1,513,010,705,800
Trade and other receivables	1,374,612,347,000	-	-	1,374,612,347,000
Other investments	1,657,439,750,900	-	-	1,657,439,750,900
Deposits	3,405,839,900	11,175,505,100	-	14,581,345,000
<b>Total</b>	<b><u>4,548,468,643,600</u></b>	<b><u>11,175,505,100</u></b>	<b><u>-</u></b>	<b><u>4,559,644,148,700</u></b>
<b>Financial liability</b>	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	390,440,000,000	562,693,887,900	-	953,133,887,900
Trade and other payables	843,937,008,008	-	-	843,937,008,008
Accrued expenses	129,343,941,700	-	-	129,343,941,700
<b>Total</b>	<b><u>1,363,720,949,708</u></b>	<b><u>562,693,887,900</u></b>	<b><u>-</u></b>	<b><u>1,926,414,837,608</u></b>
<b>Liquidity gap</b>	<b><u>3,184,747,693,892</u></b>	<b><u>(551,518,382,800)</u></b>	<b><u>-</u></b>	<b><u>2,633,229,311,092</u></b>

	<i>As at 31/12/2017</i>			
<b>Financial asset</b>	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	781,176,740,310	-	-	781,176,740,310
Trade and other receivables	1,384,189,445,880	-	-	1,384,189,445,880
Other investments	2,086,305,906,540	-	-	2,086,305,906,540
Deposits	2,826,824,130	13,679,483,415	-	16,506,307,545
<b>Total</b>	<b><u>4,254,498,916,860</u></b>	<b><u>13,679,483,415</u></b>	<b><u>-</u></b>	<b><u>4,268,178,400,275</u></b>
<b>Financial liability</b>	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	389,838,000,000	171,988,298,205	-	561,826,298,205
Trade and other payables	851,198,266,916	-	-	851,198,266,916
Accrued expenses	155,044,714,815	-	-	155,044,714,815
<b>Total</b>	<b><u>1,396,080,981,731</u></b>	<b><u>171,988,298,205</u></b>	<b><u>-</u></b>	<b><u>1,568,069,279,936</u></b>
<b>Liquidity gap</b>	<b><u>2,858,417,935,129</u></b>	<b><u>(158,308,814,790)</u></b>	<b><u>-</u></b>	<b><u>2,700,109,120,339</u></b>

**+ Market risk**

++ Foreign currency risk management: The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. However, the Company manages to balance the cash inflow and outflow of foreign currencies by negotiating business contracts based on the demand foreign currencies payable to its receivables sources in order to minimize the foreign currency risk.

++ Interest rate risk management: The Company is exposed to interest rate risks arising mainly from interest bearing loans. The Company is exposed to interest rate risk as the Company borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate ratio between fixed and floating rate borrowings.

2. Contingent liabilities, commitment and other information: None

3. Events after the reporting date: None

4. Related parties information

	<u>31/12/2017</u>	<u>1/1/2017</u>
<b>Receivables</b>		
Petrovietnam Company's subsidiaries	26,400,000	9,576,449,000
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	788,530,922,812	731,272,078,300
The Company's subsidiaries	287,453,166,810	342,081,667,900
The Company's joint ventures	<u>18,996,883,934</u>	<u>6,861,052,300</u>
<b>Payables</b>		
Petrovietnam Company's subsidiaries	18,750,546,152	29,082,279,119
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	25,041,757,066	24,636,332,031
The Company's subsidiaries	508,354,440,915	421,728,461,722
The Company's joint ventures	<u>34,446,730,953</u>	<u>-</u>

5. Segment reporting: A business segment includes reporting entities that have similar business operation and risks characteristics. A geographical segment includes reporting entities that have same operation location and are subject to local regulations.

6. Comparative information: This period and comparative period financial performance figures had been converted to VND using average exchange rate of the period.

This period and comparative period cash-flow statement figures had been converted to VND using average exchange rate of the period. For certain cases, for example for significant economic transactions, the exchange rate at the transaction date is used.

7. Going concern assumption: The Company is a going concern entity and no significant disruption in business occurred.

8. Other information: Several comparative information about transaction with related parties had been re-classified based on updated information about Petrovietnam's subsidiaries.

Ho Chi Minh City, 29 January 2018

**Preparer**

**Chief Accountant**

**President**

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung