(Incorporated in the Socialist Republic of Vietnam)

AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2013

PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY 65A2, 30/4 Street, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam

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65A2, 30/4 Street, Thang Nhat Ward

Ba Ria - Vung Tau Province, S.R. Vietnam

STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Petrovietnam Marine Shipyard Joint Stock Company (the "Company") presents this report together with the Company's financial statements for the year ended 31 December 2013.

THE BOARDS OF MANAGEMENT AND DIRECTORS

The members of the Boards of Management and Directors of the Company who held office during the year and at the date of this report are as follows:

Board of Management

Mr. Dang The Huong
Mr. Phan Tu Giang
Mr. Hoang Huy Ha
Mr. Vu Minh Phu
Mr. Nguyen Van Quang
Mr. Member
Mr. Nguyen Van Quang

Board of Directors

Mr. Phan Tu Giang
Mr. Le Hung
Mr. Tran Quoc Thanh
Mr. Tran Luu Tam
General Director
Deputy General Director
Deputy General Director
Deputy General Director
Deputy General Director (appointed on 3 September 2013)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY

The Board of Directors of the Company is responsible for preparing the financial statements, which give a true and fair view of the financial position of the Company and of its results and cash flows for the year in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. In preparing these financial statements, the Board of Directors is required to:

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- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether applicable accounting principles have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- Design and implement an effective internal control system for the purpose of properly preparing and
 presenting the financial statements so as to minimize errors and frauds.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which disclose, with reasonable accuracy at any time, the financial position of the Company and that the financial statements comply with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting. The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing these financial statements.

For and on behalf of the Board of Directors,

CHẾ TẠO GIÀN KHOÁN

Phan Tu Grang General Director

3 March 2014



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Deloitte Vietnam Company Ltd. 18th Floor, Times Square Building, 22-36 Nguyen Hue Street, District 1 Ho Chi Minh City, Vietnam

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Tel: +848 3910 0751 Fax: +848 3910 0750 www.deloitte.com/vn

INDEPENDENT AUDITORS' REPORT

To:

The shareholders

The Boards of Management and Directors

Petrovietnam Marine Shipyard Joint Stock Company

We have audited the accompanying financial statement of Petrovietnam Marine Shipyard Joint Stock Company (the "Company"), prepared on 3 March 2014 as set out from page 3 to page 25, which comprise the balance sheet as at 31 December 2013 and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of, in all material respects, the financial position of the Company as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for the performance and legal regulations relating to financial reporting.

CHI NHÁNH
CÔNG TY
TRÁCH NHỆM TỐU HẠN THÝ
DELOITUE

Le Dinh Yu Audit Partner

Audit Practising Registration Certificate

No. 0048-2013-001-1

For and on behalf of

DELOITTE VIETNAM COMPANY LIMITED

3 March 2014

Ho Chi Minh City, S.R. Vietnam

Dang Thi Loi Auditor Audit Practising Registration Certificate No. 1529-2013-001-1

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65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam

Financial Statements For the year ended 31 December 2013

BALANCE SHEET As at 31 December 2013

FORM B 01-DN Unit: VND

ASSETS	Codes	Notes_	31/12/2013	31/12/2012
A. CURRENT ASSETS (100=110+130+140+150)	100		928,561,331,650	570,955,909,451
I. Cash and cash equivalents	110	5	766,437,653,703	236,580,775,891
1. Cash	111		416,437,653,703	206,580,775,891
2. Cash equivalents	112		350,000,000,000	30,000,000,000
II. Short-term receivables	130		131,503,276,742	311,325,903,109
Trade accounts receivable	131	6	65,774,695,500	304,985,235,158
2. Advances to suppliers	132		10,492,477,918	215,765,500
3. Other receivables	135	7	55,236,103,324	6,124,902,451
III, Inventories	140		22,083,725,267	22,157,903,423
1. Inventories	141	8	22,083,725,267	22,157,903,423
IV. Other short-term assets	150		8,536,675,938	891,327,028
1. Short-term prepayments	151		2,130,564,692	23,415,702
2. Value added tax deductibles	152		178,123,270	
3. Other short-term assets	158		6,227,987,976	867,911,326
B. NON-CURRENT ASSETS (200=220+260)	200		950,537,151,063	1,103,367,872,498
I. Fixed assets	220		801,339,444,069	964,030,549,881
1. Tangible fixed assets	221	9	791,955,282,495	922,739,214,149
- Cost	222		1,244,096,834,951	1,242,808,909,788
- Accumulated depreciation	223		(452,141,552,456)	(320,069,695,639)
2. Intangible assets	227	10	5,692,882,799	17,246,770,623
- Cost	228		35,269,773,145	35,269,773,145
- Accumulated depreciation	229		(29,576,890,346)	(18,023,002,522)
3. Construction in progress	230	11	3,691,278,775	24,044,565,109
II. Other long-term assets	260		149,197,706,994	139,337,322,617
1. Long-term prepayments	261	12	140,920,546,912	138,986,027,813
2. Deferred tax assets	262	13	8,277,160,082	351,294,804
TOTAL ASSETS (270=100+200)	270	8 -	1,879,098,482,713	1,674,323,781,949

Financial Statements For the year ended 31 December 2013

Ba Ria - Vung Tau Province, S.R. Vietnam

BALANCE SHEET (Continued) As at 31 December 2013

FORM B 01-DN Unit: VND

RESOURCES	Codes	Notes _	31/12/2013	31/12/2012
A. LIABILITIES (300=310+330)	300		1,470,877,287,628	1,021,174,681,727
I. Current liabilities	310		811,228,838,531	196,614,232,630
1. Short-term loans and liabilities	311	18	164,912,000,000	m 50 57
2. Trade accounts payable	312		83,715,817,781	75,020,502,242
3. Advances from customers	313	14	491,829,894,134	
4. Taxes and amounts payable to the State				
budget	314	15	381,942,127	8,292,546,390
5. Payables to employees	315		7,822,477,309	16,937,982,999
6. Accrued expenses	316	16	32,259,449,224	77,820,183,756
7. Other current payables	319	17	26,870,198,360	15,905,698,005
8. Bonus and welfare funds	323		3,437,059,596	2,637,319,238
II. Long-term liabilities	330		659,648,449,097	824,560,449,097
1. Long-term loans and liabilities	334	18	659,648,449,097	824,560,449,097
B. EQUITY (400=410+430)	400		408,221,195,085	653,149,100,222
I. Owner's equity	410	19	401,578,584,390	641,357,496,101
1. Charter capital	411		594,897,870,000	594,897,870,000
2. Other owner's capital	413		2,597,721,463	2,597,721,463
3. (Accumulated losses)/retained earnings	420		(195,917,007,073)	43,861,904,638
II. Other resources and funds	430		6,642,610,695	11,791,604,121
1. Subsidised fund	432		-	(3,728,020,655)
2. Funds for fixed assets acquisition	433		6,642,610,695	15,519,624,776
TOTAL RESOURCES (440 = 300+ 400)	440	:	1,879,098,482,713	1,674,323,781,949
OFF BALANCE SHEET ITEMS			31/12/2013	31/12/2012

Foreign currencies United States Dollar

Euro

5,874,764.96 7,486.92

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Nguyen Phuong Huong Preparer

Nguyen Van Quang Chief Accountant

TAU Phan In Giang General Director

3 March 2014

65A2, 30/4 Road, Thang Nhat Ward

Financial Statements

Ba Ria - Vung Tau Province, S.R. Vietnam

For the year ended 31 December 2013

INCOME STATEMENT

For the year ended 31 December 2013

FORM B 02-DN Unit: VND

ITEMS	Codes	Notes	2013	2012
1. Gross revenue from services rendered	01	21	265,633,986,095	833,377,741,760
2. Net revenue (10 = 01)	10	21	265,633,986,095	833,377,741,760
3. Cost of services	11	22	252,562,243,984	672,375,626,156
4. Gross profit (20=10-11)	20		13,071,742,111	161,002,115,604
5. Financial income	21	24	17,909,077,645	10,615,799,139
6. Financial expenses	22	25	79,180,517,640	115,078,631,810
In which: Interest expense	23	53.8	75,468,583,598	96,095,127,190
7. General and administration expenses	25		31,326,745,847	34,898,683,087
8. Operating (loss)/profit (30=20+(21-22)-25)	30		(79,526,443,731)	21,640,599,846
9. Other income	31		1,783,580,202	7,899,420,919
10. Other expenses	32		128,656,046,107	209,830,365
11. (Loss)/Profit from other activities	40	26	(126,872,465,905)	7,689,590,554
(40=31-32)				
12. (Loss)/Profit before tax (50=30+40)	50		(206,398,909,636)	29,330,190,400
13. Current corporate tax expense	51	27	10,662,149,275	7,210,870,739
14. Deffered corporate tax income	52	13	(7,925,865,278)	(351,294,804)
15. (Loss)/Profit after tax (60=50-51-52)	60		(209,135,193,633)	22,470,614,465
16. Basic earnings per share	70	28	(3,515)	378
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Nguyen Phuong Huong Preparer

Nguyen Van Quang Chief Accountant

TAUPhan Cu Giang General Director 3 March 2014

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CASH FLOW STATEMENT

For the year ended 31 December 2013

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			Unit: VND
ITEMS	Codes	2013	2012
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. (Loss)/Profit before tax	01	(206,398,909,636)	29,330,190,400
2. Adjustments for:		())	,,,,
Depreciation and amortisation	02	145,702,649,391	148,070,296,109
Unrealized foreign exchange (gain)/loss	04	(4,174,223,336)	3,286,282,849
(Gain)/loss from investing activities	05	(7,385,952,245)	(9,202,543,131)
Interest expense	06	75,468,583,598	96,095,127,190
3. Operating profit before movements in working	08	3,212,147,772	267,579,353,417
capital			
Changes in receivables	09	180,777,174,637	220,189,778,910
Changes in inventories	10	74,178,156	119,398,387,448
Changes in accounts payable	11	492,271,964,929	(540,686,192,849)
Changes in prepaid expenses	12	1,129,916,699	10,038,356,019
Interest paid	13	(118,973,785,362)	(29,528,124,670)
Corporate income tax paid	14	(17,140,796,863)	(732,223,151)
Other cash inflows	15	3,728,000,000	13,833,750,000
Other cash outflows	16	(2,745,232,055)	(5,601,617,732)
Net cash from operating activities	20	542,333,567,913	54,491,467,392
II. CASH FLOWS FROM INVESTING ACTIVITIES			
1. Acquisition of fixed assets	21	(2,312,183,190)	(24,273,272,001)
2. Interest earned	27	12,054,659,654	9,202,543,131
Net cash from/(used in) investing activities	30	9,742,476,464	(15,070,728,870)
III. CASH FLOWS FROM FINANCING ACTIVITIE	S		
1. Proceeds from borrowings	33	40,310,452,065	283,419,567,575
2. Repayments of borrowings	34	(40,310,452,065)	(351,507,083,852)
3. Dividends paid	36	(21,932,208,684)	(27,609,406,216)
Net cash used in financing activities	40	(21,932,208,684)	(95,696,922,493)
Net increase/(decrease) in cash (50=20+30+40)	50	530,143,835,693	(56,276,183,971)
Cash and cash equivalents at the beginning of the year	60	236,580,775,891	292,876,907,512
Effects of changes in foreign exchange rates	61	(286,957,881)	(19,947,650)
Cash and cash equivalents at the end of the year (70=50+60+61)	- 70	766,437,653,703	236,580,775,891
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Supplemental non-cash disclosures

Cash outflows of dividends paid during the year exclude an amount of VND 21,846,129,500 (2012: VND 14,033,444,684), representing the dividends amount declared but unpaid and cash outflows of interest expense paid during the year exclude an amount of VND 23,061,800,756 (2012: VND 66,567,002,520), representing the interest expense incurred during the year but has not been paid yet. Consequently, changes in accounts payable have been adjusted by the same amounts.

July

Nguyen Phuong Huong Preparer Nguyen Van Quang Chief Accountant DÂU KHÍ AUT Bhait Tu Giang General Director 3 March 2014

CỐ PHẨN CHẾ TẠO GIÀT KHOẨN

65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam Financial Statements
For the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS

FORM B 09-DN

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

1. GENERAL INFORMATION

Structure of ownership

PetroVietnam Marine Shipyard Joint Stock Company (the "Company") was incorporated in Vietnam under Enterprise Registration Certificate No. 3500806844 dated 9 July 2007 issued by the Department of Planning and Investment of Ba Ria - Vung Tau Province, as amended.

The number of the Company's employees as at 31 December 2013 was 725 (as at 31 December 2012: 740).

Principal activities

The principal activities of the Company are to build, maintain, refurbish drilling platforms, oil platforms, ships, floating devices and related equipments; trade in related materials and equipments.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting Convention

The accompanying financial statements, expressed in Vietnam Dong (VND), are prepared under the historical cost convention and in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting.

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

Financial year

The Company's financial year begins on 1 January and ends on 31 December.

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on management, usage and depreciation of fixed assets

On 25 April 2013, the Ministry of Finance issued Circular No. 45/2013/TT-BTC ("Circular 45") guiding the regime of management, usage and depreciation of fixed assets. This Circular supersedes Circular No. 203/2009/TT-BTC ("Circular 203") dated 20 October 2009 of the Ministry of Finance guiding the regime of management, usage and depreciation of fixed assets. Circular 45 is effective from 10 June 2013 and is applied from financial year 2013 onwards. According to the Board of Directors' assessment, Circular 45 does not have material effect on the Company's financial statements for the year ended 31 December 2013.

New guidance on provision for impairment of long-term investments into other entities

On 28 June 2013, the Ministry of Finance issued Circular No. 89/2013/TT-BTC ("Circular 89") amending and supplementing Circular No. 228/2009/TT-BTC ("Circular 228") dated 7 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, losses of financial investments, bad debts and warranty for products, goods and construction and installation works at enterprises. Circular 89 shall be effective starting from 26 July 2013. According to the Board of Directors' assessment, Circular 89 does not have material effect on the Company's financial statements for the year ended 31 December 2013.

65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam

Financial statements
For the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Company in the preparation of these financial statements, are as follows:

Estimates

The preparation of financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the financial year. Although these accounting estimates are based on the Board of Dierctors' best knowledge, actual results may differ from those estimates.

Financial instruments

Initial recognition

Financial assets: At the date of initial recognition, financial assets are recognized at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Company comprise cash and cash equivalents, trade and other receivables and deposits.

Financial liabilities: At the date of initial recognition financial liabilities are recognized at cost net of transaction costs that are directly attributable to the issue of the financial liabilities. Financial liabilities of the Company comprise trade and other payables, borrowings and accrued expenses.

Re-measurement after initial recognition

Currently, there are no requirements for the re-measurement of the financial instruments after initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provision for doubtful debts

Provision for doubtful debts is made for receivables that are overdue for six months or more, or when the debtor is in dissolution, in bankruptcy, or is experiencing similar difficulties and so may be unable to repay the debt.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The Company applies perpetual inventory method to record its inventories.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working conditions and locations for their intended use. Tangible fixed assets are depreciated using the straight-line method over their following estimated useful lives as follows:



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65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam Financial statements
For the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

	<u>Years</u>
Buildings and structures	5 - 25
Machinery and equipment	5 - 7
Office equipment	3 - 15
Motor vehicles	2 - 6
Assets formed from Subsidised funds	2 - 3
Others	3

Leasing

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Intangible assets

Intangible assets represent computer software that is stated at cost less accumulated amortisation. Computer software which is not part of the related hardware, the relevant purchase price will be capitalized and recorded as intangible assets. Computer software is amortized using straight-line method over 3 years.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for the purposes not yet determined, are carried at cost. Cost includes professional fees, and for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Long-term prepayments

Long-term prepayments comprise prepaid land rentals and other types of long-term prepayments.

Prepaid land rentals are charged to the income statement using the straight-line method over the lease term of 47 years.

Other types of long-term prepayments comprise land clearance costs and tools which transferred from tangible fixed assets according to Circular 45/2013/TT-BTC due to their costs are under 30 million VND which are expected to provide future economic benefit to the Company with a term of one year and more. These expenditures have been capitalised as long-term prepayments, and are allocated to the income statement using the straight-line method from 2 years to 6 years.

Revenue recognition

Revenue of a transaction involving the rendering of services is recognised when the outcome of such transactions can be measured reliably. Where a transaction involving the rendering of services is attributable to several years, revenue is recognised in each year by reference to the percentage of completion of the transaction at the balance sheet date of that year. The outcome of a transaction can be measured reliably when all four (4) following conditions are satisfied:

- (a) The amount of revenue can be measured reliably;
- (b) It is probable that the economic benefits associated with the transaction will flow to the Company;
- (c) The percentage of completion of the transaction at the balance sheet date can be measured reliably; and
- (d) The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

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PETROVIETNAM MARINE SHIPYARD JOINT STOCK COMPANY

65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam Financial statements
For the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable interest rate.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that they have been agreed with the customer.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable of recovery.

Foreign currencies

The Company applies the method of recording foreign exchange differences in accordance with Vietnamese Accounting Standard No. 10 (VAS 10) "Effects of changes in foreign exchange rates" and Circular No. 179/2012/TT-BTC dated 24 October 2012 by the Ministry of Finance providing guidance on recognition, measurement and treatment of foreign exchange differences in enterprises. Accordingly, transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balance of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates on the same date. Exchange differences are recognised in the income statement. Unrealised exchange gains at the balance sheet date are not treated as part of distributable profit to shareholders.

Borrowing costs

Borrowing costs are recognised in the income statement when incurred.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Board of Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years (including loss carried forward, if any) and it further excludes items that are never taxable or deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

FORM B 09-DN

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The determinations of the tax currently payable and deferred tax are based on the current interpretation of tax regulations. However, these regulations are subject to periodic variation and their ultimate determination depends on the results of the tax authorities' examinations.

Other taxes are paid in accordance with the prevailing tax laws in Vietnam.

5. CASH AND CASH EQUIVALENTS

31/12/2013 <u>VND</u>	31/12/2012 <u>VND</u>
6,927,001,142	1,877,988,889
409,510,652,561	204,702,787,002
350,000,000,000	30,000,000,000
766,437,653,703	236,580,775,891
	VND 6,927,001,142 409,510,652,561 350,000,000,000

Cash equivalents represent time deposits by Vietnam Dong at the local joint stock commercial banks with a term from 1 month to 2 months and earn interest rates of the range from 5.8% to 6.2% per annum.

6. TRADE ACCOUNTS RECEIVABLE

=		
	65,774,695,500	304,985,235,158
Other customers	9,468,864,535	1,865,376,808
PTSC Offshore Services Joint Stock Company	16,407,583,214	-
Semco Maritime Vietnam Joint Stock Company	39,898,247,751	12.
platforms (PetroVietnam)	#	303,119,858,350
Board of Management of Project Drilling		
	<u>VND</u>	VND
	31/12/2013	31/12/2012

7. OTHER RECEIVABLES

	55,236,103,324	6,124,902,451
Other receivables	5,482,868,291	5,458,387,994
Tau Branch	49,753,235,033	666,514,457
PetroVietnam Insurance Company (PVI) - Vung		
	<u>VND</u>	<u>VND</u>
	31/12/2013	31/12/2012

Other receivables from PetroVietnam Insurance Company (PVI) - Vung Tau Branch mainly related to amounts which the Company paid for repairing the crane DEMAG CC6800. The Company will claim this expense from Insurance Company according to Insurance Certificate No. 12/16/01/XDLD/PC00057 with the maximum insurance amount of VND 230,968,860,174 which equals to cost of the crane.

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As at 31 December 2013, the Company and PVI have not finalized insurance claim amount. However, according to insurance contract, insurance amount will be excluded an exempt amount stated in Insurance Certificate (5%). In addition, PVI just compensates the fee after accepting all supporting documents to prove that the repair incurred, depends on each specific case. Estimated expenses for the crane repair are VND 134 billion which comprises of damage inspection expense, transportation fees, labor costs and material costs, in which the main repair expense at overseas factory is EUR 2,691,761.29, equivalent to VND 73 billion. During the year, the Company has partly received reimbursement from PVI with an amount of VND 42 billion. As at 31 December 2013, receivables from PVI presents actual expense related to the crane repair which has not been compensated. The Board of Directors believes that the amount would be reimbursed according to the compensation terms of the asset insurance contract.

8. INVENTORIES

	31/12/2013 <u>VND</u>	31/12/2012 <u>VND</u>
Raw materials	16,220,424,565	15,933,020,154
Tools and supplies	5,291,045,287	6,224,883,269
Work in progress	572,255,415	-
, , , , ,	22,083,725,267	22,157,903,423





Ba Ria - Vung Tau Province, S.R. Vietnam 65A2, 30/4 Road, Thang Nhat Ward

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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9. TANGIBLE FIXED ASSETS

Total VND	1,242,808,909,788 449,970,910 16,963,457,872	(16,125,503,619)	320,069,695,639 143,025,775,648 (10,953,918,831) 452,141,552,456	791,955,282,495
Others VND	12,739,331,763 1,	(4,602,215,000) (8,137,116,763	7,484,743,318 2,449,259,753 (3,180,197,159) 6,753,805,912	1,383,310,851
Assets formed from Subsidised funds VND	3,850,699,617	3,850,699,617	1,330,489,820 1,155,096,017 - 2,485,585,837	1,365,113,780 = 2,520,209,797
Office equipment VND	13,811,525,815 75,880,000	- (5,587,488,718) 8,299,917,097	10,330,447,427 1,446,638,165 (4,701,281,296) 7,075,804,296	3,481,078,388
Motor vehicles VND	378,074,419,994 324,990,910	(636,604,871)	86,974,221,912 32,979,281,948 (435,837,815) 119,517,666,045	258,245,139,988
Machinery, equipment VND	113,872,787,991 49,100,000	(5,299,195,030) 108,622,692,961	39,043,355,657 16,088,954,530 (2,636,602,561) 52,495,707,626	56,126,985,335
Buildings, structures VND	720,460,144,608	16,963,457,872 - (5,299,195,0 737,423,602,480 108,622,692,	ION 174,906,437,505 88,906,545,235 - 263,812,982,740	545.553,707,103
	COST As at 01/01/2013 Additions Transfer from construction in	progress Reclassification (*) As at 31/12/2013	ACCUMULATED DEPRECIATION As at 01/01/2013 174 Charge for the year 88 Reclassification (*) As at 31/12/2013 26	NET BOOK VALUE As at 31/12/2013 As at 31/12/2012

As at 31 December 2013, the cost of the Company's tangible fixed assets includes an amount of VND 20,676,761,074 (as at 31 December 2012: VND 7,411,891,129) in respect of fully depreciated assets which are still in use.

(*) Reclassification presents the cost of assets which are not qualified as the fixed assets under Circular 45. The net book value of these assets are transferred to long-term prepayments and they have been allocated to the income statement with the maximum period of 3 years since the effective date of Circular 45 (10 June 2013).





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10. INTANGIBLE ASSETS

		Software	
	Computer	formed from	
	Software	Subsidised funds	Total
	VND	<u>VND</u>	<u>VND</u>
COST			
As at 01/01/2013 and 31/12/2013	12,104,018,935	23,165,754,210	35,269,773,145
ACCUMULATED AMORTISATION			
As at 01/01/2013	7,856,663,291	10,166,339,231	18,023,002,522
Charge for the year	3,831,969,760	7,721,918,064	11,553,887,824
As at 31/12/2013	11,688,633,051	17,888,257,295	29,576,890,346
NET BOOK VALUE			
As at 31/12/2013	415,385,884	5,277,496,915	5,692,882,799
As at 31/12/2012	4,247,355,644	12,999,414,979	17,246,770,623

As at 31 December 2013, the cost of the Company's intangible assets includes an amount of VND 10,544,802,150 (as at 31 December 2012: VND 608,109,650) in respect of fully depreciated assets which are still in use.

11. CONSTRUCTION IN PROGRESS

	2013	2012
	<u>VND</u>	<u>VND</u>
As at 1 January	24,044,565,109	75,433,977,758
Additions	1,862,212,280	(2) (2) (2)
		29,212,724,262
Transferred to tangible fixed asset	(16,963,457,872)	(73,952,190,258)
Transferred to prepaid expense	e. -	(6,523,118,455)
Transfer to other expenses	(5,252,040,742)	(126,828,198)
As at 31 December	3,691,278,775	24,044,565,109

12. LONG-TERM PREPAYMENT

	31/12/2013	31/12/2012
	<u>VND</u>	<u>VND</u>
Land rental	132,506,959,411	135,588,516,607
Tools	3,844,519,402	100 mm
Others	4,569,068,099	3,397,511,206
	140,920,546,912	138,986,027,813

65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam Financial statements
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13. DEFERRED TAX ASSETS

The following are the major deferred tax assets recognized by the Company, and the movements thereon, during the current and prior years:

	Unrealised foreign exchange losses	Tax losses	Total
	<u>VND</u>	<u>VND</u>	<u>VND</u>
As at 01/01/2012	_	2 1	=
Charge/(credit) to profit for the year	351,294,804		351,294,804
As at 31/12/2012	351,294,804	= 0	351,294,804
(Charge)/credit to loss for the year	(274,568,421)	8,200,433,699	7,925,865,278
As at 31/12/2013	76,726,383	8,200,433,699	8,277,160,082

As at 31 December 2013, the Company has unused tax losses of VND 183,860,577,202 (2012: Nil) available for offset against future profits. In which:

- Deferred tax asset was recognized from these tax losses of VND 82,004,336,994 with tax rate 10% (see further Note 27) due to high predictability of future profit stream from the construction of Tam Dao 05 and upgrading of Tam Dao 02 which has been signed with Vietsovpetro on 29 November 2013 to utilise this loss.
- The Company has not recognized the deferred tax asset from the remaining tax loss amount of VND 101,856,240,208 due to the uncertainty of the future profit.

These losses can be carried forward for a maximum period of five years after the year it was incurred. The benefits from the Company' tax losses carried forward expires in 2018.

14. ADVANCES FROM CUSTOMERS

This amount presents the advances from Vietsovpetro for the construction of Tam Dao 05 and upgrading of Tam Dao 02 which shall be conducted in 2014.

15. TAX AND AMOUNTS PAYABLE TO THE STATE BUDGET

Value added tax Personal income tax	301,270,523	1,147,917,064 613,189,004
Corporate income tax	*	6,478,647,588
Others	80,671,604	52,792,734
	381,942,127	8,292,546,390

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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The movement for the tax and amounts payable to the State Budget during the year is as follows:

	Value added tax Import tax Personal income tax Corporate income tax Others	As at 01/01/2013 <u>VND</u> 1,147,917,064 613,189,004 6,478,647,588	Payable addition during the year <u>VND</u> 11,024,714,385 274,557,681 4,471,151,487 10,662,149,275	Paid amounts during the year <u>VND</u> 12,172,631,449 274,557,681 4,783,069,968 17,140,796,863	As at 31/12/2013 VND - 301,270,523
	Total	52,792,734 8,292,546,390	1,631,893,886 28,064,466,714	1,604,015,016 35,975,070,977	80,671,604 381,942,127
	Total	0,272,340,370	20,004,400,714	33,973,070,977	301,742,127
16.	ACCRUED EXPENSE	S			
			31	/12/2013	31/12/2012
				<u>VND</u>	VND
	Loan interest expense Expenses for construction	on (projects XL2 and	134-300 20000000	,800,756	66,567,002,520
	EPC3)	J.		3,078,517	8,105,434,254
	Others			,569,951	3,147,746,982
			32,259	,449,224	77,820,183,756
17.	OTHER CURRENT P	AYABLES			
			31	/12/2013	31/12/2012
				<u>VND</u>	<u>VND</u>
	Dividend payables		0-0000 0 000 000	5,129,500	14,033,444,684
	Union fees			2,473,022	511,619,544
	Others			,595,838	1,360,633,777
	Total		26,870	0,198,360	15,905,698,005



Long-term loans from PetroVietnam Joint Stock Finance Corporation ("PVFC"), now known as Vietnam Public Joint Stock Commercial Bank ("PVcomBank"), include two credit facilities:

- Agreement No. 11/2011/HDTDUT/TCDK-CNVT.TD dated 17 May 2011 with the amount of VND 641,000,000,000 for payment of investment cost of project "Building and maintain oil platforms". This loan bears interest rate of 4.9%, 14.1%, 12.1% per annum and is unsecured loan. The term loan is 12 months from 24 May 2011 to 24 May 2012 and is extended to 24 November 2014 according to Appendix No. 01/11/2011/HDTDUT/TCDK-CNVT.TD. This loan was fully disbursed in 2011.
- Agreement No. 07/HDTDUT/TCDK-CNVT.TD dated 18 March 2011 with the maximized amount of VND 250,000,000,000 for payment of investment cost of project "Building and maintain oil platforms". Interest of loan is the same with interest rate from economics entities with the term of 12 months of PVFC plus 5% per annum for loans disbursed before 06 October 2011 and 14.2% per annum for loans disbursed after 06 October 2011. This loan is unsecured. Term loan is starting from the date PetroVietnam transfers its entrusted fund to PVFC to the date 06 April 2012. In 2011, the Company has withdrawn VND 153,197,270,000 and in 2012 the Company has withdrawn VND 30,363,179,097.



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On 09 May 2013, the Company entered into two appendices of two Agreement No. 02/07/HDTDUT/TCDK-CNVT.TD and Agreement No. 02/11/2011/HDTDUT/TCDK-CNVT.TD. Thereon, two loans will be extended to 31 December 2018. These two loans are repayable in instalments starting from 30 June 2014 to 31 December 2018. The loans bear interest at the rate of 100% saving rate in the 12 months of postpaid from Bank for Foreign Trade of Vietnam at the time of adjusted rate plus entrust rate (0.15%/year).

Long-term loans are repayable as follows:

	31/12/2013	31/12/2012
	<u>VND</u>	<u>VND</u>
On demand or within one year	164,912,000,000	2 0
In the second year	164,912,000,000	164,912,089,819
In the third to fifth year inclusive	494,736,449,097	494,736,269,458
After five years	, (Control of the Control of the Con	164,912,089,819
	824,560,449,097	824,560,449,097
Less: Amount due for settlement within 12		
months (presents at item Short-term loans and		
liabilities)	(164,912,000,000)	
Amount due for settlement after 12 months	659,648,449,097	824,560,449,097

19. OWNER'S EQUITY

Movement in owner's equity

	Charter	Other owners' capital	(Accumulated losses)/ Retained	
	capital	capitai	earnings	Total
	<u>VND</u>	<u>VND</u>	VND	VND
Balance as at 01/01/2012	594,897,870,000	765,604,327	67,309,081,057	662,972,555,384
Profit during the year		-	22,470,614,465	22,470,614,465
Dividends paid	-		(41,642,850,900)	(41,642,850,900)
Funds appropriation	-	8 ≅ 1	(4,274,939,984)	(4,274,939,984)
Others		1,832,117,136		1,832,117,136
Balance as at 31/12/2012	594,897,870,000	2,597,721,463	43,861,904,638	641,357,496,101
Loss during the year		v=	(209,135,193,633)	(209,135,193,633)
Dividends paid	(=)	:: :	(29,744,893,500)	(29,744,893,500)
Funds appropriation			(898,824,578)	(898,824,578)
Balance as at 31/12/2013	594,897,870,000	2,597,721,463	(195,917,007,073)	401,578,584,390

Under Resolution No. 026/13/NQ-DHDCD dated 15 April 2013 issued by annual General Shareholders' Meeting 2013, the Company's shareholders agreed to declare dividends of 5% of its charter capital and make the funds appropriation for the bonus and welfare fund with amount of VND 898,824,578 from the retained earnings of 2012.

In addition, according to the Resolution, General Shareholders agreed to increase the charter capital from VND 594,897,870,000 to VND 892,346,800,000. However, as at the reporting date, the Company has not carried out the procedure to increase the charter capital.

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

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31/12/2013	31/12/2012
59,489,787	59,489,787
59,489,787	59,489,787
59,489,787	59,489,787
	59,489,787

The Company has one class of ordinary share which carry no right to fixed income with par value of VND 10,000 per share. The shareholders of ordinary shares are entitles to receive dividends as declared from time to time and are entitled to one vote per share at the Company's shareholders meetings. All shares rank equally with regard to the Company's residual assets.

Details of the Company's capital contribution as at balance sheet date are as follows:

	31/12/2013 and 31/12/2012		
	<u>%</u>	<u>Shares</u>	Amount(VND)
PetroVietnam Technical Services Corporation	28.75	17,105,643	171,056,430,000
Vietnam Shipbuilding Industry Group	7.53	4,479,257	44,792,570,000
Bank for Investment and Development of Vietnam			9,3
JSC	4.03	2,400,000	24,000,000,000
Joint Venture Vietsovpetro	3.63	2,161,300	21,613,000,000
LILAMA	4.03	2,400,000	24,000,000,000
LILAMA 18 Joint Stock Company	3.03	1,800,000	18,000,000,000
Others	49.00	29,143,587	291,435,870,000
	100.00	59,489,787	594,897,870,000

20. BUSINESS AND GEOGRAPHICAL SEGMENT

Principal activities of the Company are to build, maintain and refurbish drilling platforms, oil platforms, ships, floating devices and related equipments. During the operation course, the Company's other production and business activities are very small proportion of its total revenue and operating results, accordingly, the financial information that was presented in the balance sheet as at 31 December 2013 and all its revenue, expenses in the income statement for the year ended 31 December 2013 are related to its principal activities. In geography, the Company mainly operates within Vietnam.

Accordingly, the Board of Directors has assessed and believes that the financial statement in which did not presented information related to business and geographical segment for the year ended 31 December 2013 is in accordance with stipulations of Accounting Standard No.28 "Segment reporting" and also in according with the business situation of the Company.

21. GROSS REVENUE FROM SERVICES RENDERED

	2013 <u>VND</u>	2012 <u>VND</u>
Construction contracts	33,280,628,934	710,562,636,758
Other maintainence contracts	223,085,211,287	94,098,645,531
Other services	9,268,145,874	28,716,459,471
	265,633,986,095	833,377,741,760

Da Ki	, 30/4 Road, Thang Nhat Ward a - Vung Tau Province, S.R. Vietnam	For the year end	Financial statements ded 31 December 2013
	ES TO THE FINANCIAL STATEMENTS (Connotes are an integral part of and should be read in c		FORM B 09-DN g financial statements
22.	COST OF SERVICES		
		2013	2012
		<u>VND</u>	VND
	Construction contracts	42,731,320,582	626,131,632,586
	Other maintainence contracts	204,396,874,631	41,727,559,161
	Other services	5,434,048,771 252,562,243,984	4,516,434,409
		232,302,243,764	072,373,020,130
23.	PRODUCTION COST BY NATURE		
		2013	2012
		<u>VND</u>	VND
	Raw materials and consumables	47,395,088,010	296,384,557,557
	Labour	98,695,762,649	136,542,627,184
	Depreciation and amortization	145,702,649,391	148,070,296,109
	Out-sourced services	105,672,069,477 7,761,609,101	117,704,660,364 8,577,255,760
	Other expenses	405,227,178,628	707,279,396,97
24.	FINANCIAL INCOME		
70 AA		2013	2012
		<u>VND</u>	VNI
	Bank interest	12,637,992,987	9,202,543,13
	Realized foreign exchange gain	1,096,861,322	1,413,256,008
	Unrealized foreign exchange gain	4,174,223,336	
		17,909,077,645	10,615,799,139

THANCIAL DAI DIOLO		
	2013	2012
	<u>VND</u>	VND
Interest expense	75,468,583,598	96,095,127,190
Realised foreign exchange loss	3,711,934,042	15,697,221,771
Unrealised foreign exchange loss		3,286,282,849
	79,180,517,640	115,078,631,810
	Interest expense Realised foreign exchange loss	Interest expense 75,468,583,598 Realised foreign exchange loss 3,711,934,042 Unrealised foreign exchange loss -

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FINANCIAL EXPENSES

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Ba Ria - Vung Tau Province, S.R. Vietnam

For the year ended 31 December 2013

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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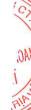
26. (LOSS)/ PROFIT FROM OTHER ACTIVITIES

		2013 <u>VND</u>	2012 <u>VND</u>
Othe	er income	1,783,580,202	7,899,420,919
Raw Lab	book value of fixed assets disposed materials and consumables our amount amortization	5,252,040,742 1,923,125,067 32,370,061,774 80,879,463,802	- - -
	-sourced services er expenses	5,593,282,740 2,638,071,982 128,656,046,107	209,830,365 209,830,365
(Los	ss)/Profit from other activities	(126,872,465,905)	7,689,590,554
27. CUF	RRENT TAX EXPENSE	2013 <u>VND</u>	2012 <u>VND</u>
Add Less Asse Asse Curr Add	cs)/ profit before tax l: non-deductible expenses s: non-assessable income essable (loss)/ income essable (loss)/ income with tax rate of 10% essable (loss)/income with tax rate of 25% rent corporate income tax expense litional tax from year 2008 to year 2012 erent tax expense	(206,398,909,636) 25,514,620,920 (2,976,288,486) (183,860,577,202) (82,004,336,994) (101,856,240,208) 	29,330,190,400 3,838,527,305

According to Official Letter No. 6031/CT-TTHT dated 17 October 2008 issued by Tax Department of Ba Ria - Vung Tau, the Company is obliged to pay corporate income tax at three applicable tax rates are as follows:

- For the activitives to build, maintain, refurbish drilling platforms, oil platforms, ships, the Company is obliged to pay corporate income tax of 20% of its assessable income for 10 years from the date of operation and of 25% for the following years. The Company is also entitled to corporate income tax exemption during 2 years from the first taxable profit making year (2010), and a reduction of 50% for the following three years.
- For the activitives to execute marine construction, manufacture materials, electronical and mechanical equipments use for manufacturing drilling platforms, oil platforms and ships, manufacture equipment and steel structures for industrial and infrastructure projects, dredge narrow passage and site clearance, and provide construction services for petroleum projects, the Company is obliged to pay corporate income tax of 25% of its assessable income in according with prevailing regulations. The Company is also entitled to corporate income tax exemption for 2 years from the first taxable profit making year (2010), and a reduction of 50% for the following two years.
- For other activities, the Company is obliged to pay corporate income tax of 25% of its assessable income.





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28. BASIC EARNINGS PER SHARE

	2013	2012
	<u>VND</u>	VND
(Loss)/ Profit for the purposes of calculating		
basic earnings per share	(209,135,193,633)	22,470,614,465
Ordinary shares during the year	59,489,787	59,489,787
Basic earnings per share	(3,515)	378

29. FINANCIAL INSTRUMENTS

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings disclosed in Note 18 offset by cash and cash equivalents) and equity attributable to equity shareholders (comprising charter capital, reserves and (accumulated losses)/retained earnings).

Gearing ratio

The gearing ratio of the Company as at the balance sheet date was as follows:

31/12/2013 <u>VND</u>	31/12/2012 <u>VND</u>
824,560,449,097	824,560,449,097
766,437,653,703	236,580,775,891
58,122,795,394	587,979,673,206
401,578,584,390	641,357,496,101
0.14	0.92
	VND 824,560,449,097 766,437,653,703 58,122,795,394 401,578,584,390

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset and financial liability are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Categories of financial instruments

	Carrying amounts		
	31/12/2013	31/12/2012	
	VND	VND	
Financial assets			
Cash and cash equivalents	766,437,653,703	236,580,775,891	
Trade and other receivables	121,010,798,824	311,110,137,609	
Deposits	2,646,168,490	-	
Total	890,094,621,017	547,690,913,500	
Financial liabilities			
Trade and other payables	109,824,210,616	90,414,580,703	
Borrowings and interests	1,137,110,119,752	1,566,664,853,284	
Accrued expenses	32,259,449,224	77,820,183,756	
Total	1,279,193,779,592	1,734,899,617,743	

According to Circular 210/2009/TT-BTC issued by the Ministry of Finance on 06 November 2009 ("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. Hence, the Company can not assess fair value of its financial assets and liabilities as at the balance date.

Financial risk management objectives

The Company has set up risk management system to identify and assess the risks exposed by the Company and designed control policies and procedures to manage those risks at an acceptable level. Risk management system is reviewed on a regular basis to reflect changes in market conditions and the Company's operations.

Financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and prices. The Company does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows:

Assets		Liabili	ties
31/12/2013	31/12/2012	31/12/2013	31/12/2012
VND	<u>VND</u>	VND	<u>VND</u>
131,001,541,592	308,535,006,377	2,060,632,841	54,076,402,307
=	-	le l	227,692,146
2		*	268,740,099
213,145,724		45,979,180,390	
	31/12/2013 <u>VND</u> 131,001,541,592	31/12/2013 31/12/2012 <u>VND</u> <u>VND</u> 131,001,541,592 308,535,006,377	31/12/2013 31/12/2012 31/12/2013 <u>VND</u> <u>VND</u> <u>VND</u> 131,001,541,592 308,535,006,377 2,060,632,841

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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Foreign currency sensitivity

The sensitivity rate used when reporting foreign currency risk determined by the Board of Directors is 2%. Accordingly, the Board of Directors assesses that foreign exchange differences will affect outstanding foreign currency denominated monetary items at the end of the reporting period. For a 2% increase/decrease in the following foreign currencies against Vietnam Dong, (loss)/profit before tax in the year would change by the same amount as follows:

	201	3	201	2	
	<u>VNI</u>	VND		VND	
	2% increase	2% decrease	2% increase	2% decrease	
United States Dollar					
(USD)	2,578,818,175	(2,578,818,175)	5,089,172,081	(5,089,172,081)	
Singapore Dollar (SGD)	, 	# · · · · · · · · · · · · · · · · · · ·	(4,553,843)	4,553,843	
British Pound (GPB)	= 0	*	(5,374,802)	5,374,802	
Euro (EUR)	(915,320,693)	915,320,693		*	

Interest rate risk management

The Company has significant interest rate risks arising from interest bearing loans from PVcombank. The risk is managed by the Company by maintaining an appropriate level of borrowings and analyzing market competition to enjoy favorable interest rates from appropriate lenders.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Company does not have any significant credit risk exposure to any counterparty.

Liquidity risk management

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

The following table details the Company's remaining contractual maturity for its non-derivative financial assets and financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial assets and undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.



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65A2, 30/4 Road, Thang Nhat Ward Ba Ria - Vung Tau Province, S.R. Vietnam

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For the year ended 31 December 2013

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31/12/2013	Less than 1 year VND	From 1-5 year <u>VND</u>	Total <u>VND</u>
Cash and cash equivalents Trade and other receivables Deposits	766,437,653,703 121,010,798,824 2,646,168,490	-	766,437,653,703 121,010,798,824 2,646,168,490
Total	890,094,621,017		890,094,621,017
Trade and other payables Borrowings Accrued expenses Total	109,824,210,616 179,795,308,000 32,259,449,224 321,878,967,840	957,314,811,752 - 957,314,811,752	109,824,210,616 1,137,110,119,752 32,259,449,224 1,279,193,779,592
Net liquidity gap	568,215,653,177	(957,314,811,752)	(389,099,158,575)
31/12/2012	Less than 1 year <u>VND</u>	From 1-5 year <u>VND</u>	Total <u>VND</u>
Cash and cash equivalents Trade and other receivables Total	236,580,775,891 311,110,137,609 547,690,913,500	- -	236,580,775,891 311,110,137,609 547,690,913,500
Trade and other payables Borrowings Accrued expenses Total	90,414,580,703 77,820,183,756 168,234,764,459	1,566,664,853,284 - 1,566,664,853,284	90,414,580,703 1,566,664,853,284 77,820,183,756 1,734,899,617,743
Net liquidity gap	379,456,149,041	(1,566,664,853,284)	(1,187,208,704,243)

Owing to the largest amount of financial liabilities is a borrowing from PetroVietnam and is enstructed through PVFC (now known as PVcomBank) with the instalment payment schedule to 2018 basing on the Company's operating cashflows in the following years. Therefore, the Company has assessed the liquidity risk concentration at low level.

30. OTHER COMMITMENT

On 29 November 2013, the Company and Vietsobpetro signed the contract for the construction of the new drilling platform. Accordingly, the Company has become the main contractor to build up the Tam Dao 05 drilling platform with the estimated value of USD 200 million and the construction time is 32 months from the effective date of the contract.



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31. RELATED PARTY TRANSACTIONS AND BALANCES

Beside the related party transactions and balances as stated in other Notes to the financial statements, during the year, the Comhany has significant related party transactions are as below:

Remuneration paid to the Company's Boards of Management and Directors:

2013

2012

<u>VND</u>

VND

Salaries and Bonus

3,126,843,982

3,512,638,155

The related parties' balances as at 31 December 2013 and 31 December 2012 are as follows:

31/12/2013

31/12/2012

<u>VND</u>

<u>VND</u>

Dividend payables

Vietnam Shipbuilding Industry Group

Joint Venture Vietsovpetro

2,239,628,500

1,080,650,000

CÔNG TY CỔ PHẨN CHẾ TẠO GIÀN KHOAN

Nguyen Phuong Huong

Preparer

Nguyen Van Quang Chief Accountant Phan Tu Clang

3 March 2014



