

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

CONSOLIDATED 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

Board of Management	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.

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

Unit: USD

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
ASSETS				
A - CURRENT ASSETS	100		277,426,459	300,324,177
I. Cash and cash equivalents	110		79,564,533	122,580,105
1. Cash	111	V.01	64,520,502	110,519,702
2. Cash equivalents	112		15,044,031	12,060,403
II. Short-term financial investments	120	V.02	94,781,243	73,926,316
1. Held for trading securities	121		-	-
2. Provision for held for trading securities (*)	122		-	-
3. Short-term held to maturity investments	123		94,781,243	73,926,316
III. Short-term receivables	130		68,596,522	67,273,827
1. Short-term receivables from customers	131	V.03	71,066,069	71,684,575
2. Short-term advances to suppliers	132		6,784,744	426,607
3. Short-term inter-company receivables	133		-	-
4. Receivable from construction contracts under perce	134		-	-
5. Short-term loans receivables	135		-	-
6. Other short-term receivables	136	V.04	4,943,537	3,084,138
7. Provison for doubtful short-term receivables (*)	137	V.05	(14,197,828)	(7,926,185)
8. Asset shortage awaiting resolution	139		-	4,692
IV. Inventories	140	V.06	32,955,982	35,021,453
1. Inventories	141		39,322,482	41,607,509
2. Provision for inventories (*)	149		(6,366,500)	(6,586,056)
V. Other short-term assets	150		1,528,179	1,522,476
1. Short-term prepayments	151	V.10	969,236	694,867
2. Deductible value added tax	152		404,737	655,553
3. Taxes and other receivables from the State budget	153		154,206	172,056
5. Other short-term assets	155		-	-
B - NON-CURRENT ASSETS	200		684,235,741	719,178,337
I- Long-term receivables	210		838,122	735,160
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		-	-
6. Other long-term receivables	216	V.04	838,122	735,160
7. Provison for doubtful long-term receivables (*)	219		-	-

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
II. Fixed assets	220		653,927,168	686,147,319
1. Tangible fixed assets	221	V.08	646,273,992	678,014,668
- Cost	222		1,012,138,895	1,010,077,035
- Accumulated depreciation (*)	223		(365,864,903)	(332,062,367)
2. Finance lease fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.09	7,653,176	8,132,651
- Cost	228		11,974,224	11,942,534
- Accumulated depreciation (*)	229		(4,321,048)	(3,809,883)
III. Investment property	230		-	-
- Cost	231		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long-term assets in progress	240	V.07	1,652,562	2,553,537
1. Long-term work in progress	241		-	-
2. Construction in progress	242		1,652,562	2,553,537
V. Long-term financial investments	250	V.02	24,726,384	27,449,120
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		24,726,384	27,449,120
3. Other long-term investments	253		-	-
4. Provision for long-term financial investments (*)	254		-	-
5. Long-term held to maturity investments	255		-	-
VI. Other non-current assets	260		3,091,505	2,293,201
1. Long-term prepayments	261	V.10	88,239	1,165,726
2. Deferred tax assets	262	V.17	3,003,266	1,127,475
3. Long-term equipments, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Goodwill	269		-	-
TOTAL ASSETS (270 = 100 + 200)	270		961,662,200	1,019,502,514
C - LIABILITIES	300		368,221,795	425,872,505
I. Current liabilities	310		171,780,755	142,991,729
1. Short-term payables to suppliers	311	V.12	30,038,718	32,453,636
2. Short-term advance from customers	312		9,661,969	77,530
3. Taxes and amounts payable to the State budget	313	V.13	6,578,471	2,235,830
4. Payables to employees	314		6,775,572	6,776,858
5. Short-term accrued expenses	315	V.14	14,704,891	16,454,581
6. Short-term inter-company payables	316		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	16,117,818	16,205,812
10. Short-term loans and finance leases	320	V.11	59,238,493	33,563,128
11. Provision for current liabilities	321	V.16	23,360,424	28,243,095
12. Bonus and welfare funds	322		5,304,399	6,981,259

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
II. Non-current liabilities	330		196,441,040	282,880,776
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	21,119,855	21,068,886
8. Long-term loans and finance leases	338	V.11	146,903,802	206,142,078
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341	V.17	-	-
12. Provision for non-current liabilities	342	V.16	8,172,945	7,349,194
13. Scientific and technological fund	343		20,244,438	48,320,618
D - OWNER'S EQUITY (400 = 410 + 430)	400		593,440,405	593,630,009
I. Shareholders' equity	410	V.18	593,440,405	593,630,009
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	(15,495,105)	(15,256,548)
8. Investment and development fund	418		77,997,141	77,397,668
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity fund	420		-	-
11. Retained earnings	421		195,883,046	196,070,451
- Accumulated by the end of the previous period	421a		196,070,451	193,755,516
- Retained earnings of current period	421b		(187,405)	2,314,935
12. Capital expenditure fund	422		-	-
13. Non-controlling interest	429		12,303,799	12,666,914
TOTAL RESOURCES (440 = 300 + 400)	440		961,662,200	1,019,502,514

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

CONSOLIDATED INCOME STATEMENT

QUARTER 04 - 2017

Unit: USD

ITEM	Code	Note	QUARTER 04		YEAR TO DATE	
			2017	2016	2017	2016
1. Gross revenue	01	VI.1	52,397,269	36,316,578	172,054,832	240,025,153
2. Deductions	02		-	-	-	-
3. Net revenue	10		52,397,269	36,316,578	172,054,832	240,025,153
4. Cost of sales	11	VI.2	51,306,907	33,218,032	164,026,461	202,746,439
5. Gross profit	20		1,090,362	3,098,546	8,028,371	37,278,714
6. Financial income	21	VI.3	2,372,508	3,561,732	8,239,821	8,670,603
7. Financial expenses	22	VI.4	3,021,279	5,730,631	11,795,887	12,873,890
- In which: Interest expense	23		2,083,203	2,127,961	8,516,005	8,504,190
8. Income from interests in joint ventures	24		(492,366)	2,597,120	294,936	5,120,014
9. Selling expenses	25	VI.7	440,077	578,840	818,482	1,264,487
10. General and administration expenses	26	VI.7	5,665,516	3,890,642	24,980,474	28,799,149
11. Operating profit	30		(6,156,368)	(942,715)	(21,031,715)	8,131,805
12. Other income	31	VI.5	21,326,943	3,580,889	27,980,443	4,192,315
13. Other expenses	32	VI.6	339,031	226,999	522,717	309,924
14. (Loss)/Profit from other activities	40		20,987,912	3,353,890	27,457,726	3,882,391
15. Accounting profit before tax	50		14,831,544	2,411,175	6,426,011	12,014,196
16. Current corporate income tax expense	51	VI.8	4,677,961	1,124,632	7,786,136	3,397,167
17. Deferred corporate tax expense/(income)	52	VI.9	(2,001,424)	151,247	(1,875,417)	303,850
18. Net profit after corporate income tax	60		12,155,007	1,135,296	515,292	8,313,179
Attributable to:						
19. The Group's shareholders	61		11,185,223	1,535,852	1,154,271	5,794,747
20. Non-controlling interest	62		969,784	(400,556)	(638,979)	2,518,432
21. Basic earnings per share	70	VII.6	0.029	0.003	0.001	0.010
22. Diluted earnings per share	71		0.029	0.003	0.001	0.010

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

QUARTER 04 - 2017

Unit: USD

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
I. CASH FLOWS FROM OPERATING ACTIVITIES				
1. Profit before tax	01		6,426,011	12,014,196
2. Adjustments for:			13,640,690	40,588,839
- Depreciation and amortization	02		34,756,973	32,579,414
- Provisions	03		1,993,167	11,609,038
- Unrealized foreign exchange	04		925,877	(618,822)
- Gains from investing activities	05		(6,414,740)	(10,366,376)
- Interest expense	06		8,516,005	8,504,190
- Other adjustments	07		(26,136,592)	(1,118,605)
3. Operating profit before movements in working capital	08		20,066,701	52,603,035
- Changes in account receivables	09		(9,681,755)	52,376,761
- Changes in inventories	10		2,285,027	8,985,328
- Changes in account payables (excluding interest payables, corporate income tax payables)	11		8,069,737	(50,502,167)
- Changes in prepaid expenses	12		803,118	1,564,074
- Changes in held for trading securities	13		-	-
- Interest paid	14		(8,681,600)	(8,713,763)
- Corporate income tax paid	15		(3,711,547)	(4,165,207)
- Other cash outflows	16		-	-
- Other cash inflows	17		(3,948,831)	(4,950,009)
NET CASH FROM OPERATING ACTIVITIES	20		5,200,850	47,198,052
II. CASH FLOWS USED IN INVESTING ACTIVITIES				
1. Acquisition of fixed assets and other non-current assets	21		(2,110,933)	(10,536,465)
2. Proceeds from disposal of fixed assets and other non-current assets	22		13,271	301,378
3. Cash outflow for buying debt instruments of other companies	23		(97,203,679)	(76,637,604)
4. Cash recovered from lending, selling debt instruments of other companies	24		77,258,488	42,348,905
5. Investments in other entities	25		-	-
6. Cash recovered from investments in other entities	26		-	-
7. Interest, dividends and profits received	27		6,985,441	9,281,917
NET CASH USED IN INVESTING ACTIVITIES	30		(15,057,412)	(35,241,869)

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
III. CASH FLOWS USED IN FINANCING ACTIVITIES				
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		2,098,282	1,582,484
4. Repayments of borrowings	34		(35,256,864)	(46,354,379)
5. Repayments of principal owed under finance leased	35		-	-
6. Dividend, profits distributed to owners	36		(61,553)	-
NET CASH USED IN FINANCING ACTIVITIES	40		(33,220,135)	(44,771,895)
NET INCREASE IN CASH AND CASH EQUIVALENTS	50		(43,076,697)	(32,815,712)
Cash and cash equivalents at the beginning of the year	60		122,580,105	155,744,738
Effect of changes in foreign exchange rates	61		61,125	(348,921)
Cash and cash equivalents at the end of the year	70		79,564,533	122,580,105

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

NOTES TO THE CONSOLIDATED 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”).

The Company consists of two divisions and three overseas branches.

The Group

The Board of Directors of Petrovietnam Drilling and Well Services Corporation (the “Company”) presents this report together with the converted consolidated financial statements of the parent company and its subsidiaries (collectively referred to as the “Group”).

The Group consists of the Company and its 7 subsidiaries and 6 joint ventures.

- 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 Group’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 Group 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 Group 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 Group 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 Group 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,...

+ PV Drilling Expo International Company Limited (formerly known as PV Drilling Production Testers International Company Limited, “PVD-Expro”): Provision of exploration well testing, production well clean-up, subsea test tree & subsea lubricator, surface PVT sampling and bottom hole sampling, sand control at surface for exploration and production and early production services.

+ 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

+ PVD Tech-Oil State Industries Joint Venture Company Limited (“PVD-OSI”): Manufacturing, supplying and threading of API and proprietary connectors.

+ 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 Group’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 Group 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 Group's structure

- The Company

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

Company's name	Address	The Group's interest	The Group's voting right
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, 12th 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	100%	100%
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

Company's name	Address	The Group's interest	The Group's voting right
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 Expo International Company Limited (“PVD-Expro”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, 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%
PVD Tech-Oil State Industries Joint Venture Company Limited (“PVD-OSI”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	51%	50%

7. Disclosure of information comparability in the financial statements

The Group's consolidated financial statements are comparable.

II. ACCOUNTING PERIOD, REPORTING CURRENCY

1. The Group’s financial year begins on 1 January and ends on 31 December.
2. The accompanying consolidated 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 Board of Directors believes that the presentation of the consolidated financial statement of the Group in USD is necessary to reflect the economic nature of the Group’s business transactions.

III. ADOPTED ACCOUNTING STANDARDS AND CONVENTIONS

1. Since 01 January 2015, the Group 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 Group has complied with the above requirements in preparing these financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

Fixed assets depreciation

- Tangible fixed assets are stated at cost less accumulated depreciation. The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and trial run costs.

- Drilling rigs (machinery and equipment) are depreciated over drilling rigs' operating hours.

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

Asset class	Years
Buildings and structures	6 - 50
Machinery and equipment (except for drilling rigs)	5 - 10
Office equipment	3 - 5
Motor vehicles	7 - 12
Other assets	3 - 7

V- Notes to the Balance Sheet

Unit: USD

1. Cash and cash equivalents

	<u>31/12/2017</u>	<u>1/1/2017</u>
- Cash on hand	205,824	252,576
- Cash in bank	64,314,678	110,267,126
Total	<u>64,520,502</u>	<u>110,519,702</u>

2. Financial investments

	<u>31/12/2017</u>		<u>1/1/2017</u>			
	<i>Cost</i>	<i>Carrying value</i>	<i>Cost</i>	<i>Carrying value</i>		
a) Short-term held to maturity investments						
Term-deposit	94,781,243	94,781,243	73,926,316	73,926,316		
	<u>31/12/2017</u>			<u>1/1/2017</u>		
b) Long-term investments	<i>Cost</i>	<i>Provision</i>	<i>Fair value</i>	<i>Cost</i>	<i>Provision</i>	<i>Fair value</i>
- Investments in subsidiaries	120,580,369	-	120,580,369	120,580,369	-	120,580,369
PVD Offshore	6,748,980		6,748,980	6,748,980		6,748,980
PVD Well	4,081,469		4,081,469	4,081,469		4,081,469
PVD Logging	4,236,959		4,236,959	4,236,959		4,236,959
PVD Tech	10,324,805		10,324,805	10,324,805		10,324,805
PVD Training	1,096,066		1,096,066	1,096,066		1,096,066
PVD Deepwater	39,692,090		39,692,090	39,692,090		39,692,090
PVD Overseas	54,400,000		54,400,000	54,400,000		54,400,000
- Investments in joint ventures	24,726,384	-	24,726,384	27,449,120	-	27,449,120
BJ-PVD	2,360,058		2,360,058	2,457,487		2,457,487
PVD-Baker Hughes	11,944,799		11,944,799	13,291,518		13,291,518
PVD Tubulars	1,756,438		1,756,438	2,856,955		2,856,955
PVD-Expro	2,637,389		2,637,389	2,831,434		2,831,434
Vietubes	3,901,791		3,901,791	3,893,860		3,893,860
PVD-OSI	2,125,909		2,125,909	2,117,866		2,117,866

3. Receivables from customers

	<u>31/12/2017</u>	<u>1/1/2017</u>
+ Short-term receivables from customers		
<i>Petrovietnam Domestic Exploration Production Operating Company Limited</i>	20,325,207	20,508,133
<i>Vietsopetro</i>	6,817,330	1,443,664
<i>Petrovietnam Exploration Production Corporation</i>	8,170,968	8,210,352
<i>Premier Oil Vietnam Offshore B.V.</i>	7,014,248	48,880
<i>Receivables from other customers</i>	28,738,316	41,473,546
Total	<u>71,066,069</u>	<u>71,684,575</u>

+ Short-term receivables from related parties

Joint-ventures	2,776,140	1,909,036
BJ-PVD	250,116	66,524
PVD-Baker Hughes	1,184,936	183,960
PVD Tubulars	1,340,387	1,476,940
PVD-Expro	701	181,612

4. Other receivables

	31/12/2017		1/1/2017	
	<i>Carrying value</i>	<i>Provision</i>	<i>Carrying value</i>	<i>Provision</i>
a) Short-term	4,943,537	-	3,084,138	-
- Interest income receivables	3,720,637		1,570,959	
- Receivables from employees	123,125		60,243	
- Deposits	450,073		433,680	
- Other receivables	649,702		1,019,256	
b) Long-term	838,122	-	735,160	-
- Deposits	838,122		735,160	
Total	5,781,659	-	3,819,298	-

5. Doubtful debts

	31/12/2017		1/1/2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
- Total value of receivables, overdue debts over 6 months or no overdue doubtful debts;	28,634,590	(14,197,828)	24,896,165	(7,926,185)
Petrovietnam Domestic Exploration Production Operating Company Limited	19,881,603	(9,623,516)	14,557,275	(4,500,749)
Petrovietnam Exploration Production Corporation	8,115,032	(4,146,386)	7,975,757	(2,536,269)
Other trade receivables	637,955	(427,926)	2,363,134	(889,167)
Total	28,634,590	(14,197,828)	24,896,165	(7,926,185)

6. Inventory

	31/12/2017		1/1/2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
- Goods in transit	247,628	-	146,209	-
- Raw materials	32,339,179	(6,366,500)	35,090,765	(6,586,056)
- Tools and supplies	810,046	-	984,063	-
- Work in progress	1,927,128	-	896,314	-
- Merchandise	3,179,017	-	3,575,986	-
- Goods on consignment	819,484	-	914,172	-
Total	39,322,482	(6,366,500)	41,607,509	(6,586,056)

7. Long-term assets in progress

	31/12/2017	1/1/2017
+ Construction in progress		
- Purchase	1,652,562	2,553,537
<i>Other construction works</i>	1,652,562	2,553,537
Total	1,652,562	2,553,537

8. Tangible fixed assets

Unit: USD

	Building, structures	Machinery, equipments	Motor vehicle	Office equipments	Others	Total
Cost						
As at 1/1/2017	16,442,359	987,230,200	3,400,547	2,947,843	56,086	1,010,077,035
- Additions	7,334	952,734	-	135,950	-	1,096,018
- From construction in progress	-	1,765,280	-	-	-	1,765,280
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	(11,821)	(593,216)	-	(70,593)	-	(675,630)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(17,484)	(112,341)	1,731	4,271	15	(123,808)
As at 31/12/2017	16,420,388	989,242,657	3,402,278	3,017,471	56,101	1,012,138,895
Accumulated depreciation						
As at 1/1/2017	6,217,397	320,347,590	2,904,395	2,541,952	51,033	332,062,367
- Charge for the year	637,913	33,698,499	206,409	183,467	1,442	34,727,730
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	(11,800)	(590,236)	-	(70,593)	-	(672,629)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(18,791)	(235,794)	1,344	671	5	(252,565)
As at 31/12/2017	6,824,719	353,220,059	3,112,148	2,655,497	52,480	365,864,903
Carrying value						
As at 1/1/2017	10,224,962	666,882,610	496,152	405,891	5,053	678,014,668
As at 31/12/2017	9,595,669	636,022,598	290,130	361,974	3,621	646,273,992

* Carrying value of pledged assets as collateral for loans

439,270,490

* Cost of assets fully depreciated but are still in use

30,199,008

9. Intangible fixed assets

Unit: USD

	Land use rights	Computer software	Others	Total
Cost				
As at 1/1/2017	8,554,870	3,385,546	2,118	11,942,534
- Additions	-	28,024	-	28,024
- Internally generated	-	-	-	-
- From business combination	-	-	-	-
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	3,757	(91)	-	3,666
As at 31/12/2017	8,558,627	3,413,479	2,118	11,974,224
Accumulated depreciation				
As at 1/1/2017	1,065,892	2,743,444	547	3,809,883
- Charge for the year	161,905	353,538	-	515,443
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	282	(4,560)	-	(4,278)
As at 31/12/2017	1,228,079	3,092,422	547	4,321,048
Carrying value				
As at 1/1/2017	7,488,978	642,102	1,571	8,132,651
As at 31/12/2017	7,330,548	321,057	1,571	7,653,176

* Cost of assets fully amortised but are still in use

2,098,441

	31/12/2017	1/1/2017
10. Prepayments		
a) Short-term	969,236	694,867
- Dispatched tools and supplies	-	1,779
- Insurance premiums	655,390	614,383
- Others	313,846	78,705
b) Long-term	88,239	1,165,726
- Others	88,239	1,165,726
Total	1,057,475	1,860,593

	31/12/2017		During the period		1/1/2017	
	Carrying value	Payable amount	Increases	Decreases	Carrying value	Payable amount
a) Short-term						
Short-term loans	-	-	2,098,282	(2,098,282)	-	-
Current portions of long-term loans	59,238,493	59,238,493	58,837,384	(33,162,019)	33,563,128	33,563,128
b) Long-term						
Second year	48,090,864	48,090,864	-	(11,147,412)	59,238,276	59,238,276
Third to fifth year inclusive	92,442,364	92,442,364	-	(19,576,986)	112,019,350	112,019,350
After five years	6,370,574	6,370,574	-	(28,513,878)	34,884,452	34,884,452
Total	206,142,295	206,142,295	60,935,666	(94,498,577)	239,705,206	239,705,206

	31/12/2017	1/1/2017
12. Payables to suppliers		
+ Short-term		
<i>Oil States Industries (Asia) Pte.Ltd</i>	3,158,995	3,639,608
<i>Trainor Asia Ltd- Vietnam</i>	2,927,051	183,462
<i>Others</i>	23,952,672	28,630,566
Total	30,038,718	32,453,636

13. Taxes and amounts payable to the State budget

	1/1/2017	Additions	Paid	FX difference on conversion	31/12/2017
Value added tax - Domestic	681,630	7,461,833	7,447,061	1,104	697,506
Value added tax - Import	-	795,286	794,748	6	544
Import duties	-	516,931	516,758	9	182
Corporate income tax	710,346	7,788,678	3,711,547	2,302	4,789,780
Personal income tax	555,329	6,899,173	7,022,498	1,934	433,938
Other taxes	110,637	4,079,054	3,687,394	13	502,309
- <i>Business license tax</i>	-	1,013	1,013	-	-
- <i>Withholding tax</i>	110,637	4,078,041	3,686,381	13	502,309
Fees and other payables	5,832	181,623	187,449	0	6
Total	2,063,774	27,722,578	23,367,455	5,368	6,424,265

In which:

- Tax receivables from the State budget	(172,056)	(154,206)
- Tax payables to the State budget	2,235,830	6,578,471

14. Accrued expenses	31/12/2017	1/1/2017
+ Short-term		
- Accrued expenses related to cost of good sold	10,669,139	13,128,929
+ <i>Operation of drilling rigs</i>	4,237,700	6,332,010
+ <i>Goods supplied and services rendered</i>	6,431,439	6,796,919
- Other	4,035,752	3,325,652
+ <i>Interest expense</i>	970,397	1,135,992
+ <i>Other expenses</i>	3,065,355	2,189,660
Total	14,704,891	16,454,581
15. Other payables	31/12/2017	1/1/2017
a) Short-term		
- Surpluses in assets awaiting resolution	-	2,379
- Funding of trade union	73,498	59,480
- Social insurance	68,425	20,743
- Health insurance	13,102	8,292
- Unemployment insurance	13,899	5,926
- Short-term deposits	25,181	73,002
- Distributed profit payables to partners in Business Cooperation Contract (BCC)	13,798,619	14,121,362
- Others	2,125,094	1,914,628
Total	16,117,818	16,205,812
b) Long-term		
- Capital contributed from BCC	21,119,855	21,068,886
Total	21,119,855	21,068,886
16. Provision	31/12/2017	1/1/2017
a) Short-term		
- Provisions for product warranty	-	521,286
- Other provisions	23,360,424	27,721,809
+ <i>Provision for salary fund</i>	-	682,134
+ <i>Provision for periodic overhaul of fixed assets</i>	22,262,411	25,972,905
+ <i>Other provision</i>	1,098,013	1,066,770
Total	23,360,424	28,243,095
b) Long-term		
- Provisions for product warranty	48,134	299,703
- Other provisions	8,124,811	7,049,491
+ <i>Provision for periodic overhaul of fixed assets</i>	8,124,811	7,049,491
Total	8,172,945	7,349,194

17. Deferred income tax assets and deferred income tax payables

Deferred income tax assets:

- Corporate income tax rates used for determination of value of deferred income tax assets
- Deferred income tax assets related to deductible temporary differences

	31/12/2017	1/1/2017
	20%	20%
	3,003,266	1,127,475
	3,003,266	1,127,475

Deferred income tax assets

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	Non-controlling interest (NCI)	Total
A	1	2	3	4	5	6	7	8
As at 1/1/2016	181,630,323	126,770,844	(966,501)	(14,118,496)	75,995,208	209,072,374	14,208,413	592,592,165
- Capital increased	-	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	8,313,179	-	8,313,179
- Other increased	-	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	1,402,460	(3,335,015)	(20,911)	(1,953,466)
- Dividend declared	15,316,858	-	-	-	-	(15,316,858)	-	-
- Non-controlling interest	-	-	-	-	-	1,501,659	(1,501,659)	-
- Distributed to BCC	-	-	-	-	-	(4,020,091)	-	(4,020,091)
- Other decreased	-	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(1,138,052)	-	(144,797)	(18,929)	(1,301,778)
As at 31/12/2016	196,947,181	126,770,844	(966,501)	(15,256,548)	77,397,668	196,070,451	12,666,914	593,630,009
As at 1/1/2017	196,947,181	126,770,844	(966,501)	(15,256,548)	77,397,668	196,070,451	12,666,914	593,630,009
- Capital increased	-	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	515,292	-	515,292
- Other increased	-	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	599,473	(1,365,704)	(23,088)	(789,319)
- Dividend declared	-	-	-	-	-	-	(61,553)	(61,553)
- Non-controlling interest	-	-	-	-	-	281,209	(281,209)	-
- Distributed to BCC	-	-	-	-	-	357,770	-	357,770
- Other decreased	-	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(238,557)	-	24,028	2,735	(211,794)
As at 31/12/2017	196,947,181	126,770,844	(966,501)	(15,495,105)	77,997,141	195,883,046	12,303,799	593,440,405

	31/12/2017	1/1/2017
b- Details of share capital		
- The State	99,241,649	99,241,649
- Others	97,705,532	97,705,532
Total	196,947,181	196,947,181
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	196,947,181	196,947,181
- Dividends and distributed profits	-	15,316,858
d) Number of shares		
- Authorized shares	383,266,160	383,266,160
- 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		
- Development and investment funds	77,997,141	77,397,668
- Scientific and technological development funds	20,244,438	48,320,618
+ Available	16,719,488	44,843,448
+ The carrying amount of assets formed from the fund	3,524,950	3,477,170
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 of financial statements of subsidiaries	(13,332,773)	(13,215,330)
- Translation of financial statements of foreign operation (Algeria Branch)	(2,162,332)	(2,041,218)
Total	<u>(15,495,105)</u>	<u>(15,256,548)</u>

20. Off balance-sheet

Foreign currencies	<u>31/12/2017</u>	<u>1/1/2017</u>
- GBP	5,782	5,782
- VND	2,628,858,516,869	2,206,055,185,259
- EUR	345,822	9,718
- SGD	36,411	36,411
- DZD	5,315,352	41,546,994
- MMK	<u>1,342,675</u>	<u>1,342,675</u>

IV. Extracted notes to the Consolidated income statement:

Unit: USD

	QUARTER 04 - 2017	QUARTER 04 - 2016
1. Net revenue		
- Sales of finished goods	11,129,521	3,121,242
- Sales of drilling services	26,686,907	20,187,138
- Sale of other services	14,580,841	13,008,198
Total	52,397,269	36,316,578
2. Cost of sales		
- Cost of finished goods sold	11,077,866	3,056,393
- Cost of drilling services	27,961,861	18,893,583
- Cost of other services	12,267,180	11,268,056
Total	51,306,907	33,218,032
3. Financial income		
- Interests of deposits or loans	1,817,843	1,267,407
- Interests of exchange differences	554,665	2,294,325
Total	2,372,508	3,561,732
4. Financial expenses		
- Interests of loans	2,083,203	2,127,961
- Losses of exchange differences	449,808	3,602,705
- Other financial expenses	488,268	(35)
Total	3,021,279	5,730,631
5. Cost by nature		
- Raw materials and consumables	13,436,188	6,598,560
- Labour	21,684,035	15,298,755
- Depreciation and amortization	9,772,746	6,391,934
- Provisions	(4,428,194)	1,298,669
- Out-sourced services	15,138,505	456,340
- Other expenses	1,809,220	7,643,256
Total	57,412,500	37,687,514

VII. Other informations

1- Financial instruments

Unit: USD

	<u>31/12/2017</u>	<u>1/1/2017</u>
+ Financial asset		
Cash and cash equivalents	79,564,533	122,580,105
Trade and other receivables	75,559,533	74,335,033
Other investments	94,781,243	73,926,316
Deposits	1,288,195	1,168,840
Total	<u>251,193,504</u>	<u>272,010,294</u>
+ Financial liability		
Loans and borrowings	206,142,295	239,705,206
Trade and other payables	32,188,993	34,443,645
Accrued expenses	14,704,891	16,454,581
Total	<u>253,036,179</u>	<u>290,603,432</u>

The Group 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 Group 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 Group. The Group has a credit policy in place and the exposure to credit risk is monitored on an on - going basis. The Group 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 Group believes can generate within that year. The Group policy is to regularly monitor current and expected liquidity requirements to ensure that the Group 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 Group’s remaining contractual maturity for its financial assets and financial liabilities.

	<i>As at 1/1/2017</i>			
	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Financial asset				
Cash and cash equivalents	122,580,105	-	-	122,580,105
Trade and other receivables	74,335,033	-	-	74,335,033
Other investments	73,926,316	-	-	73,926,316
Deposits	433,680	735,160	-	1,168,840
Total	<u>271,275,134</u>	<u>735,160</u>	<u>-</u>	<u>272,010,294</u>
Financial liability				
Loans and borrowings	33,563,128	171,257,625	34,884,453	239,705,206
Trade and other payables	34,443,645	-	-	34,443,645
Accrued expenses	16,454,581	-	-	16,454,581
Total	<u>84,461,354</u>	<u>171,257,625</u>	<u>34,884,453</u>	<u>290,603,432</u>
Liquidity gap	<u>186,813,780</u>	<u>(170,522,465)</u>	<u>(34,884,453)</u>	<u>(18,593,138)</u>

	<i>As at 31/12/2017</i>			
	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Financial asset				
Cash and cash equivalents	79,564,533	-	-	79,564,533
Trade and other receivables	75,559,533	-	-	75,559,533
Other investments	94,781,243	-	-	94,781,243
Deposits	450,073	838,122	-	1,288,195
Total	250,355,382	838,122	-	251,193,504
Financial liability				
Loans and borrowings	59,238,493	140,533,228	6,370,574	206,142,295
Trade and other payables	32,188,993	-	-	32,188,993
Accrued expenses	14,704,891	-	-	14,704,891
Total	106,132,377	140,533,228	6,370,574	253,036,179
Liquidity gap	144,223,005	(139,695,106)	(6,370,574)	(1,842,675)

+ Market risk

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

++ Interest rate risk management: The Group is exposed to interest rate risks arising mainly from interest bearing loans. The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group 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>
Receivables		
Petrovietnam Company's subsidiaries	1,417,029	3,271,887
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	43,907,234	61,485,418
Payables		
Petrovietnam Company's subsidiaries	1,379,523	10,547,646
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	1,828,997	1,162,953
Payables to Petrovietnam	8,529,463	8,642,107
Petrovietnam capital contributed in BCC	12,273,280	12,254,357

VII. Other informations (continued)

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.

- Business segments:

QUARTER 04 - 2017

QUARTER 04 - 2016

Segment	Asset	Liability	Revenue	Gross profit	Asset	Liability	Revenue	Gross profit
<i>+Trading</i>	31,848,667	20,077,295	11,129,521	51,655	30,103,887	18,854,805	3,121,242	64,849
<i>+ Drilling services</i>	867,202,643	311,303,174	26,686,907	(1,274,954)	921,472,670	365,087,422	20,187,138	1,293,555
<i>+Other services</i>	62,610,889	36,841,326	14,580,841	2,313,661	67,925,955	41,930,278	13,008,198	1,740,142
Total	961,662,200	368,221,795	52,397,269	1,090,362	1,019,502,512	425,872,505	36,316,578	3,098,546

- Geographical segments

The Group operates in different geographical areas and divided the following geographical segments:

QUARTER 04 - 2017

QUARTER 04 - 2016

Geographical Segment	Asset	Liability	Revenue	Gross profit	Asset	Liability	Revenue	Gross profit
Operating at one area during the year								
<i>Vietnam</i>	376,535,102	160,645,690	35,318,633	1,691,135	407,338,834	221,309,641	26,307,354	3,854,556
<i>Overseas</i>	8,708,092	8,686,067	5,022,647	(474,238)	9,851,232	9,812,328	2,947,329	1,127,476
+ <i>Thailand</i>	4,145,696	4,137,719	3,932,915	(431,946)	-	-	-	-
+ <i>Algeria</i>	4,562,395	4,548,348	1,089,732	(42,292)	9,851,232	9,812,328	2,947,329	1,127,476
Operating at several areas during the year								
<i>Vietnam</i>			5,021,471	1,768,775			4,170,267	(444,992)
<i>Malaysia</i>	576,419,006	198,890,038	7,034,519	(1,895,310)	602,312,448	194,750,536	-	-
<i>Myanmar</i>			-	-			2,891,628	(1,438,494)
Total	961,662,200	368,221,795	52,397,269	1,090,362	1,019,502,514	425,872,505	36,316,578	3,098,546

VII. Other informations (continued)

6. Comparative information: This period and comparative period financial performance figures had been converted to VND using 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 p
For certain cases, for example for significant economic transactions, the exchange rate at the transaction date is used.

VIII. APPROVAL FOR ISSUANCE OF FINANCIAL STATEMENTS

The consolidated financial statements for the period ended as at 31 December 2017 is approved by the Company's Board of Directors for issuance on 29 January 2018.

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

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

CONVERTED CONSOLIDATED 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

Board of Management	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.

CONSOLIDATED 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
ASSETS				
A - CURRENT ASSETS	100		6,287,870,693,235	6,817,358,817,900
I. Cash and cash equivalents	110		1,803,330,140,445	2,782,568,383,500
1. Cash	111	V.01	1,462,357,177,830	2,508,797,235,400
2. Cash equivalents	112		340,972,962,615	273,771,148,100
II. Short-term financial investments	120	V.02	2,148,216,872,595	1,678,127,373,200
1. Held for trading securities	121		-	-
2. Provision for held for trading securities (*)	122		-	-
3. Short-term held to maturity investments	123		2,148,216,872,595	1,678,127,373,200
III. Short-term receivables	130		1,554,740,171,130	1,527,115,872,900
1. Short-term receivables from customers	131	V.03	1,610,712,453,885	1,627,239,852,500
2. Short-term advances to suppliers	132		153,776,222,760	9,683,978,900
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	112,045,266,105	70,009,932,600
7. Provison for doubtful short-term receivables (*)	137	V.05	(321,793,771,620)	(179,924,399,500)
8. Asset shortage awaiting resolution	139		-	106,508,400
IV. Inventories	140	V.06	746,947,332,030	794,986,983,100
1. Inventories	141		891,244,054,530	944,490,454,300
2. Provision for inventories (*)	149		(144,296,722,500)	(149,503,471,200)
V. Other short-term assets	150		34,636,177,035	34,560,205,200
1. Short-term prepayments	151	V.10	21,967,733,940	15,773,480,900
2. Deductible value added tax	152		9,173,364,105	14,881,053,100
3. Taxes and other receivables from the State budget	153		3,495,078,990	3,905,671,200
5. Other short-term assets	155		-	-
B - NON-CURRENT ASSETS	200		15,508,203,069,765	16,325,348,249,900
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	18,996,035,130	16,688,132,000
7. Provison for doubtful long-term receivables (*)	219		-	-

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
1	2	3	4	5
II. Fixed assets	220		14,821,259,262,720	15,575,544,141,300
1. Tangible fixed assets	221	V.08	14,647,800,028,680	15,390,932,963,600
- Cost	222		22,940,128,055,175	22,928,748,694,500
- Accumulated depreciation (*)	223		(8,292,328,026,495)	(7,537,815,730,900)
2. Finance lease fixed assets	224		-	-
- Cost	225		-	-
- Accumulated depreciation (*)	226		-	-
3. Intangible fixed assets	227	V.09	173,459,234,040	184,611,177,700
- Cost	228		271,395,786,960	271,095,521,800
- Accumulated depreciation (*)	229		(97,936,552,920)	(86,484,344,100)
III. Investment property	230		-	-
- Accumulated depreciation (*)	232		-	-
IV. Long-term assets in progress	240	V.07	37,455,317,730	57,965,289,900
1. Long-term work in progress	241		-	-
2. Construction in progress	242		37,455,317,730	57,965,289,900
V. Long-term financial investments	250	V.02	560,423,493,360	623,095,024,000
1. Investments in subsidiaries	251		-	-
2. Investments in joint ventures and associates	252		560,423,493,360	623,095,024,000
3. Other long-term investments	253		-	-
4. Provision for long-term financial investments (*)	254		-	-
5. Long-term held to maturity investments	255		-	-
VI. Other non-current assets	260		70,068,960,825	52,055,662,700
1. Long-term prepayments	261	V.10	1,999,936,935	26,461,980,200
2. Deferred tax assets	262	V.17	68,069,023,890	25,593,682,500
3. Long-term equipments, supplies and spare parts	263		-	-
4. Other long-term assets	268		-	-
5. Goodwill	269		-	-
TOTAL ASSETS (270 = 100 + 200)	270		21,796,073,763,000	23,142,707,067,800
C - LIABILITIES	300		8,345,746,983,675	9,667,305,863,500
I. Current liabilities	310		3,893,410,812,075	3,245,912,248,300
1. Short-term payables to suppliers	311	V.12	680,827,543,470	736,697,537,200
2. Short-term advance from customers	312		218,988,527,385	1,759,931,000
3. Taxes and amounts payable to the State budget	313	V.13	149,101,045,215	50,753,341,000
4. Payables to employees	314		153,568,339,380	153,834,676,600
5. Short-term accrued expenses	315	V.14	333,286,354,515	373,518,988,700
6. Short-term inter-company payables	316		-	-
8. Short-term unearned revenue	318		-	-
9. Other short-term payables	319	V.15	365,310,344,970	367,871,932,400
10. Short-term loans and finance leases	320	V.11	1,342,640,443,845	761,883,005,600
11. Provision for current liabilities	321	V.16	529,464,009,960	641,118,256,500
12. Bonus and welfare funds	322		120,224,203,335	158,474,579,300

ITEM	Code	Note	As at 31/12/2017	As at 1/1/2017
1	2	3	4	5
II. Non-current liabilities	330		4,452,336,171,600	6,421,393,615,200
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	478,681,513,575	478,263,712,200
8. Long-term loans and finance leases	338	V.11	3,329,574,672,330	4,679,425,170,600
9. Convertible bonds	339		-	-
10. Preference shares	340		-	-
11. Deferred tax liabilities	341	V.17	-	-
12. Provision for non-current liabilities	342	V.16	185,239,798,425	166,826,703,800
13. Scientific and technological fund	343		458,840,187,270	1,096,878,028,600
D - OWNER'S EQUITY (400 = 410 + 430)	400		13,450,326,779,325	13,475,401,204,300
I. Shareholders' equity	410	V.18	13,450,326,779,325	13,475,401,204,300
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	1,448,850,525,894	1,475,035,203,020
8. Investment and development fund	418		1,568,774,380,293	1,555,178,332,202
9. Enterprise reorganization assistance fund	419		-	-
10. Other equity fund	420		-	-
11. Retained earnings	421		3,925,798,807,346	3,930,049,160,031
- Accumulated by the end of the previous period	421a		3,930,049,160,031	3,878,354,321,722
- Retained earnings of current period	421b		(4,250,352,685)	51,694,838,309
12. Capital expenditure fund	422		-	-
13. Non-controlling interest	429		261,103,650,979	269,339,094,234
TOTAL RESOURCES (440 = 300 + 400)	440		21,796,073,763,000	23,142,707,067,800

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Phong

Doan Duc Tung

Pham Tien Dung

CONSOLIDATED INCOME STATEMENT

QUARTER 04 - 2017

Unit: VND

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	1,188,370,060,920	810,985,503,318	3,902,203,589,760	5,360,001,691,643
2. Deductions	02		-	-	-	-
3. Net revenue	10		1,188,370,060,920	810,985,503,318	3,902,203,589,760	5,360,001,691,643
4. Cost of sales	11	VI.2	1,163,640,650,760	741,791,872,592	3,720,120,135,480	4,527,530,729,309
5. Gross profit	20		24,729,410,160	69,193,630,726	182,083,454,280	832,470,962,334
6. Financial income	21	VI.3	53,808,481,440	79,537,037,292	186,879,140,280	193,623,235,593
7. Financial expenses	22	VI.4	68,522,607,720	127,970,720,861	267,530,717,160	287,486,837,590
- In which: Interest expense	23		47,247,044,040	47,519,497,091	193,142,993,400	189,907,066,890
8. Income from interests in joint ventures	24		(11,166,860,880)	57,996,286,720	6,689,148,480	114,335,032,634
9. Selling expenses	25	VI.7	9,980,946,360	12,926,076,040	18,563,171,760	28,237,259,197
10. General and administration expenses	26	VI.7	128,493,902,880	86,881,926,502	566,557,150,320	643,113,796,319
11. Operating profit	30		(139,626,426,240)	(21,051,768,665)	(476,999,296,200)	181,591,337,455
12. Other income	31	VI.5	483,695,067,240	79,964,832,259	634,596,447,240	93,618,586,265
13. Other expenses	32	VI.6	7,689,223,080	5,069,114,669	11,855,221,560	6,920,912,844
14. (Loss)/Profit from other activities	40		476,005,844,160	74,895,717,590	622,741,225,680	86,697,673,421
15. Accounting profit before tax	50		336,379,417,920	53,843,948,925	145,741,929,480	268,289,010,876
16. Current corporate income tax expense	51	VI.8	106,096,155,480	25,114,157,192	176,589,564,480	75,862,136,277
17. Deferred corporate tax expense/(income)	52	VI.9	(45,392,296,320)	3,377,496,757	(42,534,457,560)	6,785,274,350
18. Net profit after corporate income tax	60		275,675,558,760	25,352,294,976	11,686,822,560	185,641,600,249
Attributable to:						
19. The Group's shareholders	61		253,680,857,640	34,169,957,743	26,178,870,248	129,402,520,081
20. Non-controlling interest	62		21,994,701,120	(8,817,662,767)	(14,492,047,688)	56,239,080,168
21. Basic earnings per share	70	VII.6	662	55	22	224
22. Diluted earnings per share	71		662	55	22	224

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Duc Tung

Pham Tien Dung

CONSOLIDATED CASH FLOW STATEMENT

(Indirect method)

QUARTER 04 - 2017

Unit: VND

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
1	2	3	4	5
I. CASH FLOWS FROM OPERATING ACTIVITIES				
<i>1. Profit before tax</i>	<i>01</i>		<i>145,741,929,480</i>	<i>268,289,010,876</i>
<i>2. Adjustments for:</i>			<i>309,370,849,200</i>	<i>906,389,376,677</i>
- Depreciation and amortization	02		788,288,147,640	727,530,894,034
- Provisions	03		45,205,027,560	259,241,427,578
- Unrealized foreign exchange	04		20,998,890,360	(13,818,914,082)
- Gains from investing activities	05		(145,486,303,200)	(231,491,542,456)
- Interest expense	06		193,142,993,400	189,907,066,890
- Other adjustments	07		(592,777,906,560)	(24,979,555,287)
<i>3. Operating profit before movements in working capital</i>	<i>08</i>		<i>455,112,778,680</i>	<i>1,174,678,387,553</i>
- Changes in account receivables	09		(219,582,203,400)	1,169,625,449,891
- Changes in inventories	10		51,824,412,360	200,651,359,568
- Changes in account payables (excluding interest payables, corporate income tax payables)	11		183,021,635,160	(1,127,763,892,394)
- Changes in prepaid expenses	12		18,214,716,240	34,927,336,494
- Changes in held for trading securities	13		-	-
- Interest paid	14		(196,898,688,000)	(194,587,041,553)
- Corporate income tax paid	15		(84,177,885,960)	(93,013,237,517)
- Other cash outflows	16		-	-
- Other cash inflows	17		(89,559,487,080)	(110,538,650,979)
NET CASH FROM OPERATING ACTIVITIES	20		117,955,278,000	1,053,979,711,063
II. CASH FLOWS USED IN INVESTING ACTIVITIES				
1. Acquisition of fixed assets and other non-current assets	21		(47,875,960,440)	(235,289,798,798)
2. Proceeds from disposal of fixed assets and other non-current assets	22		300,986,280	6,730,072,118
3. Cash outflow for buying debt instruments of other companies	23		(2,204,579,441,933)	(1,711,394,324,616)
4. Cash recovered from lending, selling debt instruments of other companies	24		1,734,489,942,538	945,693,387,247
5. Investments in other entities	25		-	-
6. Cash recovered from investments in other entities	26		-	-
7. Interest, dividends and profits received	27		158,429,801,880	207,274,488,527
NET CASH USED IN INVESTING ACTIVITIES	30		(359,234,671,675)	(786,986,175,522)

ITEM	Code	Note	YEAR TO DATE	
			2017	2016
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		47,589,035,760	35,338,450,204
4. Repayments of borrowings	34		(799,625,675,520)	(1,035,139,637,449)
5. Repayments of principal owed under finance leased	35		-	-
6. Dividend, profits distributed to owners	36		(1,396,011,607)	-
NET CASH USED IN FINANCING ACTIVITIES	40		(753,432,651,367)	(999,801,187,245)
NET INCREASE IN CASH AND CASH EQUIVALENTS	50		(994,712,045,042)	(732,807,651,704)
Cash and cash equivalents at the beginning of the year	60		2,782,568,383,500	3,496,469,368,100
Effect of changes in foreign exchange rates	61		1,386,315,000	(7,791,754,851)
Foreign exchange rates differences on conversion			14,087,486,987	26,698,421,955
Cash and cash equivalents at the end of the year	70		1,803,330,140,445	2,782,568,383,500

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung

NOTES TO THE CONVERTED CONSOLIDATED 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”).

The Company consists of two divisions and three overseas branches.

The Group

The Board of Directors of Petrovietnam Drilling and Well Services Corporation (the “Company”) presents this report together with the converted consolidated financial statements of the parent company and its subsidiaries (collectively referred to as the “Group”).

The Group consists of the Company and its 7 subsidiaries and 6 joint ventures.

- 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 Group’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 Group 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 Group 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 Group 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 Group 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,...

+ PV Drilling Expo International Company Limited (formerly known as PV Drilling Production Testers International Company Limited, “PVD-Expro”): Provision of exploration well testing, production well clean-up, subsea test tree & subsea lubricator, surface PVT sampling and bottom hole sampling, sand control at surface for exploration and production and early production services.

+ 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

+ PVD Tech-Oil State Industries Joint Venture Company Limited (“PVD-OSI”): Manufacturing, supplying and threading of API and proprietary connectors.

+ 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 Group’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 Group 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 Group's structure

- The Company

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

Company's name	Address	The Group's interest	The Group's voting right
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	100%	100%
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

Company's name	Address	The Group's interest	The Group's voting right
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 Expo International Company Limited (“PVD-Expro”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, 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%
PVD Tech-Oil State Industries Joint Venture Company Limited (“PVD-OSI”)	Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam	51%	50%

7. Disclosure of information comparability in the financial statements

The Group's consolidated financial statements are comparable

II. ACCOUNTING PERIOD, REPORTING CURRENCY

1. The Group’s financial year begins on 1 January and ends on 31 December.
2. The accompanying converted consolidated 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 Board of Directors believes that the presentation of the converted consolidated financial statement of the Group in USD is necessary to reflect the economic nature of the Group’s business transactions.

III. ADOPTED ACCOUNTING STANDARDS AND CONVENTIONS

1. Since 01 January 2015, the Group 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 Group has complied with the above requirements in preparing these financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES

Fixed assets depreciation

- Tangible fixed assets are stated at cost less accumulated depreciation. The cost of purchased tangible fixed assets comprises its purchase price and any directly attributable costs of bringing the assets to its working condition and location for its intended use. The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and trial run costs.

- Drilling rigs (machinery and equipment) are depreciated over drilling rigs' operating hours.

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

Asset class	Years
Buildings and structures	6 - 50
Machinery and equipment (except for drilling rigs)	5 - 10
Office equipment	3 - 5
Motor vehicles	7 - 12
Other assets	3 - 7

V- Notes to the Balance Sheet

Unit: VND

1. Cash and cash equivalents

	31/12/2017	1/1/2017
- Cash on hand	4,665,000,960	5,733,475,200
- Cash in bank	1,457,692,176,870	2,503,063,760,200
Total	1,462,357,177,830	2,508,797,235,400

2. Financial investments

	31/12/2017		1/1/2017	
	Cost	Carrying value	Cost	Carrying value
a) Short-term held to maturity investments				
Term-deposit	2,148,216,872,595	2,148,216,872,595	1,678,127,373,200	1,678,127,373,200

b) Long-term investments	31/12/2017			1/1/2017		
	Cost	Provision	Fair value	Cost	Provision	Fair value
- Investments in subsidiaries	2,506,731,753,400	-	2,506,731,753,400	2,506,731,753,400	-	2,506,731,753,400
PVD Offshore	130,000,000,000	-	130,000,000,000	130,000,000,000	-	130,000,000,000
PVD Well	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
PVD Logging	80,000,000,000	-	80,000,000,000	80,000,000,000	-	80,000,000,000
PVD Tech	200,000,000,000	-	200,000,000,000	200,000,000,000	-	200,000,000,000
PVD Training	19,755,753,400	-	19,755,753,400	19,755,753,400	-	19,755,753,400
PVD Deepwater	764,000,000,000	-	764,000,000,000	764,000,000,000	-	764,000,000,000
PVD Overseas	1,232,976,000,000	-	1,232,976,000,000	1,232,976,000,000	-	1,232,976,000,000
- Investments in joint ventures	489,585,668,020	-	560,423,493,360	489,585,668,020	-	623,095,024,000
BJ-PVD	48,039,113,955	-	53,490,714,570	48,039,113,955	-	55,784,954,900
PVD-Baker Hughes	211,753,000,000	-	270,728,869,335	211,753,000,000	-	301,717,458,600
PVD Tubulars	30,515,952,000	-	39,809,667,270	30,515,952,000	-	64,852,878,500
PVD-Expro	59,528,570,997	-	59,776,421,685	59,528,570,997	-	64,273,551,800
Vietubes	86,637,631,068	-	88,434,093,015	86,637,631,068	-	88,390,622,000
PVD-OSI	53,111,400,000	-	48,183,727,485	53,111,400,000	-	48,075,558,200

3. Receivables from customers

	31/12/2017	1/1/2017
+ Short-term receivables from customers		
<i>Petrovietnam Domestic Exploration Production Operating Company Limited</i>	460,670,821,868	465,534,628,180
<i>Vietsopetro</i>	154,514,775,157	32,771,182,030
<i>Petrovietnam Exploration Production Corporation</i>	185,194,982,921	186,374,979,731
<i>Premier Oil Vietnam Offshore B.V.</i>	158,977,941,119	1,109,570,779
<i>Receivables from other customers</i>	651,353,932,820	941,449,491,780
Total	1,610,712,453,885	1,627,239,852,500

+ Short-term receivables from related parties

Joint-ventures	62,921,213,100	85,590,153,550
BJ-PVD	5,668,879,140	3,012,430,800
PVD-Baker Hughes	15,888,165	8,246,603,400
PVD Tubulars	30,379,871,355	67,342,860,900
PVD-Expro	26,856,574,440	6,988,258,450

4. Other receivables	31/12/2017		1/1/2017	
	<i>Carrying value</i>	<i>Provision</i>	<i>Carrying value</i>	<i>Provision</i>
a) Short-term	112,045,266,105	-	70,009,932,600	-
- Interest income receivables	84,328,237,605	-	35,660,769,300	-
- Receivables from employees	2,790,628,125	-	1,367,516,100	-
- Deposits	10,200,904,545	-	9,844,536,000	-
- Other receivables	14,725,495,830	-	23,137,111,200	-
b) Long-term	18,996,035,130	-	16,688,132,000	-
- Deposits	18,996,035,130	-	16,688,132,000	-
Total	131,041,301,235	-	86,698,064,600	-

5. Doubtful debts	31/12/2017		1/1/2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
- Total value of receivables, overdue debts over 6 months or no overdue doubtful debts;	649,002,974,871	(321,793,771,620)	565,142,950,494	(179,924,399,500)
Petrovietnam Domestic Exploration Production Operating Company Limited	450,616,527,915	(218,116,985,154)	330,450,135,690	(102,167,004,343)
Petrovietnam Exploration Production Corporation	183,927,204,360	(93,977,838,690)	181,049,674,820	(57,573,310,159)
Other trade receivables	14,459,242,596	(9,698,947,776)	53,643,139,984	(20,184,084,998)
Total	649,002,974,871	(321,793,771,620)	565,142,950,494	(179,924,399,500)

6. Inventory	31/12/2017		1/1/2017	
	<i>Cost</i>	<i>Provision</i>	<i>Cost</i>	<i>Provision</i>
- Goods in transit	5,612,488,620	-	3,318,944,300	-
- Raw materials	732,967,492,035	(144,296,722,500)	796,560,365,500	(149,503,471,200)
- Tools and supplies	18,359,692,590	-	22,338,230,100	-
- Work in progress	43,678,356,120	-	20,346,327,800	-
- Merchandise	72,052,420,305	-	81,174,882,200	-
- Goods on consignment	18,573,604,860	-	20,751,704,400	-
Total	891,244,054,530	(144,296,722,500)	944,490,454,300	(149,503,471,200)

7. Long-term assets in progress	31/12/2017	1/1/2017
	+ Construction in progress	
- Purchase	37,455,317,730	57,965,289,900
<i>Other construction works</i>	37,455,317,730	57,965,289,900
Total	37,455,317,730	57,965,289,900

8. Tangible fixed assets

Unit: VND

	Building, structures	Machinery, equipments	Motor vehicle	Office equipments	Others	Total
Cost						
As at 1/1/2017	373,241,549,300	22,410,125,540,000	77,192,416,900	66,916,036,100	1,273,152,200	22,928,748,694,500
- Additions	166,335,120	21,608,007,120	-	3,083,346,000	-	24,857,688,240
- From construction in progress	-	40,036,550,400	-	-	-	40,036,550,400
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	(268,100,280)	(13,454,138,880)	-	(1,601,049,240)	-	(15,323,288,400)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(971,690,120)	(37,131,137,735)	(79,786,030)	(7,352,645)	(1,623,035)	(38,191,589,565)
As at 31/12/2017	372,168,094,020	22,421,184,820,905	77,112,630,870	68,390,980,215	1,271,529,165	22,940,128,055,175
Accumulated depreciation						
As at 1/1/2017	141,134,911,900	7,271,890,293,000	65,929,766,500	57,702,310,400	1,158,449,100	7,537,815,730,900
- Charge for the year	14,467,866,840	764,281,957,320	4,681,356,120	4,161,031,560	32,704,560	787,624,916,400
- Other increases	-	-	-	-	-	-
- Reclassified (increases)	-	-	-	-	-	-
- To investment property	-	-	-	-	-	-
- Disposals	(267,624,000)	(13,386,552,480)	-	(1,601,049,240)	-	(15,255,225,720)
- Other decreases	-	-	-	-	-	-
- Reclassified (decreases)	-	-	-	-	-	-
- Foreign exchange differences	(652,898,605)	(17,053,060,605)	(74,288,200)	(75,453,215)	(1,694,460)	(17,857,395,085)
As at 31/12/2017	154,682,256,135	8,005,732,637,235	70,536,834,420	60,186,839,505	1,189,459,200	8,292,328,026,495
Carrying value						
As at 1/1/2017	232,106,637,400	15,138,235,247,000	11,262,650,400	9,213,725,700	114,703,100	15,390,932,963,600
As at 31/12/2017	217,485,837,885	14,415,452,183,670	6,575,796,450	8,204,140,710	82,069,965	14,647,800,028,680

* Carrying value of pledged assets as collateral for loans

9,956,065,656,530

* Cost of assets fully depreciated but are still in use

684,460,515,244

9. Intangible fixed assets

Unit: VND

Khoản mục	Land use rights	Computer software	Others	Total
Cost				
As at 1/1/2017	194,195,549,000	76,851,894,200	48,078,600	271,095,521,800
- Additions	-	635,584,320	-	635,584,320
- Internally generated	-	-	-	-
- From business combination	-	-	-	-
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	(214,268,045)	(120,976,985)	(74,130)	(335,319,160)
As at 31/12/2017	193,981,280,955	77,366,501,535	48,004,470	271,395,786,960
Accumulated depreciation				
As at 1/1/2017	24,195,748,400	62,276,178,800	12,416,900	86,484,344,100
- Charge for the year	3,672,005,400	8,018,241,840	-	11,690,247,240
- Other increases	-	-	-	-
- Reclassified (increases)	-	-	-	-
- Disposals	-	-	-	-
- Other decreases	-	-	-	-
- Reclassified (decreases)	-	-	-	-
- Foreign exchange differences	(33,343,265)	(204,676,010)	(19,145)	(238,038,420)
As at 31/12/2017	27,834,410,535	70,089,744,630	12,397,755	97,936,552,920
Carrying value				
As at 1/1/2017	169,999,800,600	14,575,715,400	35,661,700	184,611,177,700
As at 31/12/2017	166,146,870,420	7,276,756,905	35,606,715	173,459,234,040

* Cost of assets fully amortised but are still in use

47,561,159,241

10. Prepayments	31/12/2017	1/1/2017
a) Short-term	21,967,733,940	15,773,480,900
- Dispatched tools and supplies	-	40,383,300
- Insurance premiums	14,854,414,350	13,946,494,100
- Others	7,113,319,590	1,786,603,500
b) Long-term	1,999,936,935	26,461,980,200
- Others	1,999,936,935	26,461,980,200
Total	23,967,670,875	42,235,461,100

11. Loans and finance leases	31/12/2017		During the period		1/1/2017	
	Carrying value	Payable amount	Increases	Decreases	Carrying value	Payable amount
a) Short-term						
Short-term loans	-	-	47,589,035,760	(47,589,035,760)	-	-
Current portions of long-term loans	1,342,640,443,845	1,342,640,443,845	1,334,431,869,120	(753,674,430,875)	761,883,005,600	761,883,005,600
b) Long-term (LT)						
Second year	1,089,979,432,560	1,089,979,432,560	-	(254,729,432,640)	1,344,708,865,200	1,344,708,865,200
Third to fifth year inclusive	2,095,206,180,060	2,095,206,180,060	-	(447,633,064,940)	2,542,839,245,000	2,542,839,245,000
After five years	144,389,059,710	144,389,059,710	-	(647,488,000,690)	791,877,060,400	791,877,060,400
Total	4,672,215,116,175	4,672,215,116,175	1,382,020,904,880	(2,149,476,173,790)	5,441,308,176,200	5,441,308,176,200

12. Payables to suppliers	31/12/2017	1/1/2017
+ Short-term		
<i>Oil States Industries (Asia) Pte.Ltd</i>	71,598,621,675	82,946,667,460
<i>Trainor Asia Ltd- Vietnam</i>	66,341,605,249	4,164,577,185
<i>Others</i>	542,887,316,546	649,586,292,555
Total	680,827,543,470	736,697,537,200

13. Taxes and amounts payable to the State budget

	1/1/2017	Additions	Paid	FX difference on conversion	31/12/2017
Value added tax - Domestic	15,473,001,000	169,234,372,440	168,899,343,480	943,530	15,808,973,490
Value added tax - Import	-	18,037,086,480	18,024,884,640	127,920	12,329,760
Import duties	-	11,723,995,080	11,720,071,440	201,390	4,125,030
Corporate income tax	16,124,854,200	176,647,217,040	84,177,885,960	(33,821,580)	108,560,363,700
Personal income tax	12,605,968,300	156,473,239,990	159,270,254,640	26,251,120	9,835,204,770
Other taxes	2,511,459,900	92,512,944,720	83,630,095,920	(9,475,215)	11,384,833,485
- Business license tax	-	22,974,840	22,974,840	-	-
- Withholding tax	2,511,459,900	92,489,969,880	83,607,121,080	(9,475,215)	11,384,833,485
Fees and other payables	132,386,400	4,119,209,640	4,251,343,320	(116,730)	135,990
Total	46,847,669,800	628,748,065,390	529,973,879,400	(15,889,565)	145,605,966,225

In which:

- Tax receivables from the State budget	(3,905,671,200)	(3,495,078,990)
- Tax payables to the State budget	50,753,341,000	149,101,045,215

14. Accrued expenses	31/12/2017	1/1/2017
+ Short-term		
- Accrued expenses related to cost of good sold	241,816,035,435	298,026,688,300
+ <i>Operation of drilling rigs</i>	96,047,470,500	143,736,627,000
+ <i>Goods supplied and services rendered</i>	145,768,564,935	154,290,061,300
- Other	91,470,319,080	75,492,300,400
+ <i>Interest expense</i>	21,994,048,005	25,787,018,400
+ <i>Other expenses</i>	69,476,271,075	49,705,282,000
Total	333,286,354,515	373,518,988,700

15. Other payables	31/12/2017	1/1/2017
a) Short-term		
- Surpluses in assets awaiting resolution	-	54,003,300
- Funding of trade union	1,665,832,170	1,350,196,000
- Social insurance	1,550,852,625	470,866,100
- Health insurance	296,956,830	188,228,400
- Unemployment insurance	315,020,835	134,520,200
- Short-term deposits	570,727,365	1,657,153,531
- Distributed profit payables to partners in Business Cooperation Contract (BCC)	312,745,699,635	321,825,831,817
- Others	48,165,255,510	42,191,133,052
Total	365,310,344,970	367,871,932,400

b) Long-term		
- Capital contributed from BCC	478,681,513,575	478,263,712,200
Total	478,681,513,575	478,263,712,200

16. Provision	31/12/2017	1/1/2017
a) Short-term		
- Provisions for product warranty	-	11,833,192,200
- Other provisions	529,464,009,960	629,285,064,300
+ <i>Provision for salary fund</i>	-	15,484,441,800
+ <i>Provision for periodic overhaul of fixed assets</i>	504,577,545,315	589,584,943,500
+ <i>Other provision</i>	24,886,464,645	24,215,679,000
Total	529,464,009,960	641,118,256,500

b) Long-term		
- Provisions for product warranty	1,090,957,110	6,803,258,100
- Other provisions	184,148,841,315	160,023,445,700
+ <i>Provision for periodic overhaul of fixed assets</i>	184,148,841,315	160,023,445,700
Total	185,239,798,425	166,826,703,800

17. Deferred tax

Deferred income tax assets:

- Corporate income tax rates used for determination of value of deferred income tax assets
- Deferred income tax assets related to deductible temporary differences

Deferred income tax assets

	31/12/2017	1/1/2017
	20%	20%
	68,069,023,890	25,593,682,500
Deferred income tax assets	68,069,023,890	25,593,682,500

18. Equity

a) Comparison table of owner's equity fluctuations

	Share capital	Share premium	Treasury shares (*)	Foreign exchange differences	Investment and development fund	Retained earning	Non-controlling interest (NCI)	Total
A	1	2	3	4	5	6	7	8
As at 1/1/2016	3,484,662,590,000	2,434,086,374,663	(20,948,559,850)	1,351,918,036,546	1,523,859,997,942	4,226,353,331,722	303,762,333,227	13,303,694,104,250
- Capital increased	-	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	185,641,600,249	-	185,641,600,249
- Other increased	-	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	31,318,334,260	(74,474,219,965)	(466,963,541)	(43,622,849,246)
- Dividend declared	347,999,010,000	-	-	-	-	(347,999,010,000)	-	-
- Non-controlling interest	-	-	-	-	-	33,533,571,953	(33,533,571,953)	-
- Distributed to BCC	-	-	-	-	-	(89,772,652,121)	-	(89,772,652,121)
- Other decreased	-	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	123,117,166,474	-	(3,233,461,807)	(422,703,499)	119,461,001,168
As at 31/12/2016	3,832,661,600,000	2,434,086,374,663	(20,948,559,850)	1,475,035,203,020	1,555,178,332,202	3,930,049,160,031	269,339,094,234	13,475,401,204,300
As at 1/1/2016	3,832,661,600,000	2,434,086,374,663	(20,948,559,850)	1,475,035,203,020	1,555,178,332,202	3,930,049,160,031	269,339,094,234	13,475,401,204,300
- Capital increased	-	-	-	-	-	-	-	-
- Profit for the year	-	-	-	-	-	11,686,822,560	-	11,686,822,560
- Other increased	-	-	-	-	-	-	-	-
- Fund appropriation	-	-	-	-	13,596,048,091	(30,974,177,973)	(523,635,840)	(17,901,765,722)
- Dividend declared	-	-	-	-	-	-	(1,396,011,607)	(1,396,011,607)
- Non-controlling interest	-	-	-	-	-	6,377,825,608	(6,377,825,608)	-
- Distributed to BCC	-	-	-	-	-	8,114,222,080	-	8,114,222,080
- Other decreased	-	-	-	-	-	-	-	-
- Foreign exchange differences	-	-	-	(26,184,677,126)	-	544,955,040	62,029,800	(25,577,692,286)
As at 31/12/2016	3,832,661,600,000	2,434,086,374,663	(20,948,559,850)	1,448,850,525,894	1,568,774,380,293	3,925,798,807,346	261,103,650,979	13,450,326,779,325

	31/12/2017	1/1/2017
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
Total	3,832,661,600,000	3,832,661,600,000

	31/12/2017	1/1/2017
c) Capital transactions with owners and distribution of dividends or profits		
- Share capital		
+ As at 1/1/2016	3,832,661,600,000	3,484,662,590,000
+ Increase in capital	-	347,999,010,000
+ Decrease in capital	-	-
+ As at 31/12/2016	3,832,661,600,000	3,832,661,600,000
- Dividends and distributed profits		347,999,010,000

	31/12/2017	1/1/2017
d) Number of shares		
- Authorized shares	383,266,160	383,266,160
- 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		

	31/12/2017	1/1/2017
đ) Funds		
- Investment and development fund	1,568,774,380,293	1,555,178,332,202
- Scientific and technological fund	458,840,187,270	1,096,878,028,600
+ Available	378,947,195,520	1,017,946,269,600
+ The carrying amount of assets formed from the fund	79,892,991,750	78,931,759,000

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 of financial statements	1,498,548,311,973	1,521,986,123,579
- Translation of financial statements of foreign operation (Algeria Branch)	(49,697,786,079)	(46,950,920,559)
Total	<u>1,448,850,525,894</u>	<u>1,475,035,203,020</u>

20. Off balance-sheet

Foreign currencies	<u>31/12/2017</u>	<u>1/1/2017</u>
- GBP	5,782	5,782
- VND	2,628,858,516,869	2,206,055,185,259
- EUR	345,822	9,718
- SGD	36,411	36,411
- DZD	5,315,352	41,546,994
- MMK	1,342,675	1,342,675

IV. Extracted notes to the Consolidated income statement:

Unit: VND

	QUARTER 04 - 2017	QUARTER 04 - 2016
1. Net revenue		
- Sales of finished goods	252,417,536,280	69,700,455,102
- Sales of drilling services	605,259,050,760	450,798,978,678
- Sale of other services	330,693,473,880	290,486,069,538
Total	1,188,370,060,920	810,985,503,318
2. Cost of sales		
- Cost of finished goods sold	251,246,000,880	68,252,312,083
- Cost of drilling services	634,175,007,480	421,912,601,973
- Cost of other services	278,219,642,400	251,626,958,536
Total	1,163,640,650,760	741,791,872,592
3. Financial income		
- Interests of deposits or loans	41,228,679,240	28,302,465,717
- Interests of exchange differences	12,579,802,200	51,234,571,575
Total	53,808,481,440	79,537,037,292
4. Financial expenses		
- Interests of loans	47,247,044,040	47,519,497,091
- Losses of exchange differences	10,201,645,440	80,452,005,355
- Other financial expenses	11,073,918,240	(781,585)
Total	68,522,607,720	127,970,720,861
8. Cost by nature		
- Raw materials and consumables	304,732,743,840	147,352,443,360
- Labour	491,793,913,800	341,636,497,905
- Depreciation and amortization	221,645,879,280	142,738,278,154
- Provisions	(100,431,439,920)	29,000,577,439
- Out-sourced services	343,341,293,400	10,190,528,540
- Other expenses	41,033,109,600	170,681,549,736
Total	1,302,115,500,000	841,599,875,134

VII. Other informations

1- Financial instruments	Đơn vị tính: VND	
	31/12/2017	1/1/2017
+ Financial asset		
Cash and cash equivalents	1,803,330,140,445	2,782,568,383,500
Trade and other receivables	1,712,556,815,445	1,687,405,249,100
Other investments	2,148,216,872,595	1,678,127,373,200
Deposits	29,196,939,675	26,532,668,000
Total	5,693,300,768,160	6,174,633,673,800
+ Financial liability		
Loans and borrowings	4,672,215,116,175	5,441,308,176,200
Trade and other payables	729,563,526,345	781,870,741,500
Accrued expenses	333,286,354,515	373,518,988,700
Total	5,735,064,997,035	6,596,697,906,400

The Group 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 Group 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 Group. The Group has a credit policy in place and the exposure to credit risk is monitored on an on - going basis. The Group 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 Group believes can generate within that year. The Group policy is to regularly monitor current and expected liquidity requirements to ensure that the Group 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 Group’s remaining contractual maturity for its financial assets and financial liabilities.

Financial asset	As at 1/1/2017			
	Less than 1 year	From 1- 5 years	Over 5 years	Total
Cash and cash equivalents	2,782,568,383,500	-	-	2,782,568,383,500
Trade and other receivables	1,687,405,249,100	-	-	1,687,405,249,100
Other investments	1,678,127,373,200	-	-	1,678,127,373,200
Deposits	9,844,536,000	16,688,132,000	-	26,532,668,000
Total	6,157,945,541,800	16,688,132,000	-	6,174,633,673,800
Financial liability	Less than 1 year	From 1- 5 years	Over 5 years	Total
Loans and borrowings	761,883,005,600	3,887,548,087,500	791,877,083,100	5,441,308,176,200
Trade and other payables	781,870,741,500	-	-	781,870,741,500
Accrued expenses	373,518,988,700	-	-	373,518,988,700
Total	1,917,272,735,800	3,887,548,087,500	791,877,083,100	6,596,697,906,400
Liquidity gap	4,240,672,806,000	(3,870,859,955,500)	(791,877,083,100)	(422,064,232,600)

	<i>As at 31/12/2017</i>			
Financial asset	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Cash and cash equivalents	1,803,330,140,445	-	-	1,803,330,140,445
Trade and other receivables	1,712,556,815,445	-	-	1,712,556,815,445
Other investments	2,148,216,872,595	-	-	2,148,216,872,595
Deposits	10,200,904,545	18,996,035,130	-	29,196,939,675
Total	5,674,304,733,030	18,996,035,130	-	5,693,300,768,160
Financial liability	<u>Less than 1 year</u>	<u>From 1- 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Loans and borrowings	1,342,640,443,845	3,185,185,612,620	144,389,059,710	4,672,215,116,175
Trade and other payables	729,563,526,345	-	-	729,563,526,345
Accrued expenses	333,286,354,515	-	-	333,286,354,515
Total	2,405,490,324,705	3,185,185,612,620	144,389,059,710	5,735,064,997,035
Liquidity gap	3,268,814,408,325	(3,166,189,577,490)	(144,389,059,710)	(41,764,228,875)

+ Market risk

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

++ Interest rate risk management: The Group is exposed to interest rate risks arising mainly from interest bearing loans. The Group is exposed to interest rate risk as the Group borrows funds at both fixed and floating interest rates. The risk is managed by the Group 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>
Receivables		
Petrovietnam Company's subsidiaries	32,116,952,095	74,271,844,362
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	995,157,467,756	1,395,718,979,131
Payables		
Petrovietnam Company's subsidiaries	31,266,878,026	239,431,571,346
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	41,454,216,589	26,399,031,200
Payables to Petrovietnam	193,320,285,586	196,175,829,906
Petrovietnam capital contributed in BCC	278,173,894,859	278,173,894,859

VII. Other informations (continued)

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.

- Business segments

QUARTER 04 - 2017

QUARTER 04 - 2016

Segment	Asset	Liability	Revenue	Gross profit	Asset	Liability	Revenue	Gross profit
+Trading	721,850,041,915	455,051,892,600	252,417,536,280	1,171,535,400	683,358,235,122	428,004,075,590	69,700,455,102	1,448,143,019
+ Drilling services	19,655,147,910,629	7,055,686,438,407	605,259,050,760	(28,915,956,720)	20,917,429,609,737	8,287,484,479,362	450,798,978,678	28,886,376,705
+Other services	1,419,075,810,456	835,008,652,668	330,693,473,880	52,473,831,480	1,541,919,177,541	951,817,308,548	290,486,069,538	38,859,111,002
Total	21,796,073,763,000	8,345,746,983,675	1,188,370,060,920	24,729,410,160	23,142,707,022,400	9,667,305,863,500	810,985,503,318	69,193,630,726

- Geographical segments:

The Group operates in different geographical areas and divided the following geographical segments:

QUARTER 04 - 2017

QUARTER 04 - 2016

Geographical Segment	Asset	Liability	Revenue	Gross profit
Operating at one area during the year				
<i>Vietnam</i>	8,534,168,095,299	3,641,034,558,956	801,026,591,224	38,354,936,179
<i>Overseas</i>	197,368,896,877	196,869,716,725	113,913,636,001	(10,755,720,130)
+ <i>Thailand</i>	93,962,205,362	93,781,410,439	89,198,513,561	(9,796,540,518)
+ <i>Algeria</i>	103,406,691,514	103,088,306,287	24,715,122,440	(959,179,612)
Operating at several areas during the year				
<i>Vietnam</i>	13,064,536,770,824	4,507,842,707,994	113,886,952,754	40,115,826,777
<i>Malaysia</i>			159,542,880,941	(42,985,632,667)
<i>Myanmar</i>			-	-
Total	21,796,073,763,000	8,345,746,983,675	1,188,370,060,920	24,729,410,160

Asset	Liability	Revenue	Gross profit	
Operating at one area during the year				
9,246,591,530,979	5,023,728,840,258	587,469,514,805	86,076,092,418	
223,622,962,768	222,739,852,864	65,816,813,948	25,177,658,963	
-	-	-	-	
223,622,962,768	222,739,852,864	65,816,813,948	25,177,658,963	
Operating at several areas during the year				
13,672,492,574,053	4,420,837,170,378	93,126,234,833	(9,937,108,983)	
		-	-	
		64,572,939,732	(32,123,011,673)	
Total	23,142,707,067,800	9,667,305,863,500	810,985,503,318	69,193,630,726

VII. Other informations (continued)

6. Comparative information: This period and comparative period financial performance figures had been converted to VND us 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 th period. For certain cases, for example for significant economic transactions, the exchange rate at the transaction date is used.

VIII. APPROVAL FOR ISSUANCE OF FINANCIAL STATEMENTS

The consolidated financial statements for the period ended as at 31 December 2017 is approved by the Company's Board of Directors for issuance on 29 January 2018.

Ho Chi Minh City, 29 January 2018

Preparer

Chief Accountant

President & CEO

Tran Kim Hoang

Doan Dac Tung

Pham Tien Dung