

**PETROVIETNAM DRILLING AND WELL  
SERVICES CORPORATION**

*(Incorporated in the Socialist Republic of Vietnam with  
business code 0302495126)*

**AUDITED CONSOLIDATED FINANCIAL  
STATEMENTS**

**For year ended 31 December 2023**

**TABLE OF CONTENTS**

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3
CONSOLIDATED BALANCE SHEET	4 - 5
CONSOLIDATED INCOME STATEMENT	6
CONSOLIDATED CASH FLOW STATEMENT	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	8 - 50

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**

4<sup>th</sup> Floor, Sailing Tower, 111A Pasteur, District 1

Ho Chi Minh City, Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of Petrovietnam Drilling and Well Services Corporation (the “Company”) presents this report together with the consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023.

**THE BOARDS OF DIRECTORS AND MANAGEMENT**

The members of the Boards of Directors and Management of the Group during the year and to the date of this report are as follows:

**Board of Directors**

Mr. Mai The Toan	Chairman
Mr. Do Duc Chien	Vice Chairman
Mr. Nguyen Xuan Cuong	Member
Mr. Vu Thuy Tuong	Member
Mr. Nguyen Van Toan	Independent Member
Mr. Van Duc Tong	Independent Member
Mr. Hoang Xuan Quoc	Independent Member

**Board of Management**

Mr. Nguyen Xuan Cuong	President
Mr. Dao Ngoc Anh	Vice President (resigned from 01 June 2023)
Mr. Ho Vu Hai	Vice President
Mr. Do Danh Rang	Vice President
Mr. Nguyen Cong Doan	Vice President
Mr. Nguyen The Son	Vice President
Mr. Dinh Quang Nhut	Vice President

**THE BOARD OF MANAGEMENT’S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Group is responsible for preparing the consolidated financial statements, which give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting. In preparing these consolidated financial statements, the Board of Management is required to:

- 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 consolidated financial statements;
- Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- Design and implement an effective internal control system for the purpose of properly preparing and presenting the consolidated financial statements so as to minimise errors and frauds.

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**

4<sup>th</sup> Floor, Sailing Tower, 111A Pasteur, District 1  
Ho Chi Minh City, Vietnam

**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

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

The Board of Management confirms that the Group has complied with the above requirements in preparing these consolidated financial statements.

For and on behalf of the Board of Management, *and*



*Nguyễn Xuân Cường*  
**President**  
29 March 2024

## INDEPENDENT AUDITORS' REPORT

**To:** The Shareholders, the Boards of Directors and Management of  
Petrovietnam Drilling and Well Services Corporation

We have audited the accompanying consolidated financial statements of Petrovietnam Drilling and Well Services Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") prepared on 29 March 2024 as set out from page 4 to page 50 which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Board of Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

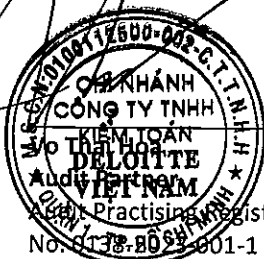
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

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

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

### **Auditors' Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Audit Practising Registration Certificate  
No. 4773-2024-001-1

BRANCH OF DELOITTE VIETNAM AUDIT  
COMPANY LIMITED

29 March 2024

Ho Chi Minh City, Vietnam

Nguyen Hoang Quoc Tri  
Auditor

Audit Practising Registration Certificate  
No. 4773-2024-001-1

**CONSOLIDATED BALANCE SHEET**

*As at 31 December 2023*

Unit: USD

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>287,702,657</b>	<b>241,174,514</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>93,689,666</b>	<b>88,790,540</b>
1. Cash	111		90,793,743	86,648,115
2. Cash equivalents	112		2,895,923	2,142,425
<b>II. Short-term financial investments</b>	<b>120</b>		<b>53,082,421</b>	<b>18,132,068</b>
1. Held-to-maturity investments	123	5	53,082,421	18,132,068
<b>III. Short-term receivables</b>	<b>130</b>		<b>96,094,555</b>	<b>92,410,644</b>
1. Short-term trade receivables	131	6	71,400,239	74,120,478
2. Short-term advances to suppliers	132	7	10,002,057	4,780,353
3. Other short-term receivables	136	8	17,649,512	19,821,450
4. Provision for short-term doubtful debts	137	6	(2,957,253)	(6,311,637)
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>41,523,900</b>	<b>38,810,804</b>
1. Inventories	141		47,237,620	44,665,172
2. Provision for devaluation of inventories	149		(5,713,720)	(5,854,368)
<b>V. Other short-term assets</b>	<b>150</b>		<b>3,312,115</b>	<b>3,030,458</b>
1. Short-term prepayments	151		1,569,142	1,003,139
2. Value added tax deductibles	152		1,668,713	1,958,002
3. Taxes and other receivables from the State budget	153	18	74,260	69,317
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>610,671,438</b>	<b>643,235,853</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>4,314,908</b>	<b>796,486</b>
1. Other long-term receivables	216	8	4,314,908	796,486
<b>II. Fixed assets</b>	<b>220</b>		<b>544,657,466</b>	<b>579,546,529</b>
1. Tangible fixed assets	221	10	537,814,213	572,246,122
- Cost	222		1,058,588,234	1,060,317,666
- Accumulated depreciation	223		(520,774,021)	(488,071,544)
2. Intangible assets	227	11	6,843,253	7,300,407
- Cost	228		13,606,615	13,616,098
- Accumulated amortisation	229		(6,763,362)	(6,315,691)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>383,142</b>	<b>349,368</b>
1. Construction in progress	242	12	383,142	349,368
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>27,661,489</b>	<b>26,565,206</b>
1. Investments in joint-ventures	252	13	27,661,489	26,565,206
<b>V. Other long-term assets</b>	<b>260</b>		<b>33,654,433</b>	<b>35,978,264</b>
1. Long-term prepayments	261	14	24,534,788	27,803,790
2. Deferred tax assets	262	15	9,119,645	8,174,474
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>898,374,095</b>	<b>884,410,367</b>

The accompanying notes are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2023

Unit: USD

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>279,679,845</b>	<b>283,021,674</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>130,653,488</b>	<b>122,521,501</b>
1. Short-term trade payables	311	16	23,646,976	24,255,247
2. Short-term advances from customers	312	17	10,938,196	3,672,196
3. Taxes and amounts payable to the State budget	313	18	3,891,525	2,502,252
4. Payables to employees	314		5,228,169	5,060,638
5. Short-term accrued expenses	315	19	29,121,070	21,288,548
6. Other current payables	319	20	15,590,677	14,437,703
7. Short-term loans	320	21	22,979,768	35,682,060
8. Short-term provisions	321	22	13,683,481	12,100,672
9. Bonus and welfare funds	322		5,573,626	3,522,185
<b>II. Long-term liabilities</b>	<b>330</b>		<b>149,026,357</b>	<b>160,500,173</b>
1. Long-term accrued expenses	333	19	1,180,763	-
2. Other long-term payables	337	20	19,664,288	20,234,299
3. Long-term loans	338	23	115,767,517	128,139,772
4. Long-term provisions	342	24	9,149,267	8,379,894
5. Scientific and technological development fund	343	25	3,264,522	3,746,208
<b>D. EQUITY</b>	<b>400</b>		<b>618,694,250</b>	<b>601,388,693</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>26</b>	<b>618,694,250</b>	<b>601,388,693</b>
1. Owners' contributed capital	411		270,911,347	270,911,347
- Ordinary shares carrying voting rights	411a		270,911,347	270,911,347
2. Share premium	412		126,770,844	126,770,844
3. Treasury shares	415		(966,501)	(966,501)
4. Foreign exchange reserve	417		(19,681,971)	(17,577,114)
5. Investment and development fund	418		172,975,895	164,790,329
6. Retained earnings	421		57,415,662	46,532,459
- Retained earnings accumulated to the prior year end	421a		46,532,459	52,524,805
- Retain earnings/(Losses) of the current year	421b		10,883,203	(5,992,346)
7. Non-controlling interests	429	27	11,268,974	10,927,329
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>898,374,095</b>	<b>884,410,367</b>



Nguyen Xuan Cuong  
President  
29 March 2024

Nguyen Ngoc Truong  
Chief Accountant

Tran Kim Hoang  
Preparer

The accompanying notes are an integral part of these consolidated financial statements

**CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2023

Unit: USD

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		245,191,251	233,356,445
2. Net revenue from goods sold and services rendered (10=01)	10	30	245,191,251	233,356,445
3. Cost of goods sold and services rendered	11	31	190,044,307	208,548,603
4. Gross profit from goods sold and services rendered (20=10-11)	20		55,146,944	24,807,842
5. Financial income	21	33	5,669,721	5,050,139
6. Financial expenses	22	34	16,561,181	13,426,846
- In which: Interest expense	23		10,581,674	7,219,107
7. Income from investments in joint ventures	24	13	2,793,775	1,935,759
8. Selling expenses	25		1,020,117	757,466
9. General and administration expenses	26	35	22,072,196	21,171,646
10. Operating profit/(loss) (30=20+(21-22)+24-(25+26))	30		23,956,946	(3,562,218)
11. Other income	31	36	6,560,231	205,440
12. Other expenses	32	37	2,705,777	2,594,294
13. Profit/(Loss) from other activities (40=31-32)	40		3,854,454	(2,388,854)
14. Accounting profit/(loss) before tax (50=30+40)	50		27,811,400	(5,951,072)
15. Current corporate income tax expense	51	38	5,702,788	1,637,382
16. Deferred corporate tax income	52	15	(953,196)	(935,402)
17. Net profit/(loss) after corporate income tax (60=50-51-52)	60		23,061,808	(6,653,052)
Attributable to:				
- The Company's shareholders	61		24,704,612	(4,422,959)
- Non-controlling interests and Interests of partners in Business Cooperation Contract	62	27	(1,642,804)	(2,230,093)
18. Basic gain/(loss) per share	70	39	0.034	(0.011)



Nguyễn Xuân Cuong  
President  
29 March 2024

Nguyễn Ngọc Trương  
Chief Accountant

Trần Kim Hoàng  
Preparer

The accompanying notes are an integral part of these consolidated financial statements



**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2023

Unit: USD

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit/(Loss) before tax	01	27,811,400	(5,951,072)
2. Adjustments for:			
Depreciation and amortisation	02	36,190,736	33,637,835
Provisions	03	2,791,952	7,882,011
Foreign exchange loss arising from translating foreign currency items	04	395,133	2,317,615
Gain from investing activities	05	(5,732,907)	(4,476,030)
Interest expense	06	10,581,674	7,219,107
Other adjustments	07	517,185	579,296
3. Operating profit before movements in working capital	08	72,555,173	41,208,762
Changes in receivables	09	(8,358,987)	(15,355,775)
Changes in inventories	10	(2,572,448)	(5,653,281)
Changes in payables	11	10,600,840	(18,903,782)
Changes in prepaid expenses	12	2,702,999	1,378,730
Interest paid	14	(1,404,388)	(1,548,076)
Corporate income tax paid	15	(3,344,781)	(2,059,589)
Other cash outflows	17	(3,694,422)	(2,654,350)
Net cash generated by/(used in) operating activities	20	66,483,986	(3,587,361)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets	21	(6,275,881)	(6,659,816)
2. Proceeds from sale, disposal of fixed assets	22	128,866	21,555
3. Cash outflow for buying debt instruments of other entities	23	(79,836,142)	(33,806,569)
4. Cash recovered from selling debt instruments of other entities	24	44,915,118	82,758,346
5. Interest earned, dividends and profits received	27	4,440,467	10,422,220
Net cash (used in)/generated by investing activities	30	(36,627,572)	52,735,736
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	944,351	3,268,046
2. Repayment of borrowings	34	(25,707,185)	(13,349,093)
3. Dividends and profits paid	36	(145,997)	(149,283)
Net cash used in financing activities	40	(24,908,831)	(10,230,330)
Net increased in cash (50=20+30+40)	50	4,947,583	38,918,045
Cash and cash equivalents at the beginning of the year	60	88,790,540	49,942,716
Effects of changes in foreign exchange rates	61	(48,457)	(70,221)
Cash and cash equivalents at the end of the year	70	93,689,666	88,790,540



Nguyen Xuan Cuong  
President  
29 March 2024

Nguyen Ngoc Truong  
Chief Accountant

Tran Kim Hoang  
Preparer

The accompanying notes are an integral part of these consolidated financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***1. GENERAL INFORMATION****Structure of ownership**

The Group consists of Petrovietnam Drilling and Well Services Corporation (the "Company") and its 7 subsidiaries and 6 joint ventures.

Details of the Group are as follows:

**The Company**

The Company is a joint stock company established in Vietnam in accordance with the Business Registration Certificate No.4103004335 dated 15 February 2006 and the 17<sup>th</sup> amendment dated 26 September 2022 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City, Business code No. 0302495126. The Company was established from the equitization of Petrovietnam Drilling and Well Services Company, a member of Petrovietnam - Vietnam Oil and Gas Group (hereinafter referred to as "Petrovietnam").

The Company consists of two divisions and offices abroad.

These offices were established through the changes of legal form based on the Decisions of the Board of Directors on the termination of the establishment of branches in foreign countries with details as follows:

- The Drilling Division was established in accordance with the Resolution of the Company's Board of Directors dated 9 April 2007 and the Decision No. 1249/QĐ-PVD issued by the President dated 24 May 2007 changing the Drilling Management Committee into the Drilling Division and in accordance with the Business Registration Certificate No. 0302495126-007 dated 16 March 2010 replacing the Business Registration Certificate No. 4113028028 issued by the DPI of Ho Chi Minh City. The Drilling Division's registered office is located at 3<sup>rd</sup> Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, S.R Vietnam. The Division manages and operates 03 offshore drilling rigs: PV DRILLING I, PVD DRILLING II and PV DRILLING III.
- PVD Drilling Investment Division ("PVD Invest") was established in accordance with the Decision No. 06/12/QĐ-HDQT dated 30 December 2009 issued by the Board of Directors and the Business Registration Certificate No. 0302495126 dated 18 January 2010, and its amendment dated 19 May 2010 issued by the DPI of Ho Chi Minh City. PVD Invest's registered office is located 3<sup>rd</sup> Floor, The Manor 2, 91 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City, Vietnam.
- The Office in Algeria was established in accordance with Decision No. 1857/QĐ-PVD dated 16 August 2007 issued by the President. The Office at Algeria is located at Cité Si El, Houas, No. 02, Villa No. 101, Hassi Messaoud, Ouargla, Algeria. Algeria Office is directly controlled and managed by the Drilling Division. The Office manages and operates 01 land drilling rig: PV DRILLING 11.
- The Office in Malaysia was established under Decision No. 224/QĐ-PVD dated 10 July 2023 issued by the President. The Malaysia Office's registered office is located at 22.03, Level 22, Menara TA One, 22, Jalan P. Ramlee, 50250a Kuala Lumpur, Malaysia.
- The Office in Brunei was established under Decision No. 226/QĐ-PVD dated 10 July 2023 issued by the President. The Brunei Office's registered office is located at 5th floor, Wisma Hajjah Famimah, No. 22-23 Jalan Sultan BS8811, Bandar Seri Begawan, Brunei Darussalam.
- The Office in Thailand was established under Decision No. 225/QĐ-PVD dated 10 July 2023 issued by the President. The Thailand Office's registered office is located at Ceo Suite: Athenee Tower, 23<sup>rd</sup> floor, 63 Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Thailand.

- The Office in Indonesia was established under Decision No. 227/QĐ-PVD dated 10 July 2023 issued by the President. The Indonesia Office's registered office is located at Jl. Prof. Dr. Soepomo No. 231, Crown Palace Blok C-09, Desa/ Kelurahan Menteng Dalam, Kec. Tebet, Kota Adm. Jakarta Selatan, 12870 Provinsi DKI Jakarta, Indonesia.

The number of employees of the Company and its subsidiaries as at 31 December 2023 was 439 and 1,485 respectively (as at 31 December 2022: 440 and 1,531).

***The subsidiaries***

PVD Offshore Services Company Limited ("PVD Offshore") was established as a limited liability company under the Business Registration Certificate No. 3500803145 dated 1 September 2009 issued by DPI of Ba Ria - Vung Tau Province and its amendments. PVD Offshore's registered office is located at 43A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. PVD Offshore is principally engaged in providing manufacture repair, inspection and maintenance of equipment and facilities of oil and gas industry; manpower supply service related to drilling, oil and gas exploitation for domestic and foreign contractors; consultancy in environmental impact assessment, rescue plan for oil spills for facilities and activities that have a risk of oil spills.

PVD Well Services Company Limited ("PVD Well") was established as a limited liability company under the Business Registration Certificate No. 4104001468 dated 1 August 2007 issued by DPI of Ho Chi Minh City and its amendments. PVD Well's registered office is located at 4<sup>th</sup> Floor, Cantavil Premier Building, No. 1 Song Hanh Street, An Phu Ward, Thu Duc City, Ho Chi Minh City. PVD Well is principally engaged in providing tubular services, drilling equipment rental services, well drilling technical services, supplying specialized tool and equipment to serve the well drilling services.

Petroleum Well Logging Company Limited ("PVD Logging") was established as a limited liability company under the Business Registration Certificate No. 4104001513 dated 7 August 2007 issued by DPI of Ho Chi Minh City and its amendments. PVD Logging's registered office is at 4<sup>th</sup> Floor, PVFCCo Building, 43 Mac Dinh Chi Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. PVD Logging is principally engaged in providing oil and gas wells geophysical survey service, oil and gas wells testing, reservoir testing, cementing pumps and supply of manpower, tool and equipment for the other related services.

PVD Trading and Technical Services Joint Stock Company (formerly known as Petroleum Trading and Technical Services Company Limited, "PVD Tech") has changed legal form from a limited liability company to a joint stock company and commenced its operation as a joint stock company under the latest Amended Business Registration Certificate No. 0305124602 dated 25 February 2022 issued by DPI of Ho Chi Minh City. PVD Tech's registered office is located at 10<sup>th</sup> Floor, Phuoc Thanh Building, 199 Dien Bien Phu Street, Ward 15, Binh Thanh District, Ho Chi Minh City, Vietnam. PVD Tech is principally engaged in providing materials and equipment for the oil and gas industry and other industries, services on installation, inspection, repair, maintenance of drilling rig, mending rig, exploiting rig and DES equipment rental services.

PVD Technical Training and Certification Joint Stock Company ("PVD Training"), formerly known as Cuu Long Company Limited, is a joint stock company that was established in accordance with Business Registration Certificate No. 3500677518 dated 12 August 2011 issued by DPI of Ba Ria - Vung Tau Province, and its amendments. PVD Training's registered office is located at Dong Xuyen Industrial Zone, 30/4 Street, Rach Dua Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. PVD Training is principally engaged in providing training, introduction and supply of manpower in the oil and gas industry in domestic and overseas markets; house, office and warehouse for lease.

PVD Deepwater Drilling Company Limited ("PVD Deepwater") was established as a limited liability company under the Business Registration Certificate No. 0310139354 dated 14 July 2010 issued by DPI of Ho Chi Minh City and its amendments. PVD Deepwater's registered office is located at 3<sup>rd</sup> Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam. PVD Deepwater is principally engaged in providing supporting services in crude oil and natural gas exploitation; supply of deepwater rigs in service search, exploration and exploitation of oil and gas; supply of materials and equipment, machinery for supporting of oil and gas researching, exploring and exploiting; industry and other related industries; research and natural and technical sciences experimental development of natural and technical sciences; technological consultancy in the field of oil and gas. The Drilling Division is currently managing and operating PV DRILLING V, under a rig lease contract with PVD Deepwater.

PV Drilling Overseas Company Private Limited ("PVD Overseas") was established in Singapore under joint venture contract with Falcon Energy Group Limited and Business Registration No. 201308977C dated 4 April 2013. PVD Overseas's registered office is located at No.75 High Street, The Co Building, Singapore. PVD Overseas is principally engaged in providing investment, drilling rental, supplying drilling service and the services related to exploration and exploitation of oil and gas. The Drilling Division is currently managing and operating PV DRILLING VI, under a rig lease contract with PVD Overseas.

Detailed information about capital contribution status and investment value in subsidiaries of the Company as at 31 December 2023 and 31 December 2022 are as follows:

Name of subsidiaries	Proportion of ownership interest/ voting power held %	Closing balance			Proportion of ownership interest/ voting power held %	Opening balance		
		Registered charter capital (original currency)	Contributed charter capital (original currency)	Investment value USD		Registered charter capital (original currency)	Contributed charter capital (original currency)	Investment value USD
PVD Offshore	100	VND 130,000,000,000	VND 130,000,000,000	6,748,980	100	VND 130,000,000,000	VND 130,000,000,000	6,748,980
PVD Well	100	VND 80,000,000,000	VND 80,000,000,000	4,081,469	100	VND 80,000,000,000	VND 80,000,000,000	4,081,469
PVD Logging	100	VND 80,000,000,000	VND 80,000,000,000	4,236,959	100	VND 80,000,000,000	VND 80,000,000,000	4,236,959
PVD Tech	100	VND 450,000,000,000	VND 450,000,000,000	21,049,065	100	VND 450,000,000,000	VND 450,000,000,000	21,049,065
PVD Training	51.8	VND 28,958,670,000	VND 28,958,670,000	1,096,066	51.8	VND 28,958,670,000	VND 28,958,670,000	1,096,066
PVD Deepwater	100	VND 764,000,000,000	VND 764,000,000,000	39,692,090	100	VND 764,000,000,000	VND 764,000,000,000	39,692,090
PVD Overseas	81.6	USD 66,698,050	USD 66,698,050	54,400,000	81.6	USD 66,698,050	USD 66,698,050	54,400,000
				<u>131,304,629</u>				<u>131,304,629</u>

### ***The Joint Ventures***

Details of the Group's joint ventures with proportion of voting rights held 50% are as follows:

BJ Services-PV Drilling Joint Venture Company Limited ("BJ-PVD") was established in Vietnam as a joint venture company under Investment Certificate No. 492021000003 dated 28 September 2006 issued by the People's Committee of Ba Ria - Vung Tau Province and its amendments. BJ - PVD's registered office is located at 65A, 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. BJ-PVD is principally engaged in providing the entire package of services such as cementing pump, reservoir stimulation, dragging tubular and pumping nitrogen, etc., as well as technical solutions, laboratory services and chemicals supply. The total charter capital of BJ-PVD is amount of USD 5 million, in which the Group holds 49% of its ownership.

PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited ("PVD-Baker Hughes") was established in Vietnam under the Investment Certificate No. 411022000556 dated 26 January 2011 issued by the People's Committee of Ho Chi Minh City and its amendments. PVD-Baker Hughes's registered office is located at 5<sup>th</sup> Floor, Cantavil An Phu Center, No. 1 Song Hanh Street, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam. PVD-Baker Hughes is principally engaged in providing directional surveying drilling services, measurement while drilling services, coring sample services, well geophysical survey services, casehead hanging over services, sticking rescue services, artificial reservoir pressure, intelligent well complement services and other mine exploitation technology services. The total charter capital of PVD-Baker Hughes is USD 20 million, equivalent to VND 370,880,000,000, in which the Group holds 51% of its ownership.

PVD Tubulars Management ("PVD Tubulars") was established under the Investment Certificate No. 492022000134 dated 7 October 2008 issued by the Board of Directors of Ba Ria - Vung Tau Industrial Zone and its amendments. PVD Tubulars's registered office is located at Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Viet Nam. PVD Tubulars is principally engaged in providing products of drilling tube, casing, tubing operators and management service for casing package for all oil and gas companies which operating in exploration and exploitation on shore, offshore and deep water regions in Vietnam. The total charter capital of PVD Tubulars is VND 57,995,000,000, equivalent to USD 3.5 million. The Group holds 51% of its ownership.

Vietubes Company Limited ("Vietubes") was established in Vietnam under the Investment Certificate No. 492022000111 dated 15 February 1995 issued by the Board of Directors of Industrial Zone of Ba Ria - Vung Tau Province and its amendment. Vietubes registered office is located at Street 11, Dong Xuyen Industrial Zone, Rach Dua Ward, Ba Ria - Vung Tau Province, Vietnam. Vietubes is principally engaged in providing forging, processing, repair, recovery inspection, verification of drilling tube, fabricated connectors, couplings and by-product supporting for drilling operations, oil and gas exploitation; metal processing, including cutting, formatting and stabilizing metal structure; precision mechanical processing for large details on automatic machines. The total charter capital of Vietubes is VND 77,297,205,000, equivalent to USD 3,707,300. The Group holds 51% of its ownership.

PV Drilling Expo International Company Limited (formerly known as PV Drilling Production Testers International Company Limited, "PVD-Expro") was established as a joint venture company under the Investment Certificate No. 491022000098 dated 25 April 2008 issued by the People's Committee of Ba Ria - Vung Tau Province and its amendments. PVD-Expro's registered office is located at 65A 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. The principal activities of PVD-Expro include providing drilling well reservoir testing service, mining equipment leasing, manpower supplying in operation field of itself with skilled engineers, workers who have experience in working for foreign contractors. The total charter capital of PVD-Expro is USD 6,371,352. The Group holds 51% of its ownership.

PVD Tech-Oil State Industries Joint Venture Company Limited ("PVD-OSI") was established in Vietnam as a joint venture company under the Investment Certificate No. 492022000217 dated 24 November 2011 issued by the Board of Directors of Industrial Zone of Ba Ria - Vung Tau Province. PVD-OSI's registered office is located at Street 11, Phu My Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam. The principal activities of PVD - OSI include producing, manufacturing, forging, lathing tube connectors and components, spare parts in exploratory drilling sector and oil and gas industry; and providing repair, maintenance tube connectors services in exploratory drilling and oil and gas exploitation. The total charter capital of PVD - OSI is VND 105,000,000,000, equivalent to USD 5 million. The Group holds 51% of its ownership.

#### **Principal activities**

The Group is principally engaged in providing drilling services, well services, wire line logging, oil spill control service, drilling rig, materials, equipment, drilling manpower, investment and project management consulting service, management consulting service, and other related services in the oil and gas industry.

#### **Normal production and business cycle**

The Group's normal production and business cycle is carried out for a time period of 12 months or less.

#### **Disclosure of information comparability in the consolidated financial statements**

The comparative figures of the consolidated balance sheet are the figures of the Group's audited consolidated financial statements for the year ended 31 December 2022 (the "Opening balance"). The comparative figures of the consolidated income statement and consolidated cash flow statement are the figures of the Group's audited consolidated financial statements for the year ended 31 December 2022 (the "Prior year").

## **2. ACCOUNTING CONVENTION AND FINANCIAL YEAR**

#### **Accounting convention**

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 consolidated financial reporting. The Group's Board of Management believe that the use of USD as currency unit is necessary to reflect the economic substance of the underlying events and circumstances relevant to of the Group's business operations.

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

**Financial year**

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

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Accounting estimates**

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

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) up to 31 December annually. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**Business combination**

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the acquiring cost below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

**Investments in joint ventures**

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each party has an interest are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using the equity method of accounting.

#### **Financial instruments**

##### ***Initial recognition***

*Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Group comprise cash and cash equivalents, held-to-maturity investments, trade and other receivables.

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

##### ***Subsequent measurement***

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

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **Held-to-maturity investments**

Held-to-maturity investments comprise investments that the Group has the positive intent or ability to hold to maturity, including term deposits to earn periodic interest.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs. Post-acquisition interest income from held-to-maturity investments is recognised in the consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

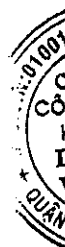
#### **Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue or when the debtor is unable to make settlement due to 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 realizable value. Costs of externally purchased inventories comprise buying price of inventory and where applicable, purchasing costs that have been incurred in bringing the inventories to their present location and condition. Costs of manufactured inventories comprise direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group applies



perpetual method to account for inventories. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the balance sheet date.

#### **Tangible fixed assets and 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 of the rigs, equivalent to the useful lives as follows:

	Years
Rig PV DRILLING I	20
Rig PV DRILLING II	35
Rig PV DRILLING III	35
Rig PV DRILLING V	20
Rig PV DRILLING VI	35
Rig PV DRILLING 11	10

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

	Years
Buildings and structures	6 - 50
Machinery and equipment	5 - 10
Office equipment	3 - 5
Motor vehicles	7 - 12
Other assets	3 - 7

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the consolidated income statement.

#### **Leases**

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases.

*The Group as lessor:* Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an financial lease are charged to the income statement when incurred or charged to the income statement using straight-line method over the lease term.

*The Group as lessee:* Rentals payable under operating leases are charged to the consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.



#### **Intangible assets and amortisation**

Intangible assets represent land use rights and computer software that are stated at cost less accumulated amortization. Land use rights with indefinite time are not amortised. Land use rights with definite time are amortised on a straight-line basis over term of land use rights. Computer software is amortised using the straight-line method over their estimated useful lives from three to five years.

#### **Construction in progress**

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other directly attributable costs in accordance with the Company's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

#### **Prepayments**

Prepayments comprise tools, spare parts incurred, insurance premium and prepaid expense for drilling campaign in Brunei incurred during the year which are expected to provide future economic benefits to the Group.

Tools, spare parts and insurance premium have been capitalized as prepayments and allocated to the consolidated income statement using the straight-line method from one to three years.

Prepaid expenses for drilling project in Brunei have been capitalized as prepayments are allocated to the consolidated income statement on a straight-line basis within six years when the drilling campaign commences in Quarter 1 of 2022.

#### **Accrued expenses**

Accrued expenses include accruals for operation of rigs and other expenses. Accrued expenses reflect the value of the amounts accrued as production and operating costs but not yet actually paid at the balance sheet date.

#### **Payable provisions**

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

The provision for overhaul costs of fixed assets represents the overhaul costs accrued at each financial year based on the reliable estimated costs to be incurred in accordance with technical requirements of the Group's drilling rigs. In the accounting year that incurs overhaul cost of fixed assets, if actual cost is higher than estimated amount or vice versa, the different amount is recorded in the consolidated income statement of that accounting year.

#### **Revenue recognition**

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 consolidated 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 Group;
- (c) the percentage of completion of the transaction at the consolidated 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.

Interest income is recorded on accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Group's right to receive payment has been established.

#### **Severance allowance payable**

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the six consecutive months nearest to the date of the consolidated financial statements at the end of each financial year. The increase or decrease in the accrued amount shall be recorded in the consolidated income statement.

#### **Foreign currencies**

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction date. The balances of monetary items denominated in foreign currencies as at the balance sheet date are retranslated at the exchange rates of commercial bank where the Group usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the consolidated income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of subsidiaries and overseas branches (including comparative figures) are translated to reporting currency using exchange rates prevailing as at the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising when translating the financial statements of subsidiaries and foreign branches are accumulatively recognised into the equity on the consolidated balance sheet based on the following principles:

- *Exchange differences allocated for the Company are presented in the "Foreign exchange reserve" under the "Owners' Equity" section of the consolidated balance sheet;*
- *Exchange differences allocated for the non-controlling shareholders are presented in the "Non-controlling interests".*

Exchange differences will be charged to the consolidated income statements once the subsidiaries and overseas offices are disposed.

### Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

### Taxation

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

The current tax payable is based on taxable income for the year. Taxable income differs from profit before tax as reported in the consolidated 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 also excludes items that are non-taxable or non-deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income 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 income 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 year 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.

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

The determination of the tax currently payable is 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.

## 4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Cash on hand	158,436	224,129
Bank demand deposits	90,635,307	86,423,986
Cash equivalents	2,895,923	2,142,425
	<u>93,689,666</u>	<u>88,790,540</u>

Cash equivalents represent time deposits with the term of three months or less.

As at 31 December 2023, the Group had demand deposits and time deposits of less than 3 months with amounts of USD 488,281 and VND 611,282,504 which was equivalent to USD 513,666 kept at Ocean Commercial One Member Limited Liability Bank (as at 31 December 2022: USD 488,281 and VND 253,580,832 which was equivalent USD 499,113).

**5. HELD-TO-MATURITY INVESTMENTS**

	Closing balance		Opening balance	
	USD		USD	
	Cost	Carrying amount	Cost	Carrying amount
Time deposits	53,082,421	53,082,421	18,132,068	18,132,068

Held-to-maturity investments as at 31 December 2023 represent time deposits by Vietnam Dong at commercial banks which expire in more than 3 months to 12 months and bear changeable interest rates notified by the banks at regular intervals.

As at 31 December 2023, the Group had more than 3 months to 12 months time deposits of VND 120,269,289,772 which was equivalent to USD 4,994,572 kept at Ocean Commercial One Member Limited Liability Bank (as at 31 December 2022: VND 120,269,289,772 which was equivalent to USD 5,137,518).

**6. SHORT-TERM TRADE RECEIVABLES**

	Closing balance		Opening balance	
	USD		USD	
Vietsovpetro		1,257,546		10,436,611
Groupement Bir Seba		3,998,541		9,012,532
Brunei Shell Petroleum Company Sdn Bhd		9,696,949		10,715,967
Pt. Jimmulya		16,513,642		7,898,221
MKN ODYSSEY Ventures Sdn Bhd		7,699,016		5,970,614
Receivables from other customers		32,234,545		30,086,533
		<b>71,400,239</b>		<b>74,120,478</b>
In which				
Receivables from related party		14,618,615		27,384,611
(Details stated in Note 43)		<b>14,618,615</b>		<b>27,384,611</b>

	Closing balance		Opening balance	
	USD		USD	
	Overdue debt (Cost)	Provision	Overdue debt (Cost)	Provision
KrisEnergy (Apsara) Company Limited (*)	-	-	3,939,360	(3,240,549)
Destini Oil Services Sdn Bhd	1,146,744	(1,146,744)	1,208,321	(1,208,321)
PetroVietnam Domestic Exploration Production Operating Company Limited	993,682	(985,670)	1,003,803	(995,561)
PetroVietnam Exploration Production Corporation	403,897	(401,154)	402,212	(402,212)
Other customers	648,408	(423,685)	687,190	(464,994)
	<b>3,192,731</b>	<b>(2,957,253)</b>	<b>7,240,886</b>	<b>(6,311,637)</b>

(\*) The irrecoverable receivables of KrisEnergy (Apsara) Company Limited have been financially handled during the year and are presented in note Note 28.

7. SHORT-TERM ADVANCES TO SUPPLIERS

	Closing balance	Opening balance
	USD	USD
Baker Hughes Energy Technology Uk Ltd	7,288,670	-
Others	2,713,387	4,780,353
	<b>10,002,057</b>	<b>4,780,353</b>

8. OTHER RECEIVABLES

	Closing balance	Opening balance
	USD	USD
<b>a. Short-term</b>		
Interest income receivables	383,350	424,806
Receivables related to profits declared (Details stated in Note 43)	-	448,398
Receivables from employees	27,176	34,866
Deposits	2,896,633	2,632,454
Advanced payment of withholding tax in Malaysia Office	12,660,865	14,734,828
Other receivables	1,681,488	1,546,098
	<b>17,649,512</b>	<b>19,821,450</b>
<b>b. Long-term</b>		
Deposits	4,314,908	796,486
	<b>4,314,908</b>	<b>796,486</b>

9. INVENTORIES

	Closing balance		Opening balance	
	Cost	USD	Cost	USD
		Provision		Provision
Goods in transit	808,496	-	219,439	-
Raw materials	41,839,892	(5,608,046)	40,853,315	(5,745,669)
Tools and supplies	751,576	(149)	830,729	(153)
Work in progress	2,187,457	-	1,099,959	-
Merchandise	1,650,199	(105,525)	1,661,730	(108,546)
	<b>47,237,620</b>	<b>(5,713,720)</b>	<b>44,665,172</b>	<b>(5,854,368)</b>

During the year ended 31 December 2023, the Group made reversal provision for devaluation of inventories with the amount of USD 140,648, as a result of the Group's reassessment on the current status and the economic benefit in the future of the inventories (2022: made additional provision of USD 315,805).

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	USD	USD	USD	USD	USD	USD
<b>COST</b>						
Opening balance	18,524,310	1,034,254,191	3,716,264	3,739,129	83,772	1,060,317,666
Additions	56,453	3,141,681	119,849	63,933	1,405	3,383,321
Transfer from construction in progress	51,587	2,422,656	126,206	29,560	-	2,630,009
Other increase	-	-	-	34,503	-	34,503
Disposals	(5,280)	(434,168)	(72,392)	(23,082)	(15,523)	(550,445)
Other decrease	-	(30,241)	(3,527)	(34,503)	-	(68,271)
Foreign exchange differences	(117,743)	(6,984,502)	(20,913)	(34,395)	(996)	(7,158,549)
Closing balance	18,509,327	1,032,369,617	3,865,487	3,775,145	68,658	1,058,588,234
<b>ACCUMULATED DEPRECIATION</b>						
Opening balance	9,042,376	472,905,179	2,884,352	3,176,481	63,156	488,071,544
Charge for the year	510,321	35,626,374	283,598	86,337	5,678	36,512,308
Other increase	-	-	-	34,503	-	34,503
Disposals	(5,280)	(404,624)	(72,392)	(23,082)	(15,523)	(520,901)
Other decrease	-	(20,674)	(1,815)	(34,503)	-	(56,992)
Foreign exchange differences	(106,675)	(3,116,217)	(16,673)	(26,383)	(493)	(3,266,441)
Closing balance	9,440,742	504,990,038	3,077,070	3,213,353	52,818	520,774,021
<b>NET BOOK VALUE</b>						
Opening balance	9,481,934	561,349,012	831,912	562,648	20,616	572,246,122
Closing balance	9,068,585	527,379,579	788,417	561,792	15,840	537,814,213

As stated in Note 21, the Group has pledged some tangible fixed assets which are drilling rigs PV DRILLING V and PV DRILLING VI with the carrying amount of USD 291,058,248 as at 31 December 2023 (as at 31 December 2022: USD 311,539,409) as collaterals for the Group's loans.

The Group has a fixed asset is the original drilling equipment set of the drilling rig PV DRILLING V that had been dismantled completely since 31 December 2020 and temporarily out of use with the carrying amount of USD 13,904,487 as at 31 December 2023 (31 December 2022: USD 16,345,642). As at 31 December 2023, the Group is seeking for new drilling contracts to use the existing drilling equipment set.

As at 31 December 2023, the cost of the Group's tangible fixed assets which have been fully depreciated but are still in use is USD 84,942,605 (as at 31 December 2022: USD 79,668,916).

Depreciation charged for the year included USD 799,418 of depreciation of fixed assets constructed and purchased by Scientific and Technological Development Fund for the purpose of scientific and technological developmental researches (2022: USD 726,999).

Foreign exchange differences resulted from the conversion of the Group's subsidiaries and Algeria Branch's financial statements from historical costs of fixed assets, which are VND and Algerian Dinar ("DZD"), into USD.

**11. INCREASES, DECREASES IN INTANGIBLE FIXED ASSETS**

	<u>Land use rights</u>	<u>Computer software</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
<b>COST</b>			
Opening balance	8,481,081	5,135,017	13,616,098
Additions	-	79,206	79,206
Foreign exchange differences	(65,641)	(23,048)	(88,689)
Closing balance	<u>8,415,440</u>	<u>5,191,175</u>	<u>13,606,615</u>
<b>ACCUMULATED AMORTISATION</b>			
Opening balance	2,013,016	4,302,675	6,315,691
Charge for the year	159,473	318,373	477,846
Foreign exchange differences	(14,584)	(15,591)	(30,175)
Closing balance	<u>2,157,905</u>	<u>4,605,457</u>	<u>6,763,362</u>
<b>NET BOOK VALUE</b>			
Opening balance	<u>6,468,065</u>	<u>832,342</u>	<u>7,300,407</u>
Closing balance	<u>6,257,535</u>	<u>585,718</u>	<u>6,843,253</u>

Foreign exchange differences resulted from the translation of the subsidiaries and Algeria Branch's financial statements from historical costs of fixed assets which is VND and Algerian Dinar ("DZD") into USD.

As at 31 December 2023, the cost of the Group's intangible fixed assets which have been fully amortised but are still in use is USD 3,693,499 (as at 31 December 2022: USD 3,558,211).

**12. CONSTRUCTION IN PROGRESS**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>USD</u>	<u>USD</u>
Other construction works	383,142	349,368
	<u>383,142</u>	<u>349,368</u>

13. INVESTMENTS IN JOINT VENTURES

Details of the Company's joint ventures with proportion of voting power held 50% are as follows:

Name of joint ventures	Registered charter capital	Ownership proportion	Contributed charter capital	Cost of investment	
	USD	%	USD	Closing balance	Opening balance
				USD	USD
BJ-PVD	5,000,000	49	2,450,000	2,399,255	2,399,255
PVD-Expro	6,371,352	51	3,249,390	3,235,802	3,235,802
PVD Tubulars	3,500,000	51	1,785,000	1,450,655	1,450,655
PVD-Baker Hughes	20,000,000	51	10,200,000	10,200,000	10,200,000
Vietubes	3,707,300	51	1,890,723	4,159,922	4,159,922
PVD-OSI	5,000,000	51	2,550,000	2,550,000	2,550,000

The value of the investments in joint ventures using the equity method of accounting as at consolidated balance sheet date was as follows:

	Closing balance	Opening balance
	USD	USD
BJ-PVD	3,753,802	3,669,739
PVD-Expro	2,620,776	2,554,281
PVD Tubulars	2,345,164	2,324,232
PVD-Baker Hughes	12,858,277	11,916,495
Vietubes	3,970,175	4,059,498
PVD-OSI	2,113,295	2,040,961
	<b>27,661,489</b>	<b>26,565,206</b>

The movement of the investments in joint ventures during the year was as follows:

	Opening balance	Shared profit/(loss)	Declared profit	Foreign exchange differences from translation	Closing balance
	USD	USD	USD	USD	USD
BJ-PVD	3,669,739	84,063	-	-	3,753,802
PVD-Expro	2,554,281	139,930	-	(73,435)	2,620,776
PVD Tubulars	2,324,232	20,932	-	-	2,345,164
PVD-Baker Hughes	11,916,495	2,496,426	(1,554,644)	-	12,858,277
Vietubes	4,059,498	(78,918)	-	(10,405)	3,970,175
PVD-OSI	2,040,961	131,342	-	(59,008)	2,113,295
	<b>26,565,206</b>	<b>2,793,775</b>	<b>(1,554,644)</b>	<b>(142,848)</b>	<b>27,661,489</b>

The Group has not assessed fair value of the investments in joint ventures as at the balance sheet date due to no specific guidance on determination of fair value.

According to the Resolution No. 01/08/2018/NQ-HDQT dated 6 August 2018 and the Resolution No. 05/12/2018/NQ-HDQT dated 28 December 2018, the Board of Directors has approved the restructuring plans of BJ-PVD Joint Venture. Accordingly, BJ-PVD would be dissolved upon expiration of the joint venture contract. As at the date of these consolidated financial statements for the year ended 31 December 2023, BJ-PVD is conducting the dissolution procedures.

The significant transactions and balances between the Group and its joint ventures: see Note 43.



14. LONG-TERM PREPAYMENTS

	Closing balance	Opening balance
	USD	USD
Prepaid expenses for drilling campaign in Brunei (*)	17,894,189	22,451,906
Others	6,640,599	5,351,884
	<b>24,534,788</b>	<b>27,803,790</b>

(\*) Prepaid expenses for the drilling campaign in Brunei were related to reactivation and preparation works of the drilling rig PV DRILLING V to serve the drilling campaign of Brunei Shell Petroleum Company Sdn Bhd ("BSP"), commenced from January 2022.

15. DEFERRED TAX ASSETS

Deferred tax assets as at 31 December 2023 were derived from the temporary differences which were depreciation expense, accrued expense, other provisions, and unrealized foreign exchange differences from revaluation of cash and receivables.

	Depreciation, accrued expenses and other provisions	Unrealized foreign exchange differences	Total
	USD	USD	USD
Prior year's opening balance	7,245,051	4,880	7,249,931
Charge to the consolidated income statement for the year	935,402	-	935,402
Foreign exchange differences from translation	(12,148)	1,289	(10,859)
<b>Prior year's closing balance</b>	<b>8,168,305</b>	<b>6,169</b>	<b>8,174,474</b>
Charge to the consolidated income statement for the year	818,824	134,372	935,196
Foreign exchange differences from translation	(9,433)	1,408	(8,025)
<b>Current year's closing balance</b>	<b>8,977,696</b>	<b>141,949</b>	<b>9,119,645</b>

16. SHORT-TERM TRADE PAYABLES

	Closing balance		Opening balance	
	Amount	Amount able to be paid off	Amount	Amount able to be paid off
Payables from related parties (Details stated in Note 43)	1,174,807	1,174,807	1,851,434	1,851,434
Third parties (*)	22,472,169	22,472,169	22,403,813	22,403,813
	<b>23,646,976</b>	<b>23,646,976</b>	<b>24,255,247</b>	<b>24,255,247</b>

(\*) There are no details of short-term trade payables from third parties accounting for 10% or above of total trade payables.

**17. SHORT-TERM ADVANCES FROM CUSTOMERS**

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>USD</u>	<u>USD</u>
Petrovietnam Domestic Exploration Production Operating Company Limited - Block 05.1A	9,773,485	3,233,119
Others	1,164,711	439,077
	<u>10,938,196</u>	<u>3,672,196</u>

**18. TAXES AND OTHER RECEIVABLES FROM/PAYABLES TO STATE BUDGET**

Obligations of the Group to the Vietnam State budget during the year are as follows:

	<u>Opening balance</u>	<u>Payables</u>	<u>Paid</u>	<u>Foreign exchange differences</u>	<u>Closing balance</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
Value added tax	532,308	2,773,335	3,149,797	(3,412)	152,434
Value added tax of imported goods	10,556	612,564	623,139	24	5
Corporate income tax (*)	150,329	3,299,506	1,562,841	(4,387)	1,882,607
Personal income tax	817,751	6,557,438	6,576,005	(5,725)	793,459
Import, export tax	5,126	684,596	689,736	14	-
Others	916,865	4,795,711	4,724,165	349	988,760
	<u>2,432,935</u>	<u>18,723,150</u>	<u>17,325,683</u>	<u>(13,137)</u>	<u>3,817,265</u>

In which:

<i>Taxes and other receivables from the State budget</i>	<i>(69,317)</i>	<i>(74,260)</i>
<i>Taxes and amounts payable to the State budget</i>	<i>2,502,252</i>	<i>3,891,525</i>

(\*) During the year, PVD Tech incurred a corporate income tax liability related to operating leasing of machinery and equipment Drilling Equipment Set (DES) with the amount of USD 364,781 (2022: USD 326,217). This amount is paid in Brunei and is deductible with corporate income tax incurred in Vietnam under Double Taxation Avoidance agreement between Vietnam and Brunei.

During the year, the Company incurred corporate income tax obligations related to the drilling service of the PV DRILLING II rig, amounting to USD 1,040,717. This tax has been paid in Indonesia and credited against the tax payable in Vietnam under the Double Taxation Avoidance Agreement between Vietnam and Indonesia.

During the year, the Company incurred corporate income tax obligations related to the drilling service of the PV DRILLING 11 rig, amounting to USD 162,496. This tax has been paid in Algeria and credited against the tax payable in Vietnam under the Double Taxation Avoidance Agreement between Vietnam and Algeria.

19. ACCRUED EXPENSES

	Closing balance USD	Opening balance USD
<b>a. Short-term</b>		
Accrued expenses for operation of drilling rigs	7,689,853	7,100,013
Accrued expenses related to supply of goods and services	2,324,686	2,997,654
Accrued interest expenses	16,960,815	8,950,228
Other expenses	2,145,716	2,240,653
	<b>29,121,070</b>	<b>21,288,548</b>
<b>b. Long-term</b>		
Accrued interest expenses	1,180,763	-
	<b>1,180,763</b>	-

20. OTHER PAYABLES

	Closing balance USD	Opening balance USD
<b>a. Short-term</b>		
Profit shared to partners in Business Cooperation Contract ("BCC")	8,341,152	10,810,954
Other payables	7,249,525	3,626,749
	<b>15,590,677</b>	<b>14,437,703</b>
<b>b. Long-term</b>		
Long-term deposits received	1,720	-
The contributed capital of the parties under Business Cooperation Contract ("BCC")	19,662,568	20,234,299
	<b>19,664,288</b>	<b>20,234,299</b>

21. SHORT-TERM LOANS

	Opening balance USD			In the year USD	Closing balance USD
	Amount	Increases	Decreases	Foreign exchange differences	Amount
Short-term loans	3,205,522	1,595,820	(4,809,060)	7,718	-
Current portion of long-term loans (Details stated in Note 23)	32,476,538	12,106,266	(21,557,876)	(45,160)	22,979,768
	<b>35,682,060</b>	<b>13,702,086</b>	<b>(26,366,936)</b>	<b>(37,442)</b>	<b>22,979,768</b>

Details of the short-term loans are as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
<b>a. PVD Deepwater</b>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	1,411,089	1,913,933
Military Joint Stock Commercial Bank ("MBBank"), and Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	7,082,949	9,606,964
Military Joint Stock Commercial Bank ("MBBank") and Ocean Commercial One Member Limited Liability Bank ("OceanBank")	2,502,626	3,394,439
<b>b. PVD Overseas</b>		
Southeast Asia Commercial Joint Stock Bank ("Seabank")	880,000	1,945,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	7,200,000	11,600,000
<b>c. PVD Tech</b>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	-	2,106,106
Tien Phong Commercial Joint Stock Bank ("TPBank")	3,902,722	4,016,202
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	382	1,099,416
	<b><u>22,979,768</u></b>	<b><u>35,682,060</u></b>

The Group's short-term loan balance as at 31 December 2023 includes the current portion of long-term loans of PVD Deepwater for the purpose of financing the construction of PV DRILLING V Rig, which has been due but has not been paid by PVD Deepwater, with the principal amount of USD 10,996,664. Furthermore, as at 31 December 2023, the Group included the interest has been due but has not been paid with amount of USD 4,222,633 and late payment interest of USD 1,950,380 (as at 31 December 2022: principal amount of USD 14,915,336, overdue interest of USD 2,953,893 and late payment interest of USD 1,475,349).

PVD Deepwater has sent official dispatches to banks to request a temporary delay of recovery of principal, interest and disposal of collaterals. At date of these the consolidated financial statements, PVD Deepwater has received correspondences from MBBank, Vietinbank and OceanBank and Vietcombank. Here are some key points from the feedback provided by the Banks:

- MB Bank: Approves the repayment plan for the loan related to the TAD drilling project at MB as committed (from Q2 2022 to Q3 2026). Approves the payment plan for the loan obligation after completing the principal repayment obligation (from the end of 2026 to the end of 2027).
- OceanBank: Agrees to prioritize the repayment of principal for overdue principal amounts and requests PVD Deepwater to supplement documentation for submission to authorities for approval of the repayment plan for accrued interest and penalties.
- Vietinbank: Requests PVD Deepwater to repay the debt with a minimum amount equal to the principal outstanding balance at the banks. Additionally, approves prioritizing the repayment of principal first, with unpaid interest and penalties to be paid afterwards.
- Vietcombank: Requests PVD Deepwater to settle overdue debts in the following order: repayment of overdue principal balance, overdue interest balance, penalties, and related fees (if any).

Besides, the Group's short-term loan balance as at 31 December 2023 includes the current portion of long-term loans of PVD Overseas for the purpose of financing the construction of PV DRILLING VI Rig with the principal amount of USD 8,080,000. Furthermore, as at 31 December 2023, PVD Overseas included the interest that has been due but has not been paid with amount of USD 12,287,211 (as at 31 December 2022: principal amount of USD 13,545,000, interest of USD 5,320,571). At the consolidated financial statements, PVD Overseas has not yet received correspondences from Vietcombank in relation of late payment of the interest amount.

For the loan from Southeast Asia Commercial Joint Stock Bank, the interest portion for the scheduled payments on November 29, 2022, and the payments due in 2023 will be deferred until the final maturity date on August 29, 2029, under the credit contract No. 3626/2014/HĐTD-SeABank - PVD Overseas dated August 21, 2014. As of December 31, 2023, the deferred interest portion is USD 1,180,763.

22. SHORT-TERM PROVISIONS

	Provision for overhaul cost of fixed assets	Provision for severance allowance and other provision	Total
	USD	USD	USD
Opening balance	11,056,382	1,044,290	12,100,672
Charge for the year	2,870,519	54,227	2,924,746
Use during the year	(4,898,981)	-	(4,898,981)
Reclassify from long-term provision	3,895,329	-	3,895,329
Foreign exchange differences	(317,187)	(21,098)	(338,285)
Closing balance	12,606,062	1,077,419	13,683,481

23. LONG-TERM LOANS

	Closing balance	Opening balance
	USD	USD
Long-term loans	138,747,285	160,616,310
Current portion of long-term loans (Details stated in Note 21)	(22,979,768)	(32,476,538)
	115,767,517	128,139,772

	Opening balance	In the year	Closing balance
	USD	USD	USD
	Amount	Increases	Decreases
			Foreign exchange differences
			Amount
Long-term loans	128,139,772	8,282	(12,106,266)
	128,139,772	8,282	(12,106,266)
			(274,271)
			(274,271)
			115,767,517
			115,767,517

Details of the long-term loans are as follows:

	Closing balance	Opening balance
	USD	USD
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	1,411,089	1,913,933
Military Joint Stock Commercial Bank ("MBBank"), and Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	7,082,948	9,606,964
Military Joint Stock Commercial Bank ("MBBank") and Ocean Commercial One Member Limited Liability Bank ("OceanBank")	2,502,626	3,394,439
Southeast Asia Commercial Joint Stock Bank ("Seabank")	13,646,000	15,591,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	100,437,067	112,037,067
Tien Phong Commercial Joint Stock Bank ("TPBank")	13,659,526	18,072,907
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	8,029	-
	138,747,285	160,616,310

Supplemental information for the Group's long-term loans are as follows:

Name of bank	Purpose of financing	Interest rate %	Form of collaterals	Closing balance	Currency
Vietcombank	PV DRILLING V	12-month savings interest rate + margin	Guaranteed by value of PV DRILLING V and revenue from capital contribution in BCC	1,411,089	USD
MBBank and Vietinbank	PV DRILLING V	LIBOR 6 months + margin	Guaranteed by value of PV DRILLING V and revenue from capital contribution in BCC	7,082,948	USD
MBBank and OceanBank	PV DRILLING V	LIBOR 6 months + margin	Guaranteed by value of PV DRILLING V and revenue from capital contribution in BCC	2,502,626	USD
Seabank	PV DRILLING VI	LIBOR 3 months + margin (from 01/01/2023 to 30/06/2023) SOFR 3 months + margin (from 01/07/2023 to 31/12/2023)	Guaranteed by value of PV DRILLING VI with corresponding loan proportion	13,646,000	USD
Vietcombank	PV DRILLING VI	LIBOR 3 months + margin (from 01/01/2023 to 30/06/2023) SOFR 3 months + margin (from 01/07/2023 to 31/12/2023)	Guaranteed by value of PV DRILLING VI with corresponding loan proportion	100,437,067	USD
TPBank	Purchasing fixed asset	LIBOR 3 months + margin (from 01/01/2023 to 23/06/2023) SOFR 3 months + margin (from 24/06/2023 to 31/12/2023)	Drilling Equipment Set (DES)	13,659,526	USD
Vietinbank (*)	Purchasing fixed asset	6.5% per year	Fixed assets formed in the future	8,029	USD
				<b>138,747,285</b>	

(\*) Long-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 7 – Ho Chi Minh City under contract No. 1213/2023-HĐCVDAT/HNCT924\_PDVT signed 29 December 2023 with the amount of VND 23,900,000,000 for the purpose of payment for legal, reasonable and valid expenses to implement the project "The Phase III of Factory Expansion Project in Dong Xuyen Industrial Park". The loan is repayable in instalments starting from 29 December 2023 to 29 December 2029. Interest is paid monthly and applies a fixed interest rate of 6.5%/p.a in the first year, from the 2<sup>nd</sup> year to the 6<sup>th</sup> year, the interest rate on debts in any interest period is the daily interest rate and equal to the sum of the base interest rate plus (+) margin of 2.5%.

Long-term loans are repayable as follows:

	Closing balance	Opening balance
	USD	USD
Within one year	22,979,768	32,476,538
In the second year	12,304,251	12,096,202
In the third to fifth year inclusive	34,378,670	37,120,504
After five years	69,084,596	78,923,066
	<b>138,747,285</b>	<b>160,616,310</b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	(22,979,768)	(32,476,538)
<b>Amount due for settlement after 12 months</b>	<b>115,767,517</b>	<b>128,139,772</b>

24. LONG-TERM PROVISIONS

	Provision for overhaul cost of fixed assets	Warranty for goods sold	Total
	USD	USD	USD
Opening balance	8,107,492	272,402	8,379,894
Charge for the year	4,693,961	-	4,693,961
Reclassify to short-term provision	(3,895,329)	-	(3,895,329)
Foreign exchange differences	(21,562)	(7,697)	(29,259)
<b>Closing balance</b>	<b>8,884,562</b>	<b>264,705</b>	<b>9,149,267</b>

25. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND

According to the Group's Charter, the Group is permitted to appropriate profit to the Scientific and Technological Development Fund with the amount not exceeding 10% of taxable income for development of scientific and technological activities.

Movement of fund appropriation and usage during the year is as follows:

	Scientific and Technological Development Fund		
	USD		
	Available	The carrying value of assets formed from the fund	Total
Prior year's opening balance	1,640,841	2,406,056	4,046,897
Increase in the year	579,296	1,306,718	1,886,014
- Provision	579,296	-	579,296
- Forming fixed assets	-	1,306,718	1,306,718
Decrease in the year	(1,335,804)	(726,999)	(2,062,803)
- Fund usage	(1,335,804)	-	(1,335,804)
+ Holding	(50,077)	-	(50,077)
+ Subsidiaries	(1,285,727)	-	(1,285,727)
- Depreciation of fixed assets	-	(726,999)	(726,999)
Foreign exchange differences on conversion	(13,331)	(110,569)	(123,900)
<b>Current year's opening balance</b>	<b>871,002</b>	<b>2,875,206</b>	<b>3,746,208</b>
Increase in the year	517,185	323,435	840,620
- Provision	517,185	-	517,185
- Forming fixed assets	-	323,435	323,435
Decrease in the year	(354,525)	(799,418)	(1,153,943)
- Fund usage	(354,525)	-	(354,525)
+ Holding	(354,525)	-	(354,525)
- Depreciation of fixed assets	-	(799,418)	(799,418)
Foreign exchange differences on conversion	(27,794)	(140,569)	(168,363)
<b>Current year's closing balance</b>	<b>1,005,868</b>	<b>2,258,654</b>	<b>3,264,522</b>

26. OWNERS' EQUITY

Charter Capital

According to the 17<sup>th</sup> amendment of the Business Registration Certificate, the Group's charter capital as at 31 December 2023 is VND 5,562,960,060,000, equivalent to USD 270,911,347. The number of shares which has been approved and issued by the Company was as below:

	Closing balance		Opening balance	
	Number of shares	VND	Number of shares	VND
Authorized share capital	556,296,006	5,562,960,060,000	556,296,006	5,562,960,060,000
Issued share capital				
Ordinary shares	556,296,006	5,562,960,060,000	556,296,006	5,562,960,060,000
	<u>556,296,006</u>	<u>5,562,960,060,000</u>	<u>556,296,006</u>	<u>5,562,960,060,000</u>
Treasury shares				
Ordinary shares	(416,000)	(4,160,000,000)	(416,000)	(4,160,000,000)
	<u>(416,000)</u>	<u>(4,160,000,000)</u>	<u>(416,000)</u>	<u>(4,160,000,000)</u>
Shares currently in circulation				
Ordinary shares	555,880,006	5,558,800,060,000	555,880,006	5,558,800,060,000
	<u>555,880,006</u>	<u>5,558,800,060,000</u>	<u>555,880,006</u>	<u>5,558,800,060,000</u>

Ordinary shares have a par value of VND 10,000. The Company has only one class of ordinary shares which carry no right to fixed dividend. Ordinary shareholders will receive dividends at the time of declaration and be entitled to a voting right for each owned share at the shareholders' meeting. All shares rank equally with regard to the Company's residual assets.

PetroVietnam, the founding shareholder and the main shareholder of the Company, currently holds 280,496,572 shares, equivalent to 50.4% as at 31 December 2023 (as at 31 December 2022 is the same) of total shares in circulation of the Company.

According to the transaction report of major shareholders, as at 17 January 2024, Dragon Capital fund holds 57,738,200 shares, equivalent to 10.3868% compared to the total shares in circulation of the Company.

	Number of share	Percentage of ownership
- Dragon Capital fund	57,738,200	10.3868%
+ CTBC Vietnam Equity Fund	27,500,000	4.9471%
+ DC Developing Markets Strategies Public Limited Company	8,500,000	1.5291%
+ Hanoi Investment Holding Limited	8,691,200	1.5635%
+ KB Vietnam Focus Balanced Fund	760,000	0.1367%
+ Norges Bank	11,119,000	2.0003%
+ Samsung Vietnam Securities Master Investment Trust - Equity	1,168,000	0.2101%



**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

FORM B 09-DN/HN

Movement in owners' equity during the year were as follows:

	Owner's contributed capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development fund	Retained earnings	Non-controlling interests	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Prior year's opening balance	213,404,459	126,770,844	(966,501)	(14,429,507)	164,755,028	110,031,693	11,369,517	610,935,533
Dividends declared	-	-	-	-	-	-	(149,283)	(149,283)
Capital increase	57,506,888	-	-	-	-	(57,506,888)	-	-
Foreign exchange differences	-	-	-	(3,147,607)	-	43,074	(69,112)	(3,173,645)
Loss for the year	-	-	-	-	-	(6,653,052)	-	(6,653,052)
Funds appropriation	-	-	-	-	35,301	(1,612,461)	(32,866)	(1,610,026)
Allocation to NCI	-	-	-	-	-	190,927	(190,927)	-
Distributions to BCC (Note 27)	-	-	-	-	-	2,039,166	-	2,039,166
<b>Current year's opening balance</b>	<b>270,911,347</b>	<b>126,770,844</b>	<b>(966,501)</b>	<b>(17,577,114)</b>	<b>164,790,329</b>	<b>46,532,459</b>	<b>10,927,329</b>	<b>601,388,693</b>
Dividends declared	-	-	-	-	-	-	(145,997)	(145,997)
Foreign exchange differences	-	-	-	(2,104,857)	-	78,930	(62,373)	(2,088,300)
Profit for the year	-	-	-	-	-	23,061,808	-	23,061,808
Funds appropriation	-	-	-	-	8,185,566	(13,900,339)	(38,434)	(5,753,207)
Allocation to NCI	-	-	-	-	-	(588,449)	588,449	-
Distributions to BCC (Note 27)	-	-	-	-	-	2,231,253	-	2,231,253
<b>Current year's closing balance</b>	<b>270,911,347</b>	<b>126,770,844</b>	<b>(966,501)</b>	<b>(19,681,971)</b>	<b>172,975,895</b>	<b>57,415,662</b>	<b>11,268,974</b>	<b>618,694,250</b>

Foreign exchange differences represent the differences from the translation of financial statements of the subsidiaries and branches in Algeria from Vietnam Dong and Dinar Algeria respectively, into US Dollar.

For the year ended 31 December 2023, the Company has provisionally set up the Investment Development Fund and the Science and Technology Development Fund in accordance with Resolutions No. 04/12/2023/NQ-HĐQT and No. 05/12/2023/NQ-HĐQT dated 21 December 2023, approved by the Board of Directors.

Detailed movement in foreign exchange differences were as follows:

	Foreign exchange difference from translation of overseas branches' operation	Foreign exchange difference from translation of subsidiaries' financial statements	Total
	USD	USD	USD
Prior year's opening balance	(2,810,497)	(11,619,010)	(14,429,507)
Incurring in the year	328,929	(3,476,536)	(3,147,607)
Current year's opening balance	(2,481,568)	(15,095,546)	(17,577,114)
Incurring in the year	658,009	(2,762,866)	(2,104,857)
Closing balance	<u>(1,823,559)</u>	<u>(17,858,412)</u>	<u>(19,681,971)</u>

**27. NON-CONTROLLING INTERESTS AND INTERESTS OF PARTNERS IN BUSINESS COOPERATION CONTRACT**

Non-controlling interests ("NCI") and interests of partners in business cooperation contract ("BCC") represent the other shareholders' portion in the operating result of PVD Training and PVD Overseas and interest of partners in the business cooperation contract with the following details:

	Current year	Prior year
	USD	USD
Profit/(Loss) of NCI in PVD Training and PVD Overseas (*)	588,449	(190,927)
Loss in BCC interests (**)	(2,231,253)	(2,039,166)
	<u>(1,642,804)</u>	<u>(2,230,093)</u>

**(\*) Detail of NCI in PVD Training and PVD Overseas**

The rates of the NCI in PVD Training and PVD Overseas as at 31 December 2023 and 31 December 2022 were calculated as follows:

	PVD Training	PVD Overseas
	VND	USD
Charter capital of subsidiaries	28,958,670,000	66,698,050
Including:		
<i>Distributed capital to the Holding Company</i>	<i>14,996,960,000</i>	<i>54,400,000</i>
<i>Distributed capital to the non-controlling interests</i>	<i>13,961,710,000</i>	<i>12,298,050</i>
Share of the non-controlling interests	<u>48.21%</u>	<u>18.44%</u>

NCI in net assets as at 31 December 2023 and 31 December 2022 were as follows:

	Closing balance	Opening balance
	USD	USD
<b>Non-controlling interests</b>	<b>11,268,974</b>	<b>10,927,329</b>
Details as follows:		
<i>PVD Training</i>		
Charter capital	774,538	774,538
Share premium	7,249	7,249
Foreign exchange differences from conversion	(367,549)	(305,177)
Other funds	515,948	477,515
Retained earnings	<u>1,072,177</u>	<u>1,038,819</u>
<i>PVD Overseas</i>		
Contributed capital	12,298,050	12,298,050
Accumulated losses	<u>(3,031,439)</u>	<u>(3,363,665)</u>

NCI in operating result:

	Current year	Prior year
	USD	USD
Profit/(loss) for the year	2,333,260	(1,769,319)
Non-controlling profit/(loss) in operating result	588,449	(190,927)

**(\*\*) Details of interests of partners in BCC**

The Group and Petrovietnam, Military Joint-Stock Commercial Bank ("MBBank") and Ocean Commercial One Member Limited Liability Bank ("OceanBank") have cooperated in financing and operating the Tender Assist Drilling Rig project ("TAD" or "PV DRILLING V") 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 operating result as a base for profit/(loss) shared to all partners corresponding to capital contribution percentage in BCC.

Percentage of capital contribution of all partners in BCC as follows:

	Percentage
	%
Capital contribution of Petrovietnam	23.00
Capital contribution of the Group	62.43
Capital contribution of MBBank	9.71
Capital contribution of OceanBank	4.86

The financial portion of BCC was presented in the consolidated financial statements of the Group as follows:

	Closing balance	Opening balance
	USD	USD
Total Assets	103,632,531	115,938,544
<i>In which: Net book value of PV DRILLING V</i>	98,350,647	109,987,986

The actual contributed capital of other partners (Petrovietnam, MBBank and OceanBank) in BCC in order to finance and operate "TAD" project was recognized as other long-term payables. The other long-term payables as at 31 December 2023 and 31 December 2022 were as follows:

	Closing balance	Opening balance
	USD	USD
Petrovietnam	11,392,229	11,722,457
MBBank	5,456,220	5,614,380
OceanBank	2,815,839	2,897,462
	19,664,288	20,234,299

The financial performance and the profit/(loss) distribution based on the proportions of their capital contribution as at 31 December 2023 and 31 December 2022 are as follows:

	Current year USD	Prior year USD
Net revenue	5,284,005	5,055,886
Cost of sales	6,451,158	6,523,308
General and administration expenses	217,231	142,115
Financial expenses	1,901,292	1,432,821
Financial income	6,249	20,542
Other losses	(2,510,623)	(2,405,828)
Corporate income tax	-	-
Net loss	(5,790,050)	(5,427,644)
Adjustment for expenses not subject to BCC	(148,873)	-
Net loss distributed to BCC parties	(5,938,923)	(5,427,644)
<i>Shared loss as the percentage of capital contribution</i>		
The Group	(3,707,670)	(3,388,478)
Other BCC parties:	(2,231,253)	(2,039,166)
Petrovietnam	(1,365,952)	(1,248,359)
MBBank	(576,669)	(527,024)
OceanBank	(288,632)	(263,783)

Until the date of these consolidated financial statements, the operating result of BCC for the year end 31 December 2023 has not yet been verified and settled between partners in BCC. Therefore, the Group just temporarily recorded the financial performance and the loss distributions to partners in BCC based on the proportions of their capital contribution.

## 28. OFF BALANCE SHEET ITEMS

### Operating lease assets

Minimum lease payment in the future under non-cancellable operating leases under the terms described in Note 41.

### Foreign currency

	Closing balance	Opening balance
Vietnam Dong ("VND")	1,539,902,032,607	616,804,532,570
Euro ("EUR")	28,591	3,113
British Pound ("GBP")	2,775	2,775
Myanmar Kyat ("MMK")	-	1,342,675
Singapore Dollar ("SGD")	29,633	33,737
Algerian Dinar ("DZD")	74,942,098	79,977,241
Baht Thai ("THB")	2,259	2,259
Malaysia Ringgit ("MYR")	6,173,759	410,022
Brunei ("BND")	1,739	60,418
Rupiah Indonesia ("IDR")	9,823,703,365	-

### Unrecoverable overdue debt has been processed:

As of the date of this consolidated financial statements, KrisEnergy Apsara is no longer to settle its obligations, the Company has processed the financial handling of this debt with the amount of 3,939,360 USD (including: Parent company PV Drilling is 3,485,805.69 USD and Subsidiary-PVD Well is 453,553.63 USD) according to Resolution No. 03/03/2024/NQ-HĐQT dated 26 March 2024.

For the subsidiary PVD Tech, this subsidiary has processed the financial handling of short-term receivables for Carling Air Compressor Sdn Bhd and OLTREMARE with the amounts of 2,722,115,396 VND and 1,955,347,130 VND respectively, according to Resolution No. 057/PT-HĐQT and Resolution No. 058/PT-HĐQT of the Board of Directors of PVD Tech dated 31 December 2019.

These financially handling debts are monitored separately off the balance sheet for a period of 10 years from the date of settlement and the Company continues to take measures to recover the debt.

## 29. BUSINESS AND GEOGRAPHICAL SEGMENTS

### Business segments

For management purposes, the Group is currently organized into three operating divisions - drilling services, trading and other services. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Drilling services: providing drilling rigs and drilling services.
- Trading: provide material and equipment for drilling activities.
- Other services: provide well services, wire line logging, oil spill control service, drilling manpower supply service, investment-management project consulting service, management consulting service and other related services in the oil and gas industry.

Segment information about the Group's business is presented below:

### Balance sheet

As at 31 December 2023

	Drilling services USD	Trading USD	Other services USD	Total USD
<b>Assets</b>				
Segment assets	822,508,594	28,560,973	47,304,528	898,374,095
Unallocated assets	-	-	-	-
<b>Consolidated assets</b>				<b>898,374,095</b>
<b>Liabilities</b>				
Segment liabilities	242,626,578	17,766,371	19,286,896	279,679,845
Unallocated liabilities	-	-	-	-
<b>Consolidated liabilities</b>				<b>279,679,845</b>

### Income statement

For the year ended 31 December 2023

	Drilling services USD	Trading USD	Other services USD	Total USD
Gross revenue	171,836,994	6,638,042	66,716,215	245,191,251
Net revenue	171,836,994	6,638,042	66,716,215	245,191,251
Cost of sales	135,361,290	6,114,949	48,568,068	190,044,307
Gross profit	36,475,704	523,093	18,148,147	55,146,944
Financial income				5,669,721
Financial expenses				16,561,181
Selling expenses				1,020,117
General and administration expenses				22,072,196
Operating profit				21,163,171
Other income				6,560,231
Other expenses				2,705,777
Profit from other activities				3,854,454
Accounting profit before tax				25,017,625
Income from investments in joint ventures				2,793,775
Current corporate income tax expense				5,702,788
Deferred corporate tax income				(953,196)
<b>Net profit after corporate income tax</b>				<b>23,061,808</b>

	Drilling services	Trading	Other services	Total
	USD	USD	USD	USD
<b>Assets</b>				
Segment assets	810,997,447	25,078,322	48,334,598	884,410,367
Unallocated assets	-	-	-	-
<b>Consolidated assets</b>				<b>884,410,367</b>
<b>Liabilities</b>				
Segment liabilities	251,110,703	11,069,777	20,841,194	283,021,674
Unallocated liabilities	-	-	-	-
<b>Consolidated liabilities</b>				<b>283,021,674</b>

	Drilling services	Trading	Other services	Total
	USD	USD	USD	USD
Gross revenue	151,890,513	4,934,836	76,531,096	233,356,445
Net revenue	151,890,513	4,934,836	76,531,096	233,356,445
Cost of sales	146,451,554	3,733,610	58,363,439	208,548,603
Gross profit	5,438,959	1,201,226	18,167,657	24,807,842
Financial income				5,050,139
Financial expenses				13,426,846
Selling expenses				757,466
General and administration expenses				21,171,646
Operating loss				(5,497,977)
Other income				205,440
Other expenses				2,594,294
Loss from other activities				(2,388,854)
Accounting loss before tax				(7,886,831)
Income from investments in joint ventures				1,935,759
Current corporate income tax expense				1,637,382
Deferred corporate tax income				(935,402)
<b>Net loss after corporate income tax</b>				<b>(6,653,052)</b>

For the year ended 31 December 2023, the Group is operating in geographical areas of Vietnam, Malaysia, Cambodia, Brunei, Myanmar, Algeria, Indonesia and Thailand. Segment information about the Group's geographical operation is presented below:

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

FORM B 09-DN/HN

**Balance sheet**  
**As at 31 December 2023**

	Vietnam	Malaysia	Cambodia	Brunei	Myanmar	Algeria	Indonesia	Thailand	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
<b>Assets</b>									
Segment assets	443,188,603	144,906,140	-	161,670,806	2,468	9,388,684	118,387,825	20,829,569	898,374,095
Unallocated assets	-	-	-	-	-	-	-	-	-
<b>Consolidated assets</b>									<b>898,374,095</b>
<b>Liabilities</b>									
Segment liabilities	231,279,346	9,427,221	98,517	27,310,760	-	2,795,727	4,803,990	3,964,284	279,679,845
Unallocated liabilities	-	-	-	-	-	-	-	-	-
<b>Consolidated liabilities</b>									<b>279,679,845</b>

**Income statement**  
**For the year ended 31 December 2023**

	Vietnam	Malaysia	Cambodia	Brunei	Myanmar	Algeria	Indonesia	Thailand	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Gross revenue	122,654,260	31,598,900	-	38,147,807	-	9,235,602	32,799,115	10,755,567	245,191,251
Net revenue	122,654,260	31,598,900	-	38,147,807	-	9,235,602	32,799,115	10,755,567	245,191,251
Cost of sales	95,479,790	26,349,216	-	36,054,487	-	7,223,447	19,900,022	5,037,345	190,044,307
Gross profit	27,174,470	5,249,684	-	2,093,320	-	2,012,155	12,899,093	5,718,222	55,146,944
Financial income									5,669,721
Financial expenses									16,561,181
Selling expenses									1,020,117
General and administration expenses									22,072,196
Operating profit									21,163,171
Other income									6,560,231
Other expenses									2,705,777
Profit from other activities									3,854,454
Accounting loss before tax									25,017,625
Income from investments in joint ventures									2,793,775
Current corporate income tax expense									5,702,788
Deferred corporate tax income									(953,196)
<b>Net profit after corporate income tax</b>									<b>23,061,808</b>

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

Balance sheet  
As at 31 December 2022

	Vietnam	Malaysia	Cambodia	Brunei	Myanmar	Algeria	Indonesia	Total
	USD	USD	USD	USD	USD	USD	USD	USD
<b>Assets</b>								
Segment assets	430,072,709	145,780,540	3,939,360	184,375,793	2,468	11,691,972	108,547,525	884,410,367
Unallocated assets	-	-	-	-	-	-	-	-
<b>Consolidated assets</b>								<b>884,410,367</b>
<b>Liabilities</b>								
Segment liabilities	240,858,662	6,995,710	510,905	28,459,309	-	3,301,588	2,895,500	283,021,674
Unallocated liabilities	-	-	-	-	-	-	-	-
<b>Consolidated liabilities</b>								<b>283,021,674</b>

Income statement  
For the year ended 31 December 2022

	Vietnam	Malaysia	Cambodia	Brunei	Myanmar	Algeria	Indonesia	Total
	USD	USD	USD	USD	USD	USD	USD	USD
Gross revenue	155,006,604	23,642,346	-	33,456,698	-	8,955,957	12,294,840	233,356,445
Net revenue	155,006,604	23,642,346	-	33,456,698	-	8,955,957	12,294,840	233,356,445
Cost of sales	135,167,416	22,805,672	-	34,715,118	-	6,105,637	9,754,760	208,548,603
Gross profit/(loss)	19,839,188	836,674	-	(1,258,420)	-	2,850,320	2,540,080	24,807,842
Financial income								5,050,139
Financial expenses								13,426,846
Selling expenses								757,466
General and administration expenses								21,171,646
Operating loss								(5,497,977)
Other income								205,440
Other expenses								2,594,294
Loss from other activities								(2,388,854)
Accounting loss before tax								(7,886,831)
Income from investments in joint ventures								1,935,759
Current corporate income tax expense								1,637,382
Deferred corporate tax income								(935,402)
<b>Net loss after corporate income tax</b>								<b>(6,653,052)</b>



**30. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	Current year	Prior year
	USD	USD
Sales of trading	6,638,042	4,934,836
Sales of drilling services	171,836,994	151,890,513
Sales of technical well and other services	66,716,215	76,531,096
	<b>245,191,251</b>	<b>233,356,445</b>

Sales transactions with related parties: see Note 43.

**31. COST OF GOODS SOLD AND SERVICES RENDERED**

	Current year	Prior year
	USD	USD
Cost of trading	6,114,949	3,733,610
Cost of drilling services	135,361,290	146,451,554
Cost of technical well and other services	48,568,068	58,363,439
	<b>190,044,307</b>	<b>208,548,603</b>

**32. PRODUCTION COSTS BY NATURE**

	Current year	Prior year
	USD	USD
Raw materials and consumables	30,401,921	29,101,215
Labour	79,135,314	82,758,919
Depreciation and amortisation	34,170,230	31,582,867
Rigs rental expenses	32,636	23,796,482
Out-sourced services	57,505,885	50,641,340
Additional provision	5,903,255	7,882,011
Other expenses	5,987,379	4,714,881
	<b>213,136,620</b>	<b>230,477,715</b>

**33. FINANCIAL INCOME**

	Current year	Prior year
	USD	USD
Interest income	2,844,367	2,549,487
Foreign exchange gain	2,684,347	2,500,652
Others	141,007	-
	<b>5,669,721</b>	<b>5,050,139</b>

**34. FINANCIAL EXPENSES**

	Current year	Prior year
	USD	USD
Interest expense	10,581,674	7,219,107
Foreign exchange loss	5,984,747	5,795,692
Others	(5,240)	412,047
	<b>16,561,181</b>	<b>13,426,846</b>

**35. GENERAL AND ADMINISTRATION EXPENSES**

	Current year	Prior year
	USD	USD
Labour	12,772,716	11,224,299
Depreciation and amortisation	692,648	634,550
Out-sourced services	4,997,441	3,985,257
Additional/(Reversal) provision	693,015	2,648,119
Other expenses	2,916,376	2,679,421
	<b>22,072,196</b>	<b>21,171,646</b>

**36. OTHER INCOME**

	Current year	Prior year
	USD	USD
Disposal of fixed assets	6,551	187,981
Income from contract termination agreement with customer (money received) (*)	6,000,000	-
Others	553,680	17,459
	<b>6,560,231</b>	<b>205,440</b>

(\*) Other income from contract termination agreement with Valeura Energy (Gulf of Thailand) due to the termination of contract number VETL-05-22. The Corporation has collected the entire amount in the year.

**37. OTHER EXPENSES**

	Current year	Prior year
	USD	USD
Penalty for contract breach	564,531	512,284
Depreciation expense	2,020,506	2,054,968
Others	120,740	27,042
	<b>2,705,777</b>	<b>2,594,294</b>

**38. CURRENT CORPORATE INCOME TAX EXPENSE**

	Current year	Prior year
	USD	USD
<b>Current corporate income tax expenses</b>		
The corporate income tax expenses calculated on taxable income for the current fiscal year.	1,083,206	1,307,852
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in Vietnam.	114,386	3,313
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in overseas.	933,200	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in overseas (*)	1,292,712	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in Vietnam.	2,279,284	326,217
<b>The total current corporate income tax expenses.</b>	<b>5,702,788</b>	<b>1,637,382</b>

(\*) Reflecting the corporate income tax arising from the business operations of the overseas Representative Offices and has been partially paid to the tax authorities of the country where the Company operates.

The current corporate income tax expense during the year was computed as follows:

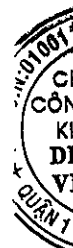
	Current year USD	Prior year USD
<b>Profit/(Loss) before tax</b>	<b>27,811,400</b>	<b>(5,951,072)</b>
Adjustments for assessable income		
Less: non-taxable income	6,384,176	5,936,758
Add back: non-deductible expenses	6,151,765	8,778,262
Loss carry-forward	10,173,221	-
<b>Taxable income/(loss)</b>	<b>17,405,768</b>	<b>(3,109,568)</b>
The corporate income tax expenses calculated on taxable income for the current fiscal year.	1,083,206	1,307,852
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in Vietnam.	114,386	3,313
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in overseas.	933,200	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in overseas.	1,292,712	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in Vietnam.	2,279,284	326,217
<b>Corporate income tax expense based on taxable income in the current year</b>	<b>5,702,788</b>	<b>1,637,382</b>

For the year ended 31 December 2023, in accordance with Law on Corporate Income Tax ("CIT"), applicable CIT rate is 20% of taxable income of the Group (2022: 20%), except for the incentives as follows:

- PVD Training is obliged to pay CIT at the rate of 10% of its taxable income from training over its operating period and 20% of its taxable income from other activities.
- PVD Deepwater is obliged to pay CIT at the rate 10% for 15 years from taxable income generated by PV Drilling V project (2011). PVD Deepwater is entitled to CIT exemption for 4 years from the first profit-making year (from 2012 to 2015) and a reduction of 50% for the following 9 years (from 2016 to 2024).

Taxable income from overseas business operations is calculated separately for each market and is subject to the same tax rate as the Company. However, losses incurred in different markets cannot be offset and cannot be transferred to taxable income from business operations in Vietnam. The Company's Offices and its subsidiary pay corporate income tax in accordance with the regulations in force in the host countries at the following tax rates:

- The Office in Indonesia is obliged to pay corporate income tax at a rate of 22% on taxable income, with taxable income deemed as 15% of revenue.
- The Office in Algeria is obliged to pay corporate income tax at a rate of 26% on the taxable income.
- PVD Overseas in Singapore is obliged to pay corporate income tax at a rate of 17% on profit before tax.



At the consolidated balance sheet date, the Group has unused tax losses of USD 26,740,036 (2022: USD 37,952,345) available for offset against future profits. No deferred tax asset has been recognized due to the uncertainty of future profits. These losses can be carried forward for a maximum period of five years from the year it was incurred.

The above tax loss figures are originally in Vietnam Dong based on the annual tax declaration results. The utilization shall be subject to the foreign exchange difference over time.

The benefits from the Group's tax losses carried forward expire according to the following schedule:

	<b>The Company</b>	<b>PVD Deepwater</b>	<b>Tax losses</b>	
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>VND Equivalent</b>
2024	-	1,274,540	1,274,540	29,538,734,593
2025	1,536,517	664,209	2,200,726	44,608,901,160
2026 (*)	6,692,676	1,112,003	7,804,679	178,219,837,816
2027 (*)	6,977,579	4,071,329	11,048,908	257,174,396,081
2028	-	4,411,183	4,411,183	106,221,284,675
	<b>15,206,772</b>	<b>11,533,264</b>	<b>26,740,036</b>	<b>615,763,154,325</b>

(\*) The figures have been adjusted according to the inspection results of the Large Enterprise Tax - General Department of Taxation.

### 39. BASIC PROFIT/(LOSS) PER SHARE

The calculation of the basic loss per share attributable to ordinary shareholders of the Group is based on the following data:

	<b>Current year</b>	<b>Prior year</b>
	<b>USD</b>	<b>USD</b>
Profit/(Loss) attributable to the Holding Company's shareholders	24,704,612	(4,422,959)
Appropriation to Bonus and Welfare funds	(5,676,339)	(1,544,294)
Profit/(Loss) for the purpose of calculating basic profit/(loss) per share	19,028,273	(5,967,253)
Weighted average number of ordinary shares	555,880,006	555,880,006
<b>Basic profit/(loss) per share</b>	<b>0.034</b>	<b>(0.011)</b>

### 40. CONTINGENT LIABILITIES

As at the date of these consolidated financial statements, the Group had not completed the tax finalization for its office operation in Algeria, Malaysia, Brunei and Indonesia in accordance with the local tax finalization procedures. The tax finalization will be done by the Authorities of Algeria, Malaysia, Brunei and Indonesia upon the completion of Algeria, Malaysia, Brunei and Indonesia projects and the tax liabilities will be determined at that time. However, the Group's Board of Management believes that no significant tax liabilities will incur upon the tax finalization of these offices and therefore, no additional provision has been made.

### 41. COMMITMENTS

#### Operating lease commitments

	<b>Current year</b>	<b>Prior year</b>
	<b>USD</b>	<b>USD</b>
Minimum lease payments under operating leases recognised in consolidated income statement for the year	1,558,501	1,528,050

As at the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Within one year	1,312,532	1,259,754
In the second to fifth year inclusive	2,704,533	2,775,257
After five years	1,102,523	1,155,143
	<u>5,119,588</u>	<u>5,190,154</u>

Operating lease commitments represent rental payable by the Group which related to the lease contracts of office, warehouse and land with the duration over one year.

**Guarantee commitment**

The Company commits to guarantee the short-term credit line for the year 2023-2024 for PVD Tubulars according to Resolution No. 01/08/2023/NQ-HĐQT dated 8 August 2023 of the Board of Directors, with a maximum total amount of USD 2,550,000.

**42. FINANCIAL INSTRUMENTS**

**Capital risk management**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings disclosed in Note 21 and Note 23, offset by cash and cash equivalents) and equity attributable to shareholders of the Group (comprising owners' contributed capital, share premium, treasury shares, foreign exchange difference, reserves and retained earnings) and non-controlling interests.

*Gearing ratio*

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

	<u>Closing balance</u>	<u>Opening balance</u>
	USD	USD
Borrowings	138,747,285	163,821,832
Less: Cash and cash equivalents	93,689,666	88,790,540
Net debt	45,057,619	75,031,292
Owners' equity	618,694,250	601,388,693
<b>Net debt to equity ratio</b>	<u>0.07</u>	<u>0.12</u>

**Significant accounting policies**

Details of the significant accounting policies and methods adopted by the Group (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 3.

Categories of financial instruments

	Closing balance	Opening balance
	USD	USD
<b>Financial assets</b>		
Cash and cash equivalents	93,689,666	88,790,540
Trade and other receivables	90,407,406	88,426,777
Held-to-maturity investments	53,082,421	18,132,068
	<b>237,179,493</b>	<b>195,349,385</b>
<b>Financial liabilities</b>		
Loans and borrowings	138,747,285	163,821,832
Trade and other payables	30,824,594	27,764,107
Accrued expenses	30,301,833	21,288,548
	<b>199,873,712</b>	<b>212,874,487</b>

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 6 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 management objectives**

Financial risks include market risk (consisting of foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group has hedged 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.

**Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**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 of foreign currencies payables to its receivables and Cross Currency Swap contracts with commercial banks in order to minimize the foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2023 and 31 December 2022 are as follows:

	Assets		Liabilities	
	Closing balance	Opening balance	Closing balance	Opening balance
	USD	USD	USD	USD
United States Dollar ("USD")				
(Subsidiaries)	7,754,007	15,715,099	25,919,968	22,398,724
Vietnam Dong ("VND")				
(The Company)	97,194,630	51,765,887	4,245,636	16,062,110
Algerian Dinar ("DZD")	414,661	537,978	10,583	542,638
Singapore Dollar ("SGD")	43,811	24,867	202,819	179,117
Euro ("EUR")	3,092	2,295	342,371	222,113
Thai Baht ("THB")	65	11,788	148,583	2,772
British Pound ("GBP")	6,988	3,312	85,628	38,402
Malaysia Ringgit (MYR)	5,675,799	18,529,832	1,524,865	707,059
Brunei Dollar ("BND")	24,573	-	309,376	57,807
Australian Dollar ("AUD")	-	-	3,014	-
Indonesia Rupian (IDR)	13,031,220	-	322,475	-

*Foreign currency sensitivity analysis*

The Company is mainly exposed to Vietnam Dong and subsidiaries exposed to United States Dollar.

The rate of 2% (prior year: 2%) is the sensitivity rate used when reporting foreign currency risk internally and represents the Group's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

- If the foreign exchange rate of Vietnam Dong against the US Dollar changes by 2%, the profit before tax of the Company and its subsidiaries will change by USD 1,858,980 (previous period: USD 714,076).
- If the foreign exchange rate of Malaysia Ringgit ("MYR") against the US Dollar changes by 2%, the profit before tax of the Company will change by USD 83,019.
- If the foreign exchange rate of Indonesia Rupiah ("IDR") against the US Dollar changes by 2%, the profit before tax of the Company will change by USD 254,175.

*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.

*Interest rate sensitivity*

The loan's sensitivity to interest rate changes was assessed by the Group that may arise at an appropriate level is fluctuation in floating interest bearing loan of higher/lower 30 basic points. Assuming all other variables were held constant and the loan balance at the balance sheet date were the outstanding amount for the next year, if interest rates applicable to floating interest bearing loans had been 30 basic points higher/lower, the Group's loss before tax would have decreased/increased by USD 416,242 (2022: USD 491,465).

*Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Group. Therefore, the Group has an appropriate credit policy in place and the exposure to credit risk is monitored on an on-going basis. As at 31 December 2023, the Group made provision for doubtful debts which was overdue for more than six months in accordance with Accounting policies stated in Note 3.

*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 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 shareholders to meet its liquidity requirements in the short and longer term.

The following tables detail the Group'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 including interest that will be earned on those assets, and undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**FORM B 09-DN/HN**

	Less than 1 year USD	From 1 - 5 years USD	More than 5 years USD	Total USD
<b>Closing balance</b>				
Cash and cash equivalents	93,689,666	-	-	93,689,666
Trade and other receivables	86,092,498	4,314,908	-	90,407,406
Held-to-maturity investments	53,082,421	-	-	53,082,421
	<b>232,864,585</b>	<b>4,314,908</b>	<b>-</b>	<b>237,179,493</b>
<b>Borrowings</b>	<b>22,979,768</b>	<b>46,682,921</b>	<b>69,084,596</b>	<b>138,747,285</b>
Trade and other payables	30,824,594	-	-	30,824,594
Accrued expenses	29,121,070	1,180,763	-	30,301,833
	<b>82,925,432</b>	<b>47,863,684</b>	<b>69,084,596</b>	<b>199,873,712</b>
<b>Net liquidity gap</b>	<b>149,939,153</b>	<b>(43,548,776)</b>	<b>(69,084,596)</b>	<b>37,305,781</b>
	Less than 1 year USD	From 1 - 5 years USD	More than 5 years USD	Total USD
<b>Opening balance</b>				
Cash and cash equivalents	88,790,540	-	-	88,790,540
Trade and other receivables	87,630,291	796,486	-	88,426,777
Held-to-maturity investments	18,132,068	-	-	18,132,068
	<b>194,552,899</b>	<b>796,486</b>	<b>-</b>	<b>195,349,385</b>
<b>Borrowings</b>	<b>35,682,060</b>	<b>49,216,706</b>	<b>78,923,066</b>	<b>163,821,832</b>
Trade and other payables	27,764,107	-	-	27,764,107
Accrued expenses	21,288,548	-	-	21,288,548
	<b>84,734,715</b>	<b>49,216,706</b>	<b>78,923,066</b>	<b>212,874,487</b>
<b>Net liquidity gap</b>	<b>109,818,184</b>	<b>(48,420,220)</b>	<b>(78,923,066)</b>	<b>(17,525,102)</b>

**43. RELATED PARTY TRANSACTIONS AND BALANCES**

List of related parties with significant transactions and balances for the year:

<u>Related party</u>	<u>Relationship</u>
Petrovietnam's subsidiaries	Company has investment from Petrovietnam
The Group's joint ventures	Joint venture
Petrovietnam's Joint Ventures/Joint Operating Companies/Petroleum Sharing Contracts	Company has investment from Petrovietnam

12500  
 HI NH  
 NG TY  
 IEM TC  
 ELOI  
 IET N  
 TP. HC



During the year, the Group entered into the following significant transactions with its related parties:

	Current year USD	Prior year USD
<b>Sales</b>		
<b>Petrovietnam's subsidiaries</b>	<b>5,807,999</b>	<b>15,115,409</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PTSC Mechanical and Construction Limited Company	1,656,070	6,387,781
- Petrovietnam Camau Fertilizer Joint stock company (PVCFC)	1,378,688	2,748,613
- PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo)	4,138	1,583,780
<b>Petrovietnam's joint ventures/joint operating companies/petroleum sharing contracts</b>	<b>55,940,321</b>	<b>62,322,624</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- Vietsovetropetro Joint Venture	11,324,110	33,507,922
- Hoang Long Joint Operating Company	121,212	2,272,913
- Cuu Long Joint Operating Company	4,478,852	7,923,410
- Bien Dong Oil and Gas Operating Company	275,304	1,855,477
- Premier Oil Vietnam Offshore B.V.. In Ho Chi Minh City	5,673,857	2,477,077
- Petrovietnam Domestic Exploration Production Operating Company Limited	17,242,291	1,678,012
- Thang Long Joint Operating Company	7,459,302	1,443,412
<b>The Group's joint ventures</b>	<b>2,393,362</b>	<b>2,484,805</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PVD-Baker Hughes	2,230,058	2,144,549
<b>Purchases</b>		
<b>Petrovietnam's subsidiaries</b>	<b>1,748,015</b>	<b>2,060,807</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PetroVietnam Technical Services Corporation Branch - PTSC Marine	1,377,751	1,470,473
<b>Petrovietnam's joint ventures/joint operating companies/petroleum sharing contracts</b>	<b>2,471,279</b>	<b>2,685,466</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- Petrosetco Vung Tau General Services JSC	1,206,238	1,510,859
- PVI Insurance Saigon Company	1,095,644	666,217
<b>The Group's joint ventures</b>	<b>1,163,940</b>	<b>1,015,355</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PVD-Expro	1,100,343	655,416
<b>Profit shared from joint ventures</b>		
<b>The Company's joint ventures</b>	<b>1,554,644</b>	<b>4,551,489</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PVD-Baker Hughes	1,554,644	4,551,489

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

FORM B 09-DN/HN

Related party balances at the balance sheet date were as follows:

	Closing balance USD	Opening balance USD
<b>Receivables</b>		
<b>Petrovietnam's subsidiaries</b>	<b>3,369,328</b>	<b>7,348,387</b>
<i>In which: details account for 10% or more of total value of balance:</i>		
- PTSC Mechanical and Construction Limited Company	1,036,053	4,432,972
<b>Petrovietnam's joint ventures/joint operating companies/petroleum sharing contracts</b>	<b>10,102,695</b>	<b>18,799,172</b>
<i>In which: details account for 10% or more of total value of balance:</i>		
- Vietsovpetro Joint Venture	1,257,546	10,436,611
- Petrovietnam Domestic Exploration Production Operating Company Limited	3,868,147	1,727,075
- Cuu Long Joint Operating Company	1,820,666	1,184,118
<b>The Group's joint ventures</b>	<b>1,146,592</b>	<b>1,237,052</b>
<i>In which: details account for 10% or more of total value of balance:</i>		
- PVD-Baker Hughes	1,081,358	1,020,417
	<b>14,618,615</b>	<b>27,384,611</b>
<b>Other short-term receivables</b>		
<b>The Group's joint ventures</b>	-	448,398
<i>In which: details account for 10% or more of total value of balance:</i>		
- PVD-Expro	-	448,398
<b>Payables</b>		
<b>Petrovietnam's subsidiaries</b>	<b>428,100</b>	<b>642,759</b>
<i>In which: details account for 10% or more of total value of balance:</i>		
- PetroVietnam Technical Services Corporation Branch - PTSC Marine	416,384	567,672
<b>Petrovietnam's joint ventures/joint operating companies/petroleum sharing contracts</b>	<b>125,163</b>	<b>599,017</b>
<i>In which: details account for 10% or more of total value of balance:</i>		
- Vung Tau Oil and Gas General Services Joint Stock Company (Petrosetco_VT)	104,774	570,746
<b>The Group's joint ventures</b>	<b>621,544</b>	<b>609,658</b>
<i>In which: details account for 10% or more of total value of balance:</i>		
- PVD-Expro	614,251	470,661
	<b>1,174,807</b>	<b>1,851,434</b>

Remuneration paid to the Group's Boards of Directors and Management and Supervisors during the year was as follows:

	Current year USD	Prior year USD
<b>Board of Directors</b>		
Mr. Mai The Toan	43,451	18,139
Mr. Do Duc Chien	43,909	18,808
Mr. Nguyen Xuan Cuong	43,909	18,739
Mr. Vu Thuy Tuong	55,953	46,926
Mr. Van Duc Tong	5,069	5,156
Mr. Nguyen Van Toan	5,069	5,156
Mr. Hoang Xuan Quoc	5,069	5,156
<b>Board of Management</b>		
Mr. Dao Ngoc Anh	27,795	52,707
Mr. Trinh Van Vinh	-	48,053
Mr. Ho Vu Hai	62,209	52,424
Mr. Do Danh Rang	62,121	52,633
Mr. Nguyen Cong Doan	59,305	49,980
Mr. Nguyen The Son	61,403	29,169
Mr. Dinh Quang Nhut	70,082	-
<b>Board of Supervisor</b>		
Mr. Luong Thanh Tinh	46,424	38,868
Mr. Nguyen Van Tai	20,205	16,846
Mr. Nguyen Binh Hop	3,548	3,609
<b>Chief Accountant</b>		
Mr. Nguyen Ngoc Truong	56,959	23,562
<b>Total</b>	<b>672,480</b>	<b>485,931</b>

44. SUPPLEMENTAL DISCLOSURES OF CONSOLIDATED CASH FLOW INFORMATION

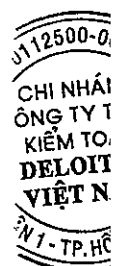
Supplemental non-cash disclosures

Interest expense paid during the year excluded an amount of USD 18,141,578 (2022: USD 8,950,228), representing interest expense during the year that has yet not been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows for acquisition and construction of fixed assets and other long-term assets during the year excluded an amount of USD 170,589 (2022: USD 320,160), representing additions of fixed assets during the year that have not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Interest income, dividends and profits received during the year excluded an amount of USD 383,350 (2022: USD 873,204), representing interest income, dividends and profits declared during the year to be received. Consequently, changes in receivables have been adjusted by the same amount.

Proceeds from borrowings and repayment of borrowings during the year exclude an amount of USD 659,751 (2022: USD 32,222), representing cash inflow and outflow for short-term borrowings of 3 months or less that are presented on a net basis. Consequently, proceeds from borrowings and repayment of borrowings have been adjusted by the same amount.



45. SUBSEQUENCE EVENT

According to the Decision of the Board of Directors No. 01/03/2024/QĐ- HĐQT dated 27 March 2024, the Board of Directors has decided to terminate the operation of Petrovietnam Drilling Investment Corporation (PVD Invest). This Decision takes effect from the date of signing and the Company is implementing relevant procedures in accordance with the current regulations.

46. APPROVAL FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS

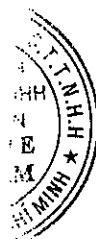
The Board of Management approved the accompanying consolidated financial statements, which give a true and fair view of the consolidated balance sheet of the Company as at 31 December 2023, and its consolidated income statement and its consolidated cash flow statement for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting.



Nguyen Xuan Cuong  
President  
29 March 2024

Nguyen Ngoc Truong  
Chief Accountant

Tran Kim Hoang  
Preparer



**PETROVIETNAM DRILLING AND WELL  
SERVICES CORPORATION**

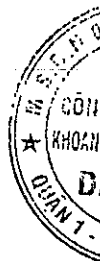
*(Incorporated in the Socialist Republic of Vietnam with  
business code 0302495126)*

**AUDITED VND-CONVERTED CONSOLIDATED  
FINANCIAL STATEMENTS**

**For year ended 31 December 2023**

TABLE OF CONTENTS

<b><u>CONTENTS</u></b>	<b><u>PAGE(S)</u></b>
STATEMENT OF THE BOARD OF MANAGEMENT	1 - 2
INDEPENDENT AUDITORS' REPORT	3 - 4
CONSOLIDATED BALANCE SHEET	5 - 6
CONSOLIDATED INCOME STATEMENT	7
CONSOLIDATED CASH FLOW STATEMENT	8
NOTES TO THE VND-CONVERTED CONSOLIDATED FINANCIAL STATEMENTS	9 - 52



**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**

4<sup>th</sup> Floor, Sailing Tower, 111A Pasteur, District 1

Ho Chi Minh City, Vietnam

---

**STATEMENT OF THE BOARD OF MANAGEMENT**

The Board of Management of Petrovietnam Drilling and Well Services Corporation (the "Company") presents this report together with the VND-converted consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023.

**THE BOARDS OF DIRECTORS AND MANAGEMENT**

The members of the Boards of Directors and Management of the Group during the year and to the date of this report are as follows:

**Board of Directors**

Mr. Mai The Toan	Chairman
Mr. Do Duc Chien	Vice Chairman
Mr. Nguyen Xuan Cuong	Member
Mr. Vu Thuy Tuong	Member
Mr. Nguyen Van Toan	Independent Member
Mr. Van Duc Tong	Independent Member
Mr. Hoang Xuan Quoc	Independent Member

**Board of Management**

Mr. Nguyen Xuan Cuong	President
Mr. Ho Vu Hai	Vice President
Mr. Do Danh Rang	Vice President
Mr. Nguyen Cong Doan	Vice President
Mr. Nguyen The Son	Vice President
Mr. Dinh Quang Nhut	Vice President
Mr. Dao Ngoc Anh	Vice President (resigned from 1 June 2023)

**THE BOARD OF MANAGEMENT'S STATEMENT OF RESPONSIBILITY**

The Board of Management of the Group is responsible for preparing the VND-converted consolidated financial statements for the year ended 31 December 2023, which give a true and fair view of the consolidated financial position of the Company as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to VND-converted consolidated financial reporting. In preparing these VND-converted consolidated financial statements, the Board of Management is required to:

- 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 VND-converted consolidated financial statements;
- prepare the VND-converted consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- design and implement an effective internal control system for the purpose of properly preparing and presenting the VND-converted consolidated financial statements so as to minimize errors and frauds.

**STATEMENT OF THE BOARD OF MANAGEMENT (Continued)**

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

The Board of Management confirms that the Group has complied with the above requirements in preparing these VND-converted consolidated financial statements.

*m* For and on behalf of the Board of Management, *anh*



\_\_\_\_\_  
**Nguyen Xuan Cuong**  
**President**  
29 March 2024 *h*



No.: 0588 /VN1A-HC-BC

## INDEPENDENT AUDITORS' REPORT

**To:** The Shareholders, the Boards of Directors and Management of  
Petrovietnam Drilling and Well Services Corporation

We have audited the accompanying VND-converted consolidated financial statements of Petrovietnam Drilling and Well Services Corporation (the "Company") and its subsidiaries (collectively referred to as the "Group") prepared on 29 March 2024 as set out from page 5 to page 52 which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of income and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Board of Management's Responsibility for the VND-converted Consolidated Financial Statements***

The Board of Management is responsible for the preparation and fair presentation of these VND-converted consolidated 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 Management determines is necessary to enable the preparation of VND-converted consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

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

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

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

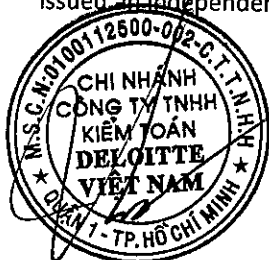
### ***Auditors' Opinion***

In our opinion, the VND-converted consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to VND-converted consolidated financial reporting.


## INDEPENDENT AUDITORS' REPORT (Continued)

### Other matter

The Company has prepared a set of consolidated financial statements for the year ended 31 December 2023 in United States Dollar which is its functional currency, in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to consolidated financial reporting, on which we issued an independent auditors' report dated 29 March 2024 expressing an unqualified opinion.



**Vo Thai Hoa**  
Audit Partner  
Audit Practising Registration Certificate  
No. 0138-2023-001-1  
**BRANCH OF DELOITTE VIETNAM AUDIT  
COMPANY LIMITED**  
29 March 2024  
Ho Chi Minh City, Vietnam

  
**Nguyen Hoang Quoc Tri**  
Auditor  
Audit Practising Registration Certificate  
No. 4773-2024-001-1



**CONSOLIDATED BALANCE SHEET**

*As at 31 December 2023*

Unit: VND

ASSETS	Codes	Notes	Closing balance	Opening balance
<b>A. CURRENT ASSETS</b>	<b>100</b>		<b>6,927,879,980,560</b>	<b>5,645,895,372,740</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>4</b>	<b>2,256,047,157,280</b>	<b>2,078,586,541,400</b>
1. Cash	111		2,186,313,331,440	2,028,432,372,150
2. Cash equivalents	112		69,733,825,840	50,154,169,250
<b>II. Short-term financial investments</b>	<b>120</b>		<b>1,278,224,697,680</b>	<b>424,471,711,880</b>
1. Held-to-maturity investments	123	5	1,278,224,697,680	424,471,711,880
<b>III. Short-term receivables</b>	<b>130</b>		<b>2,313,956,884,400</b>	<b>2,163,333,176,040</b>
1. Short-term trade receivables	131	6	1,719,317,755,120	1,735,160,389,980
2. Short-term advances to suppliers	132	7	240,849,532,560	111,908,063,730
3. Other short-term receivables	136	8	425,000,248,960	464,020,144,500
4. Provision for short-term doubtful debts	137	6	(71,210,652,240)	(147,755,422,170)
<b>IV. Inventories</b>	<b>140</b>	<b>9</b>	<b>999,895,512,000</b>	<b>908,560,921,640</b>
1. Inventories	141		1,137,481,889,600	1,045,611,676,520
2. Provision for devaluation of inventories	149		(137,586,377,600)	(137,050,754,880)
<b>V. Other short-term assets</b>	<b>150</b>		<b>79,755,729,200</b>	<b>70,943,021,780</b>
1. Short-term prepayments	151		37,784,939,360	23,483,483,990
2. Value added tax deductibles	152		40,182,609,040	45,836,826,820
3. Taxes and other receivables from the State budget	153	18	1,788,180,800	1,622,710,970
<b>B. NON-CURRENT ASSETS</b>	<b>200</b>		<b>14,704,968,227,040</b>	<b>15,058,151,318,730</b>
<b>I. Long-term receivables</b>	<b>210</b>		<b>103,902,984,640</b>	<b>18,645,737,260</b>
1. Other long-term receivables	216	8	103,902,984,640	18,645,737,260
<b>II. Fixed assets</b>	<b>220</b>		<b>13,115,351,781,280</b>	<b>13,567,184,243,890</b>
1. Tangible fixed assets	221	10	12,950,566,249,040	13,396,281,716,020
- Cost	222		25,490,804,674,720	24,822,036,561,060
- Accumulated depreciation	223		(12,540,238,425,680)	(11,425,754,845,040)
2. Intangible assets	227	11	164,785,532,240	170,902,527,870
- Cost	228		327,647,289,200	318,752,854,180
- Accumulated amortisation	229		(162,861,756,960)	(147,850,326,310)
<b>III. Long-term assets in progress</b>	<b>240</b>		<b>9,226,059,360</b>	<b>8,178,704,880</b>
1. Construction in progress	242	12	9,226,059,360	8,178,704,880
<b>IV. Long-term financial investments</b>	<b>250</b>		<b>666,088,655,120</b>	<b>621,891,472,460</b>
1. Investments in joint-ventures	252	13	666,088,655,120	621,891,472,460
<b>V. Other long-term assets</b>	<b>260</b>		<b>810,398,746,640</b>	<b>842,251,160,240</b>
1. Long-term prepayments	261	14	590,797,695,040	650,886,723,900
2. Deferred tax assets	262	15	219,601,051,600	191,364,436,340
<b>TOTAL ASSETS (270=100+200)</b>	<b>270</b>		<b>21,632,848,207,600</b>	<b>20,704,046,691,470</b>

The accompanying notes are an integral part of these VND-converted consolidated financial statements

**CONSOLIDATED BALANCE SHEET (Continued)**  
As at 31 December 2023

Unit: VND

RESOURCES	Codes	Notes	Closing balance	Opening balance
<b>C. LIABILITIES</b>	<b>300</b>		<b>6,734,690,667,600</b>	<b>6,625,537,388,340</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>3,146,135,991,040</b>	<b>2,868,228,338,410</b>
1. Short-term trade payables	311	16	569,419,182,080	567,815,332,270
2. Short-term advances from customers	312	17	263,391,759,680	85,966,108,360
3. Taxes and amounts payable to the State budget	313	18	93,707,922,000	58,577,719,320
4. Payables to employees	314		125,894,309,520	118,469,535,580
5. Short-term accrued expenses	315	19	701,235,365,600	498,364,908,680
6. Other current payables	319	20	375,423,502,160	337,986,627,230
7. Short-term loans	320	21	553,352,813,440	835,317,024,600
8. Short-term provisions	321	22	329,498,222,480	283,276,731,520
9. Bonus and welfare funds	322		134,212,914,080	82,454,350,850
<b>II. Long-term liabilities</b>	<b>330</b>		<b>3,588,554,676,560</b>	<b>3,757,309,049,930</b>
1. Long-term accrued expenses	333	19	28,432,773,040	-
2. Other long-term payables	337	20	473,516,055,040	473,684,939,590
3. Long-term loans	338	23	2,787,681,809,360	2,999,752,062,520
4. Long-term provisions	342	24	220,314,349,360	196,173,318,540
5. Scientific and technological development fund	343	25	78,609,689,760	87,698,729,280
<b>D. EQUITY</b>	<b>400</b>		<b>14,898,157,540,000</b>	<b>14,078,509,303,130</b>
<b>I. Owners' equity</b>	<b>410</b>	<b>26</b>	<b>14,898,157,540,000</b>	<b>14,078,509,303,130</b>
1. Owners' contributed capital	411		5,562,960,060,000	5,562,960,060,000
- Ordinary shares carrying voting rights	411a		5,562,960,060,000	5,562,960,060,000
2. Share premium	412		2,434,086,374,663	2,434,086,374,663
3. Treasury shares	415		(20,948,559,850)	(20,948,559,850)
4. Foreign exchange reserve	417		2,206,837,331,099	1,846,657,584,332
5. Investment and development fund	418		3,784,367,536,054	3,590,590,632,136
6. Retained earnings	421		693,559,803,718	435,921,739,099
- Retained earnings accumulated to the prior year end	421a		435,921,739,099	575,399,584,595
- Retained earnings/(Losses) of the current year	421b		257,638,064,619	(139,477,845,496)
7. Non-controlling interests	429	27	237,294,994,316	229,241,472,750
<b>TOTAL RESOURCES (440=300+400)</b>	<b>440</b>		<b>21,632,848,207,600</b>	<b>20,704,046,691,470</b>



Nguyen Xuan Cuong  
President  
29 March 2024

Nguyen Ngoc Truong  
Chief Accountant

Trần Kim Hoang  
Preparer

The accompanying notes are an integral part of these VND-converted consolidated financial statements

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

Unit: VND

ITEMS	Codes	Notes	Current year	Prior year
1. Gross revenue from goods sold and services rendered	01		5,804,412,484,923	5,431,604,613,820
2. Net revenue from goods sold and services rendered (10=01)	10	30	5,804,412,484,923	5,431,604,613,820
3. Cost of goods sold and services rendered	11	31	4,498,918,879,611	4,854,177,283,428
4. Gross profit from goods sold and services rendered (20=10-11)	20		1,305,493,605,312	577,427,330,392
5. Financial income	21	33	134,219,305,233	117,547,035,364
6. Financial expenses	22	34	392,052,837,813	312,523,267,496
- In which: Interest expense	23		250,499,968,602	168,031,934,532
7. Income from investments in joint ventures	24	13	66,137,035,575	45,056,726,484
8. Selling expenses	25		24,149,229,741	17,630,778,616
9. General and administration expenses	26	35	522,515,095,908	492,791,232,296
10. Operating profit/(loss) (30=20+(21-22)+24-(25+26))	30		567,132,782,658	(82,914,186,168)
11. Other income	31	36	155,300,348,463	4,781,821,440
12. Other expenses	32	37	64,053,858,921	60,384,787,144
13. Profit/(Loss) from other activities (40=31-32)	40		91,246,489,542	(55,602,965,704)
14. Accounting profit/(loss) before tax (50=30+40)	50		658,379,272,200	(138,517,151,872)
15. Current corporate income tax expense	51	38	135,002,100,324	38,111,703,432
16. Deferred corporate tax income	52	15	(22,565,008,908)	(21,772,416,952)
17. Net profit/(loss) after corporate income tax (60=50-51-52)	60		545,942,180,784	(154,856,438,352)
Attributable to:				
- The Company's shareholders	61		584,832,279,876	(102,948,793,684)
- Non-controlling interests and Interests of partners in Business Cooperation Contract	62	27	(38,890,099,092)	(51,907,644,668)
18. Basic gain/(loss) per share	70	39	810	(250)



Nguyễn Xuân Cường  
President  
29 March 2024

Nguyễn Ngọc Truong  
Chief Accountant

Tran Kim Hoang  
Preparer

The accompanying notes are an integral part of these VND-converted consolidated financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
*For the year ended 31 December 2023*

Unit: VND

ITEMS	Codes	Current year	Prior year
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit/(Loss) before tax	01	658,379,272,200	(138,517,151,872)
2. Adjustments for:			
Depreciation and amortisation	02	856,743,293,328	782,954,247,460
Provisions	03	66,093,879,696	183,461,688,036
Foreign exchange loss arising from translating foreign currency items	04	9,353,983,509	53,944,806,740
Gain from investing activities	05	(135,715,107,411)	(104,184,074,280)
Interest expense	06	250,499,968,602	168,031,934,532
Other adjustments	07	12,243,327,089	13,483,714,425
3. Operating profit before movements in working capital	08	1,717,598,617,013	959,175,165,041
Changes in receivables	09	(197,882,299,251)	(357,421,018,900)
Changes in inventories	10	(60,897,561,504)	(131,585,768,556)
Changes in payables	11	250,953,685,320	(440,004,429,832)
Changes in prepaid expenses	12	63,988,095,327	32,091,319,480
Interest paid	14	(33,246,077,124)	(36,033,016,976)
Corporate income tax paid	15	(36,997,134,993)	(47,938,993,564)
Other cash outflows	17	(87,458,052,006)	(61,782,650,600)
Net cash generated by/(used in) operating activities	20	1,616,059,272,782	(83,499,393,907)
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
1. Acquisition and construction of fixed assets	21	(148,568,930,913)	(155,013,877,216)
2. Proceeds from sale, disposal of fixed asset	22	3,050,644,818	501,714,180
3. Cash outflow for buying debt instruments of other entities	23	(1,889,960,981,336)	(786,881,691,814)
4. Cash recovered from lending, selling debt instruments of other entities	24	1,036,207,999,104	1,906,660,721,134
5. Interest earned, dividends and profits received	27	105,119,175,291	242,587,592,720
Net cash (used in)/generated by investing activities	30	(894,152,093,036)	1,207,854,459,004
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
1. Proceeds from borrowings	33	22,355,621,223	76,067,038,696
2. Repayment of borrowings	34	(608,566,190,505)	(310,713,488,668)
3. Dividends and profits paid	36	(3,490,427,500)	(3,490,427,500)
Net cash used in financing activities	40	(589,700,996,782)	(238,136,877,472)
Net increases in cash (50=20+30+40)	50	132,206,182,964	886,218,187,625
Cash and cash equivalents at the beginning of the year	60	2,078,586,541,400	1,130,703,090,240
Effects of changes in foreign exchange rates	61	(1,147,122,561)	(1,634,463,996)
Foreign exchange differences from translation	62	46,401,555,477	63,299,727,531
Cash and cash equivalents at the end of the year (70=50+60+61)	70	2,256,047,157,280	2,078,586,541,400



Nguyen Xuan Cuong  
President  
29 March 2024

Nguyen Ngoc Truong  
Chief Accountant

Tran Kim Hoang  
Preparer

The accompanying notes are an integral part of these VND-converted consolidated financial statements

**NOTES TO THE VND-CONVERTED CONSOLIDATED FINANCIAL STATEMENTS**

*These notes are an integral part of and should be read in conjunction with the accompanying VND-converted consolidated financial statements*

**1. GENERAL INFORMATION****Structure of ownership**

The Group consists of Petrovietnam Drilling and Well Services Corporation (the "Company") and its 7 subsidiaries and 6 joint ventures.

Details of the Group are as follows:

**The Company**

The Company is a joint stock company established in S.R. Vietnam in accordance with the Business Registration Certificate No. 4103004335 dated 15 February 2006 and the 17<sup>th</sup> amendment dated 26 September 2022 issued by the Department of Planning and Investment ("DPI") of Ho Chi Minh City, Enterprise code No. 0302495126. The Company was established from the equitization of Petrovietnam Drilling and Well Services Company, a member of Petrovietnam - Vietnam Oil and Gas Group (hereinafter referred to as "Petrovietnam").

The Company consists of two divisions and offices abroad.

These offices were established through the changes of legal form based on the Decisions of the Board of Directors through the termination of the establishment of branches in foreign countries with details as follows:

- The Drilling Division was established in accordance with the Resolution of the Company's Board of Directors dated 9 April 2007 and the Decision No. 1249/QĐ-PVD issued by the President dated 24 May 2007 changing the Drilling Management Committee into the Drilling Division and in accordance with the Business Registration Certificate No. 0302495126-007 dated 16 March 2010 replacing the Business Registration Certificate No. 4113028028 issued by the DPI of Ho Chi Minh City. The Drilling Division's registered office is located at 3<sup>rd</sup> Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, S.R Vietnam. The Division manages and operates 03 offshore drilling rigs: PV DRILLING I, PVD DRILLING II and PV DRILLING III.
- PVD Drilling Investment Division ("PVD Invest") was established in accordance with the Decision No. 06/12/QĐ-HDQT dated 30 December 2009 issued by the Board of Directors and the Business Registration Certificate No. 0302495126 dated 18 January 2010, and its amendment dated 19 May 2010 issued by the DPI of Ho Chi Minh City. PVD Invest's registered office is located 3<sup>rd</sup> Floor, The Manor 2, 91 Nguyen Huu Canh, Ward 22, Binh Thanh District, Ho Chi Minh City, Vietnam.
- The Office in Algeria was established in accordance with Decision No. 1857/QĐ-PVD dated 16 August 2007 issued by the President. The Office at Algeria is located at Cité Si El, Houas, No. 02, Villa No. 101, Hassi Messaoud, Ouargla, Algeria. Algeria Office is directly controlled and managed by the Drilling Division. The Office manages and operates 01 land drilling rig: PV DRILLING 11.
- The Office in Malaysia was established under Decision No. 224/QĐ-PVD dated 10 July 2023 issued by the President. The Malaysia Office's registered office is located at 22.03, Level 22, Menara TA One, 22, Jalan P. Ramlee, 50250a Kuala Lumpur, Malaysia.
- The Office in Brunei was established under Decision No. 226/QĐ-PVD dated 10 July 2023 issued by the President. The Brunei Office's registered office is located at 5<sup>th</sup> floor, Wisma Hajjah Famimah, No. 22-23 Jalan Sultan BS8811, Bandar Seri Begawan, Brunei Darussalam.
- The Office in Thailand was established under Decision No. 225/QĐ-PVD dated 10 July 2023 issued by the President. The Thailand Office's registered office is located at Ceo Suite: Athenee Tower, 23<sup>rd</sup> floor, 63 Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Thailand.

- The Office in Indonesia was established under Decision No. 227/QĐ-PVD dated 10 July 2023 issued by the President. The Indonesia Office's registered office is located at Jl. Prof. Dr. Soepomo No. 231, Crown Palace Blok C-09, Desa/ Kelurahan Menteng Dalam, Kec. Tebet, Kota Adm. Jakarta Selatan, 12870 Provinsi DKI Jakarta, Indonesia.

The number of employees of the Company and its subsidiaries as at 31 December 2023 was 439 and 1,485 respectively (as at 31 December 2022: 440 and 1,531)

***The subsidiaries***

PVD Offshore Services Company Limited ("PVD Offshore") was established as a limited liability company under the Business Registration Certificate No. 3500803145 dated 1 September 2009 issued by DPI of Ba Ria - Vung Tau Province and its amendments. PVD Offshore's registered office is located at 43A, 30/4 Street, Ward 9, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. PVD Offshore is principally engaged in providing manufacture repair, inspection and maintenance of equipment and facilities of oil and gas industry; manpower supply service related to drilling, oil and gas exploitation for domestic and foreign contractors; consultancy in environmental impact assessment, rescue plan for oil spills for facilities and activities that have a risk of oil spills.

PVD Well Services Company Limited ("PVD Well") was established as a limited liability company under the Business Registration Certificate No. 4104001468 dated 1 August 2007 issued by DPI of Ho Chi Minh City and its amendments. PVD Well's registered office is located at 4<sup>th</sup> Floor, Cantavil Premier Building, No. 1 Song Hanh Street, An Phu Ward, Thu Duc City, Ho Chi Minh City. PVD Well is principally engaged in providing tubular services, drilling equipment rental services, well drilling technical services, supplying specialized tool and equipment to serve the well drilling services.

Petroleum Well Logging Company Limited ("PVD Logging") was established as a limited liability company under the Business Registration Certificate No. 4104001513 dated 7 August 2007 issued by DPI of Ho Chi Minh City and its amendments. PVD Logging's registered office is at 4<sup>th</sup> Floor, PVFCCo Building, 43 Mac Dinh Chi Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam. PVD Logging is principally engaged in providing oil and gas wells geophysical survey service, oil and gas wells testing, reservoir testing, cementing pumps and supply of manpower, tool and equipment for the other related services.

PVD Trading and Technical Services Joint Stock Company (formerly known as Petroleum Trading and Technical Services Company Limited, "PVD Tech") has changed legal form from a limited liability company to a joint stock company and commenced its operation as a joint stock company under the latest Amended Business Registration Certificate No. 0305124602 dated 25 February 2022 issued by DPI of Ho Chi Minh City. PVD Tech's registered office is located at 10<sup>th</sup> Floor, Phuoc Thanh Building, 199 Dien Bien Phu Street, Ward 15, Binh Thanh District, Ho Chi Minh City, Vietnam. PVD Tech is principally engaged in providing materials and equipment for the oil and gas industry and other industries, services on installation, inspection, repair, maintenance of drilling rig, mending rig, exploiting rig and DES equipment rental services.

PVD Technical Training and Certification Joint Stock Company ("PVD Training"), formerly known as Cuu Long Company Limited, is a joint stock company that was established in accordance with Business Registration Certificate No. 3500677518 dated 12 August 2011 issued by DPI of Ba Ria - Vung Tau Province, and its amendments. PVD Training's registered office is located at Dong Xuyen Industrial Zone, 30/4 Street, Rach Dua Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. PVD Training is principally engaged in providing training, introduction and supply of manpower in the oil and gas industry in domestic and overseas markets; house, office and warehouse for lease.

PVD Deepwater Drilling Company Limited ("PVD Deepwater") was established as a limited liability company under the Business Registration Certificate No. 0310139354 dated 14 July 2010 issued by DPI of Ho Chi Minh City and its amendments. PVD Deepwater's registered office is located at 3<sup>rd</sup> Floor, Sailing Tower, 111A Pasteur Street, District 1, Ho Chi Minh City, Vietnam. PVD Deepwater is principally engaged in providing supporting services in crude oil and natural gas exploitation; supply of deepwater rigs in service search, exploration and exploitation of oil and gas; supply of materials and equipment, machinery for supporting of oil and gas researching, exploring and exploiting; industry and other related industries; research and natural and technical sciences experimental development of natural and technical sciences; technological consultancy in the field of oil and gas. The Drilling Division is currently managing and operating PV DRILLING V, under a rig lease contract with PVD Deepwater.



PV Drilling Overseas Company Private Limited ("PVD Overseas") was established in Singapore under joint venture contract with Falcon Energy Group Limited and Business Registration No. 201308977C dated 4 April 2013. PVD Overseas's registered office is located at 75 High Street, The Co Building, Singapore. PVD Overseas is principally engaged in providing investment, drilling rental, supplying drilling service and the services related to exploration and exploitation of oil and gas. The Drilling Division is currently managing and operating PV DRILLING VI, under a rig lease contract with PVD Overseas.

Detailed information about capital contribution status and investment value in subsidiaries of the Company as at 31 December 2023 and 31 December 2022 are as follows:

Name of subsidiaries	Proportion of ownership interest/ voting power held %	Closing balance			Proportion of ownership interest/ voting power held %	Opening balance		
		Registered charter capital (original currency)	Contributed charter capital (original currency)	Investment value USD		Registered charter capital (original currency)	Contributed charter capital (original currency)	Investment value USD
PVD Offshore	100	VND 130,000,000,000	VND 130,000,000,000	6,748,980	100	VND 130,000,000,000	VND 130,000,000,000	6,748,980
PVD Well	100	VND 80,000,000,000	VND 80,000,000,000	4,081,469	100	VND 80,000,000,000	VND 80,000,000,000	4,081,469
PVD Logging	100	VND 80,000,000,000	VND 80,000,000,000	4,236,959	100	VND 80,000,000,000	VND 80,000,000,000	4,236,959
PVD Tech	100	VND 450,000,000,000	VND 450,000,000,000	21,049,065	100	VND 450,000,000,000	VND 450,000,000,000	21,049,065
PVD Training	51.8	VND 28,958,670,000	VND 28,958,670,000	1,096,066	51.8	VND 28,958,670,000	VND 28,958,670,000	1,096,066
PVD Deepwater	100	VND 764,000,000,000	VND 764,000,000,000	39,692,090	100	VND 764,000,000,000	VND 764,000,000,000	39,692,090
PVD Overseas	81.6	USD 66,698,050	USD 66,698,050	54,400,000	81.6	USD 66,698,050	USD 66,698,050	54,400,000
				<u>131,304,629</u>				<u>131,304,629</u>

### The Joint Ventures

Details of the Group's joint ventures with proportion of voting rights held 50% are as follows:

BJ Services-PV Drilling Joint Venture Company Limited ("BJ-PVD") was established in Vietnam as a joint venture company under Investment Certificate No. 492021000003 dated 28 September 2006 issued by the People's Committee of Ba Ria - Vung Tau Province and its amendments. BJ - PVD's registered office is located at 65A, 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. BJ-PVD is principally engaged in providing the entire package of services such as cementing pump, reservoir stimulation, dragging tubular and pumping nitrogen, etc., as well as technical solutions, laboratory services and chemicals supply. The total charter capital of BJ-PVD is amount of USD 5 million, in which the Group holds 49% of its ownership.

PV Drilling-Baker Hughes Well Technical Services Joint Venture Company Limited ("PVD-Baker Hughes") was established in Vietnam under the Investment Certificate No. 411022000556 dated 26 January 2011 issued by the People's Committee of Ho Chi Minh City and its amendments. PVD-Baker Hughes's registered office is located at 5<sup>th</sup> Floor, Cantavil An Phu Center, No 1 Song Hanh Street, An Phu Ward, Thu Duc City, Ho Chi Minh City, Vietnam. PVD-Baker Hughes is principally engaged in providing directional surveying drilling services, measurement while drilling services, coring sample services, well geophysical survey services, casehead hanging over services, sticking rescue services, artificial reservoir pressure, intelligent well completment services and other mine exploitation technology services. The total charter capital of PVD-Baker Hughes is USD 20 million, equivalent to VND 370,880,000,000, in which the Group holds 51% of its ownership.

PVD Tubulars Management ("PVD Tubulars") was established under the Investment Certificate No. 492022000134 dated 7 October 2008 issued by the Board of Directors of Ba Ria - Vung Tau Industrial Zone and its amendments. PVD Tubulars's registered office is located at Phu My 1 Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Viet Nam. PVD Tubulars is principally engaged in providing products of drilling tube, casing, tubing operators and management service for casing package for all oil and gas companies which operating in exploration and exploitation on shore, offshore and deep water regions in Vietnam. The total charter capital of PVD Tubulars is VND 57,995,000,000, equivalent to USD 3.5 million. The Group holds 51% of its ownership.

Vietubes Company Limited ("Vietubes") was established in Vietnam under the Investment Certificate No. 492022000111 dated 15 February 1995 issued by the Board of Directors of Industrial Zone of Ba Ria - Vung Tau Province and its amendment. Vietubes registered office is located at Street 11, Dong Xuyen Industrial Zone, Rach Dua Ward, Ba Ria - Vung Tau Province, Vietnam. Vietubes is principally engaged in providing forging, processing, repair, recovery inspection, verification of drilling tube, fabricated connectors, couplings and by-product supporting for drilling operations, oil and gas exploitation; metal processing, including cutting, formatting and stabilizing metal structure; precision mechanical processing for large details on automatic machines. The total charter capital of Vietubes is VND 77,297,205,000, equivalent to USD 3,707,300. The Group holds 51% of its ownership.

PV Drilling Expo International Company Limited (formerly known as PV Drilling Production Testers International Company Limited, "PVD-Expro") was established as a joint venture company under the Investment Certificate No. 491022000098 dated 25 April 2008 issued by the People's Committee of Ba Ria - Vung Tau Province and its amendments. PVD-Expro's registered office is located at 65A 30/4 Street, Thang Nhat Ward, Vung Tau City, Ba Ria - Vung Tau Province, Vietnam. The principal activities of PVD-Expro include providing drilling well reservoir testing service, mining equipment leasing, manpower supplying in operation field of itself with skilled engineers, workers who have experience in working for foreign contractors. The total charter capital of PVD-Expro is USD 6,371,352. The Group holds 51% of its ownership.

PVD Tech-Oil State Industries Joint Venture Company Limited ("PVD-OSI") was established in Vietnam as a joint venture company under the Investment Certificate No. 492022000217 dated 24 November 2011 issued by the Board of Directors of Industrial Zone of Ba Ria - Vung Tau Province. PVD-OSI's registered office is located at Street 11, Phu My Industrial Zone, Tan Thanh District, Ba Ria - Vung Tau Province, Vietnam. The principal activities of PVD - OSI include producing, manufacturing, forging, lathing tube connectors and components, spare parts in exploratory drilling sector and oil and gas industry; and providing repair, maintenance tube connectors services in exploratory drilling and oil and gas exploitation. The total charter capital of PVD - OSI is VND 105,000,000,000, equivalent to USD 5 million. The Group holds 51% of its ownership.

#### Principal activities

The Group is principally engaged in providing drilling services, well services, wire line logging, oil spill control service, drilling rig, materials, equipment, drilling manpower, investment and project management consulting service, management consulting service, and other related services in the oil and gas industry.

#### Normal production and business cycle

The Group's normal production and business cycle is carried out for a time period of 12 months or less.

#### Disclosure of information comparability in the VND-converted consolidated financial statements

The comparative figures of the VND-converted consolidated balance sheet are the figures of the Group's audited VND-converted consolidated financial statements for the year ended 31 December 2022 (the "Opening balance"). The comparative figures of the VND-converted consolidated income statement and VND-converted consolidated cash flow statement are the figures of the Group's audited VND-converted consolidated financial statements for the year ended 31 December 2022 (the "Prior year").

## 2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

#### Accounting convention

The Group uses United States Dollar (USD) as currency unit. The Board of Management believe that the use of USD as currency unit is necessary to reflect the economic substance of the underlying events and circumstances relevant to of the Group's business operations. Pursuant to prevailing accounting regulations in Vietnam, the Company converted its audited consolidated financial statements for the year ended 31 December 2023 prepared in United States Dollar (USD) into Vietnam Dong (VND) based on the following principles:

- Assets and liabilities are translated into Vietnam Dong at the actual exchange rate as at 31 December 2023 of 24,080 VND/USD (the remittance rate of the Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh Branch, where that the Company has frequent transactions during the period of reporting);
- Equity items (including owners' contributed capital, share premium and treasury shares) are translated into Vietnam Dong at the actual transaction rates at the capital contribution or buy-back of treasury shares dates;
- Exchange differences are translated into Vietnam Dong at the actual transaction rates at the revaluation date;
- Retained earnings, reserves appropriated from retained earnings arising after the investment date are translated into Vietnam Dong based on the VND-converted consolidated income statement items;
- Items of the consolidated income statement and the consolidated cash flow statement are translated into Vietnam Dong at the average exchange rate of the financial year because this rate is approximately equal to the actual exchange rate at the dates of the transactions. Accordingly, consolidated income statement and consolidated cash flow statement are converted into VND at the average exchange rate during the year of 23,673 VND/USD of Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ho Chi Minh City Branch.

Exchange differences arising on the translation of the consolidated financial statements prepared in foreign currency into Vietnam Dong are presented in the "Foreign exchange reserve" item with the code 417 under the "Owners' Equity" section on the consolidated balance sheet.

The accompanying VND-converted consolidated financial statements are not intended to present the consolidated financial position, consolidated financial performance and consolidated cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam.

#### Financial year

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

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies, which have been adopted by the Group in the preparation of these VND-converted consolidated financial statements, are as follows:

#### Accounting estimates

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

#### Basis of consolidation

The VND-converted consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company (its subsidiaries) up to 31 December annually. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Company.

Intragroup transactions and balances are eliminated in full on consolidation.

Non-controlling interests consist of the amount of those non-controlling interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses in subsidiaries are respectively attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

#### **Business combination**

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired is credited to profit and loss in the year of acquisition.

The non-controlling interests are initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

#### **Investments in joint ventures**

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other ventures are recognised in the VND-converted consolidated financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each party has an interest are referred to as jointly controlled entities.

The Group reports its interests in jointly controlled entities using the equity method of accounting.

#### **Financial instruments**

##### ***Initial recognition***

*Financial assets:* At the date of initial recognition, financial assets are recognised at cost plus transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Group comprise cash and cash equivalents, held-to-maturity investments, trade and other receivables.

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

##### ***Subsequent measurement***

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

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, cash in transit and short-term, highly liquid investments (not exceeding 3 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Held-to-maturity investments**

Held-to-maturity investments comprise investments that the Group has the positive intent or ability to hold to maturity, including term deposits to earn periodic interest.

Held-to-maturity investments are recognised on a trade date basis and are initially measured at acquisition price plus directly attributable transaction costs.

Post-acquisition interest income from held-to-maturity investments is recognised in the VND-converted consolidated income statement on accrual basis. Pre-acquisition interest is deducted from the cost of such investments at the acquisition date.

Held-to-maturity investments are measured at cost less provision for doubtful debts.

Provision for doubtful debts relating to held-to-maturity investments is made in accordance with prevailing accounting regulations.

**Receivables**

Receivables represent the amounts recoverable from customers or other debtors and are stated at book value less provision for doubtful debts.

Provision for doubtful debts is made for receivables that are overdue or when the debtor is unable to make settlement due to 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 realizable value. Costs of externally purchased inventories comprise buying price of inventory and where applicable, purchasing costs that have been incurred in bringing the inventories to their present location and condition. Costs of manufactured inventories comprise direct materials and where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. The Group applies perpetual method to account for inventories. Cost is calculated using the weighted average method. Net realizable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

The evaluation of necessary provision for inventory obsolescence follows current prevailing accounting regulations which allow provisions to be made for obsolete, damaged, or sub-standard inventories and for those which have costs higher than net realizable values as at the balance sheet date.

**Tangible fixed assets and 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 of the rigs, equivalent to the useful lives as follows:

	Years
Rig PV DRILLING I	20
Rig PV DRILLING II	35
Rig PV DRILLING III	35
Rig PV DRILLING V	20
Rig PV DRILLING VI	35
Rig PV DRILLING 11	10

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

	Years
Buildings and structures	6 - 50
Machinery and equipment	5 - 10
Office equipment	3 - 5
Motor vehicles	7 - 12
Other assets	3 - 7

Loss or gain resulting from sales and disposals of tangible fixed assets is the difference between profit from sales or disposals of assets and their residual values and is recognised in the VND-converted consolidated income statement.

#### Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases.

*The Group as lessor:* Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an financial lease are charged to the income statement when incurred or charged to the income statement using straight-line method over the lease term.

*The Group as lessee:* Rentals payable under operating leases are charged to the VND-convered consolidated income statement on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

#### Intangible assets and amortization

Intangible assets represent land use rights and computer software that are stated at cost less accumulated amortization. Land use rights with indefinite time are not amortised. Land use rights with definite time are amortised on a straight-line basis over term of land use rights. Computer software is amortised using the straight-line method over their estimated useful lives from three to five years.

#### Construction in progress

Properties in the course of construction for production, rental and administrative purposes or for other purposes are carried at cost includes any costs that are necessary to form the asset including construction cost, equipment cost, other directly attributable costs in accordance with the Company's accounting policy. Such costs will be included in the estimated costs of the fixed assets (if settled costs have not been approved) when they are put into use.

#### Prepayments

Prepayments comprise tools, spare parts incurred, insurance premium and prepaid expense for drilling campaign in Brunei incurred during the year which are expected to provide future economic benefits to the Group.

Tools, spare parts and insurance premium have been capitalized as prepayments and allocated to the VND-coverted consolidated income statement using the straight-line method from one to three years.

Prepaid expenses for drilling project in Brunei have been capitalized as prepayments are allocated to the VND-converted consolidated income statement on a straight-line basis within six years when the drilling campaign commences in Quarter 1 of 2022.

**Accrued expenses**

Accrued expenses include accruals for operation of rigs and other expenses. Accrued expenses reflect the value of the amounts accrued as production and operating costs but not yet actually paid at the balance sheet date.

**Payable provisions**

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

The provision for overhaul costs of fixed assets represents the overhaul costs accrued at each financial year based on the reliable estimated costs to be incurred in accordance with technical requirements of the Group's drilling rigs. In the accounting year that incurs overhaul cost of fixed assets, if actual cost is higher than estimated amount or vice versa, the different amount is recorded in the VND-converted consolidated income statement of that accounting year.

**Revenue recognition**

Revenue from the sale of goods is recognised when all five (5) following conditions are satisfied:

- (a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 Group;
- (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.

Interest income is recorded on accrual basis, by reference to the principal outstanding and at the applicable interest rate.

Dividend income from investments is recognised when the Group's right to receive payment has been established.

**Severance allowance payable**

The severance allowance for employees is accrued at the end of each reporting period for all employees having worked at the Group for full 12 months and above. Working time serving as the basis for calculating severance allowance shall be the total actual working time subtracting the time when the employees have made unemployment insurance contributions as prescribed by law, and the working time when severance allowance has been paid to the employees. The allowance made for each year of service equals to a half of an average monthly salary under the Vietnamese Labour Code, Social Insurance Code and relevant guiding documents. The average monthly salary used for calculation of severance allowance shall be adjusted to be the average of the six consecutive months nearest to the date of the VND-converted consolidated financial statements at the end of each financial year. The increase or decrease in the accrued amount shall be recorded in the VND-converted consolidated income statement.

### Foreign currencies

Transactions arising in currencies other than USD are translated into USD at exchange rates ruling at the transaction date. The balances of monetary items denominated in currencies other than USD as at the balance sheet date are translated into USD at the exchange rates of commercial bank where the Group usually transacts on the same date. Exchange differences arising from the translation of these accounts are recognised in the VND-converted consolidated income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of subsidiaries and overseas branches (including comparative figures) are translated to reporting currency using exchange rates prevailing as at the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising when translating the financial statements of subsidiaries and foreign branches are accumulatively recognised into the equity on the VND-converted consolidated balance sheet based on the following principles:

- *Exchange differences allocated for the Company are presented in the "Foreign exchange reserve" under the "Owners' Equity" section on the consolidated balance sheet;*
- *Exchange differences allocated for the non-controlling shareholders are presented in the "Non-controlling interest".*

Exchange differences arising on the translation of unallocated goodwill are charged to the Company and are presented in the "Foreign exchange reserve" item with code 417 under the "Owners' Equity" section in the consolidated balance sheet.

Exchange differences will be charged to the consolidated income statements once the subsidiaries and overseas offices are disposed.

### Borrowing costs

Borrowing costs are recognised in the income statement in the year when incurred unless they are capitalised in accordance with Vietnamese Accounting Standard No. 16 "Borrowing costs". Accordingly, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the cost of those assets. For specific borrowings for the purpose of construction of fixed assets and investment properties, borrowing costs are capitalised even when the construction period is under 12 months.

### Taxation

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

The current tax payable is based on taxable income for the year. Taxable income differs from profit before tax as reported in the VND-converted consolidated 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 non-taxable or non-deductible.

Deferred tax is recognised on significant differences between carrying amounts of assets and liabilities in the VND-converted consolidated financial statements and the corresponding tax bases used in the computation of taxable income 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 year 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.

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

The determination of the tax currently payable is 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.

#### 4. CASH AND CASH EQUIVALENTS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Cash on hand	3,815,138,880	5,246,859,890
Bank demand deposits	2,182,498,192,560	2,023,185,512,260
Cash equivalents	69,733,825,840	50,154,169,250
	<u>2,256,047,157,280</u>	<u>2,078,586,541,400</u>

Cash equivalents represent time deposits with the term of three months or less.

As at 31 December 2023, the Group had demand deposits and time deposits of less than 3 months of VND 12,369,088,984 (including USD 488,281 and VND 611,282,504) kept at Ocean Commercial One Member Limited Liability Bank (as at 31 December 2022: VND 11,684,239,042, including USD 488,281 and VND 253,580,832).

#### 5. HELD-TO-MATURITY INVESTMENTS

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND		VND	
	Cost	Carrying amount	Cost	Carrying amount
Time deposits	<u>1,278,224,697,680</u>	<u>1,278,224,697,680</u>	<u>424,471,711,880</u>	<u>424,471,711,880</u>

Held-to-maturity investments as at 31 December 2023 represent time deposits by Vietnam Dong at commercial banks which expire in more than 3 months to 12 months and bear changeable interest rates notified by the banks at regular intervals.

As at 31 December 2023, the Group had more than 3 months to 12 months time deposits of USD 4,994,572, equivalent to VND 120,269,289,772, at Ocean Commercial One Member Limited Liability Bank (as at 31 December 2022: USD 5,137,518, equivalent to VND 120,269,289,772).

6. SHORT-TERM TRADE RECEIVABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Vietsovpetro	30,281,707,680	244,321,063,510
Groupement Bir Seba	96,284,867,280	210,983,374,120
Brunei Shell Petroleum Company Sdn Bhd	233,502,531,920	250,860,787,470
Pt. Jimmulya	397,648,499,360	184,897,353,610
MKN ODYSSEY Ventures Sdn Bhd	185,392,305,280	139,772,073,740
Receivables from other customers	776,207,843,600	704,325,737,530
	<u>1,719,317,755,120</u>	<u>1,735,160,389,980</u>
In which		
Receivables from related parties	352,016,249,200	641,073,743,510
(Details stated in Note 43)	<u>352,016,249,200</u>	<u>641,073,743,510</u>

	<u>Closing balance</u>		<u>Opening balance</u>	
	VND		VND	
	Overdue debt (Cost)	Provision	Overdue debt (Cost)	Provision
KrisEnergy (Apsara) Company Limited (*)	-	-	92,220,417,600	(75,861,252,090)
Destini Oil Services Sdn Bhd	27,613,595,520	(27,613,595,520)	28,286,794,610	(28,286,794,610)
PetroVietnam Domestic Exploration Production Operating Company Limited	23,927,862,560	(23,734,933,600)	23,499,028,230	(23,306,083,010)
PetroVietnam Exploration Production Corporation	9,725,839,760	(9,659,788,320)	9,415,782,920	(9,415,782,920)
Other customers	15,613,664,640	(10,202,334,800)	16,087,117,900	(10,885,509,540)
	<u>76,880,962,480</u>	<u>(71,210,652,240)</u>	<u>169,509,141,260</u>	<u>(147,755,422,170)</u>

(\*) The overdue receivables with no recovery capability from KrisEnergy (Apsara) Company Limited have been addressed financially during the year and are presented in Note 28 of the financial statements.

7. SHORT-TERM ADVANCES TO SUPPLIERS

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Baker Hughes Energy Technology Uk Ltd	175,511,173,600	-
Others	65,338,358,960	111,908,063,730
	<u>240,849,532,560</u>	<u>111,908,063,730</u>

8. OTHER RECEIVABLES

	Closing balance VND	Opening balance VND
<b>a. Short-term</b>		
Interest income receivables	9,231,068,000	9,944,708,460
Receivables related to profits declared (see at Note 43)	-	10,496,997,180
Receivables from employees	654,398,080	816,213,060
Deposits	69,750,922,640	61,625,748,140
Advanced payment of withholding tax in Malaysia Office	304,873,629,200	344,942,323,480
Other receivables	40,490,231,040	36,194,154,180
	<b>425,000,248,960</b>	<b>464,020,144,500</b>
<b>b. Long-term</b>		
Deposits	103,902,984,640	18,645,737,260
	<b>103,902,984,640</b>	<b>18,645,737,260</b>

9. INVENTORIES

	Closing balance VND		Opening balance VND	
	Cost	Provision	Cost	Provision
Goods in transit	19,468,583,680	-	5,137,066,990	-
Raw materials	1,007,504,599,360	(135,041,747,680)	956,376,104,150	(134,506,111,290)
Tools and supplies	18,097,950,080	(3,587,920)	19,447,365,890	(3,581,730)
Work in progress	52,673,964,560	-	25,750,040,190	-
Merchandise	39,736,791,920	(2,541,042,000)	38,901,099,300	(2,541,061,860)
	<b>1,137,481,889,600</b>	<b>(137,586,377,600)</b>	<b>1,045,611,676,520</b>	<b>(137,050,754,880)</b>

During the year ended 31 December 2023, the Group made reversal provision for devaluation of inventories with the amount of VND 535,622,720, as a result of the Group's reassessment on the current status and the economic benefit in the future of the inventories (2022: made additional provision of VND 11,657,688,560).

10. INCREASES, DECREASES IN TANGIBLE FIXED ASSETS

COST	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND	VND
Opening balance	433,654,097,100	24,211,890,611,310	86,997,740,240	87,533,009,890	1,951,102,520	24,822,036,561,060
Additions	1,336,411,869	74,373,014,313	2,837,185,377	1,513,485,909	33,260,565	80,093,358,033
Transfer from construction in progress	1,221,219,051	57,351,535,488	2,987,674,638	699,773,880	-	62,260,203,057
Other increase	-	-	-	816,789,519	-	816,789,519
Disposals	(124,993,440)	(10,278,059,064)	(1,713,735,816)	(546,420,186)	(367,475,979)	(13,030,684,485)
Other decrease	-	(715,895,193)	(83,494,671)	(816,789,519)	-	(1,616,179,383)
Foreign exchange differences	9,617,859,580	526,839,170,506	2,055,557,192	1,705,642,107	26,397,534	540,244,626,919
Closing balance	445,704,594,160	24,859,460,377,360	93,080,926,960	90,905,491,600	1,653,284,640	25,490,804,674,720

ACCUMULATED DEPRECIATION

Opening balance	211,682,022,160	11,070,710,240,390	67,522,680,320	74,361,420,210	1,478,481,960	11,425,754,845,040
Charge for the year	12,080,829,033	843,383,151,702	6,713,615,454	2,043,855,801	134,415,294	864,355,867,284
Other increase	-	-	-	816,789,519	-	816,789,519
Disposals	(124,993,440)	(9,578,663,952)	(1,713,735,816)	(546,420,186)	(367,475,979)	(12,331,289,373)
Other decrease	-	(489,415,602)	(42,966,495)	(816,789,519)	-	(1,349,171,616)
Foreign exchange differences	3,695,209,607	256,134,802,502	1,616,252,137	1,518,684,415	26,436,165	262,991,384,826
Closing balance	227,333,067,360	12,160,160,115,040	74,095,845,600	77,377,540,240	1,271,857,440	12,540,238,425,680

NET BOOK VALUE

Opening balance	221,972,074,940	13,141,180,370,920	19,475,059,920	13,171,589,680	482,620,560	13,396,281,716,020
Closing balance	218,371,526,800	12,699,300,262,320	18,985,081,360	13,527,951,360	381,427,200	12,950,566,249,040

As stated in Note 21, the Group has pledged some tangible fixed assets which are drilling rigs PV DRILLING V and PV DRILLING VI with the carrying amount of VND 7,008,682,611,840 as at 31 December 2023 (as at 31 December 2022: VND 7,293,137,564,690) as collaterals for the Group's loans.

The Group has a fixed asset is the original drilling equipment set of the drilling rig PV DRILLING V that had been dismantled completely since 31 December 2020 and temporarily out of use with the carrying amount of VND 334,820,050,636 as at 31 December 2023 (31 December 2022: VND 382,651,486,444). As at 31 December 2023, the Group is seeking for new drilling contracts to use the existing drilling equipment set.

As at 31 December 2023, the cost of the Group's tangible fixed assets which have been fully depreciated but are still in use is VND 2,045,417,934,501 (as at 31 December 2022: VND 1,865,049,323,560).

Depreciation charged for the year included VND 18,741,300,578 of depreciation of fixed assets constructed and purchased by Scientific and Technological Development Fund for the purpose of scientific and technological developmental researches (2022: VND 16,837,762,544).

Foreign exchange differences resulted from the translation of the subsidiaries and Algeria Branch's financial statements from historical cost of assets expressed in Vietnam Dong (VND) and Algerian Dinar (DZD) into United States Dollar (USD) and translation of the Group's consolidated financial statements from USD to VND.

**11. INCREASES, DECREASES IN INTANGIBLE FIXED ASSETS**

	Land use rights	Computer software	Total
	VND	VND	VND
<b>COST</b>			
Opening balance	198,542,106,210	120,210,747,970	318,752,854,180
Additions	-	1,875,043,638	1,875,043,638
Foreign exchange differences	4,101,688,990	2,917,702,392	7,019,391,382
Closing balance	202,643,795,200	125,003,494,000	327,647,289,200
<b>ACCUMULATED AMORTISATION</b>			
Opening balance	47,124,704,560	100,725,621,750	147,850,326,310
Charge for the year	3,775,204,329	7,536,844,029	11,312,048,358
Foreign exchange differences	1,062,443,511	2,636,938,781	3,699,382,292
Closing balance	51,962,352,400	110,899,404,560	162,861,756,960
<b>NET BOOK VALUE</b>			
Opening balance	151,417,401,650	19,485,126,220	170,902,527,870
Closing balance	150,681,442,800	14,104,089,440	164,785,532,240

Foreign exchange differences resulted from the translation of the subsidiaries and Algeria Branch's financial statements from historical cost of assets expressed in Vietnam Dong (VND) and Algerian Dinar (DZD) into United States Dollar (USD) and translation of the Group's consolidated financial statements from USD to VND.

As at 31 December 2023, the cost of the Group's intangible fixed assets which have been fully amortised but are still in use is VND 88,939,448,493 (as at 31 December 2022: VND 83,297,719,510).

**12. CONSTRUCTION IN PROGRESS**

	Closing balance	Opening balance
	VND	VND
Other construction works	9,226,059,360	8,178,704,880
	9,226,059,360	8,178,704,880

**13. INVESTMENTS IN JOINT VENTURES**

Details of the Company's joint ventures with proportion of voting power held 50% are as follows:

Name of joint ventures	Registered charter capital	Ownership proportion	Contributed charter capital	Cost of investment	
	USD	%	USD	Closing balance VND	Opening balance VND
BJ-PVD	5,000,000	49	2,450,000	48,039,113,955	48,039,113,955
PVD-Expro	6,371,352	51	3,249,390	59,528,570,997	59,528,570,997
PVD Tubulars	3,500,000	51	1,785,000	30,515,952,000	30,515,952,000
PVD-Baker Hughes	20,000,000	51	10,200,000	211,753,000,000	211,753,000,000
Vietubes	3,707,300	51	1,890,723	86,637,631,068	86,637,631,068
PVD-OSI	5,000,000	51	2,550,000	53,111,400,000	53,111,400,000

The value of the investment in joint ventures using the equity method of accounting as at balance sheet date was as follows:

	Closing balance VND	Opening balance VND
BJ-PVD	90,391,552,160	85,908,589,990
PVD-Expro	63,108,286,080	59,795,718,210
PVD Tubulars	56,471,549,120	54,410,271,120
PVD-Baker Hughes	309,627,310,160	278,965,147,950
Vietubes	95,601,814,000	95,032,848,180
PVD-OSI	50,888,143,600	47,778,897,010
	<b>666,088,655,120</b>	<b>621,891,472,460</b>

The movement of the investments in joint ventures during the year was as follows:

	Opening balance VND	Shared profit VND	Declared profit VND	Foreign exchange differences from translation VND	Closing balance VND
BJ-PVD	85,908,589,990	1,990,023,399	-	2,492,938,771	90,391,552,160
PVD-Expro	59,795,718,210	3,312,562,890	-	4,980	63,108,286,080
PVD Tubulars	54,410,271,120	495,523,236	-	1,565,754,764	56,471,549,120
PVD-Baker Hughes	278,965,147,950	59,097,892,698	(36,803,098,302)	8,367,367,814	309,627,310,160
Vietubes	95,032,848,180	(1,868,225,814)	-	2,437,191,634	95,601,814,000
PVD-OSI	47,778,897,010	3,109,259,166	-	(12,576)	50,888,143,600
	<b>621,891,472,460</b>	<b>66,137,035,575</b>	<b>(36,803,098,302)</b>	<b>14,863,245,387</b>	<b>666,088,655,120</b>

The Group has not assessed fair value of the investments in joint ventures as at the balance sheet date due to no specific guidance on determination of fair value.

According to Resolution No.01/08/2018/NQ-HDQT dated 6 August 2018 and the Resolution No.05/12/2018/NQ-HDQT dated 28 December 2018, the Board of Directors has approved the restructuring plans of BJ-PVD Joint Venture. Accordingly, BJ-PVD would be dissolved upon expiration of the joint venture contract. As at the date of these VND-converted consolidated financial statements for the year ended 31 December 2023, BJ-PVD is conducting the dissolution procedures.

The significant transactions and balances between the Group and its joint ventures: see Note 43.

**14. LONG-TERM PREPAYMENTS**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
Prepaid expenses for drilling campaign in Brunei (*)	430,892,071,120	525,599,119,460
Others	159,905,623,920	125,287,604,440
	<b>590,797,695,040</b>	<b>650,886,723,900</b>

(\*) Prepaid expenses for the drilling campaign in Brunei were related to reactivation and preparation works of the drilling rig PV DRILLING V to serve the drilling campaign of Brunei Shell Petroleum Company Sdn Bhd ("BSP"), commenced from January 2022.

**15. DEFERRED TAX ASSETS**

Deferred tax assets as at 31 December 2023 were derived from the temporary differences which were depreciation, accrued expenses, other provisions and unrealized foreign exchange differences from revaluation of cash and receivables.

	<u>Depreciation, accrued expenses and other provisions</u> VND	<u>Unrealized foreign exchange differences</u> VND	<u>Total</u> VND
Prior year's opening balance	164,027,954,640	110,483,200	164,138,437,840
Charge to the VND-converted consolidated income statement for the year	21,772,416,952	-	21,772,416,952
Foreign exchange differences from translation	5,419,648,458	33,933,090	5,453,581,548
<b>Prior year's closing balance</b>	<b>191,220,020,050</b>	<b>144,416,290</b>	<b>191,364,436,340</b>
Charge to the VND-converted consolidated income statement for the year	19,384,020,552	3,180,988,356	22,565,008,908
Foreign exchange differences from translation	5,578,879,078	92,727,274	5,671,606,352
<b>Current year's closing balance</b>	<b>216,182,919,680</b>	<b>3,418,131,920</b>	<b>219,601,051,600</b>

**16. SHORT-TERM TRADE PAYABLES**

	<u>Closing balance</u> VND	<u>Opening balance</u> VND
	Amount	Amount
Payables from related parties (Details stated in Note 43)	28,289,352,560	43,342,069,940
Third parties (*)	541,129,829,520	524,473,262,330
	<b>569,419,182,080</b>	<b>567,815,332,270</b>

(\*) There are no details of short-term trade payables from third parties accounting for 10% or above of total trade payables.

**17. SHORT-TERM ADVANCES FROM CUSTOMERS**

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
Petrovietnam Domestic Exploration Production Operating Company Limited - Block 05.1A	235,345,518,800	75,687,315,790
Others	28,046,240,880	10,278,792,570
	<u>263,391,759,680</u>	<u>85,966,108,360</u>

**18. TAXES AND AMOUNTS RECEIVABLE FROM/PAYABLE TO STATE BUDGET**

Obligations to the Vietnam State budget during the year of the Group are as follows:

	<u>Opening balance</u>	<u>Additions/</u>	<u>Paid/ Net-off</u>	<u>Foreign exchange</u>	<u>Closing balance</u>
	VND	Net-off	VND	differences	VND
		VND		VND	
Value added tax	12,461,330,280	65,653,159,455	74,565,144,381	121,265,366	3,670,610,720
Value added tax of imported goods	247,115,960	14,501,227,572	14,751,569,547	3,346,415	120,400
Corporate income tax (*)	3,519,201,890	78,109,205,538	36,997,134,993	701,904,125	45,333,176,560
Personal income tax	19,143,550,910	155,234,229,774	155,673,766,365	402,478,401	19,106,492,720
Import, export tax	119,999,660	16,206,441,108	16,328,120,328	1,679,560	-
Others	21,463,809,650	113,528,866,503	111,835,158,045	651,822,692	23,809,340,800
	<u>56,955,008,350</u>	<u>443,233,129,950</u>	<u>410,150,893,659</u>	<u>1,882,496,559</u>	<u>91,919,741,200</u>

In which:

<i>Taxes and other receivables from the State budget</i>	(1,622,710,970)	(1,788,180,800)
<i>Taxes and amounts payable to the State budget</i>	58,577,719,320	93,707,922,000

(\*) During the year, PVD Tech incurred a corporate income tax liability related to operating leasing of machinery and equipment Drilling Equipment Set (DES) with the amount of VND 8,635,451,790. This amount is paid in Brunei and is deductible with corporate income tax incurred in Vietnam under Double Taxation Avoidance agreement between Vietnam and Brunei.

During the year, the Company incurred corporate income tax obligations related to the drilling service of the PV DRILLING II rig, amounting to VND 24,636,893,541. This tax has been paid in Indonesia and credited against the tax payable in Vietnam under the Double Taxation Avoidance Agreement between Vietnam and Indonesia.

During the year, the Company incurred corporate income tax obligations related to the drilling service of the PV DRILLING 11 rig, amounting to VND 3,846,767,808. This tax has been paid in Algeria and credited against the tax payable in Vietnam under the Double Taxation Avoidance Agreement between Vietnam and Algeria.



19. ACCRUED EXPENSES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>a. Short-term</b>		
Accrued expenses for operation of drilling rigs	185,171,660,240	166,211,304,330
Accrued expenses related to supply of goods and services	55,978,438,880	70,175,080,140
Accrued interest expenses	408,416,425,200	209,524,837,480
Other expenses	51,668,841,280	52,453,686,730
	<u>701,235,365,600</u>	<u>498,364,908,680</u>
<b>b. Long-term</b>		
Accrued interest expenses	28,432,773,040	-
	<u>28,432,773,040</u>	-

20. OTHER PAYABLES

	<u>Closing balance</u>	<u>Opening balance</u>
	VND	VND
<b>a. Short-term</b>		
Profit shared to partners in Business Cooperation Contract ("BCC")	200,854,940,160	253,084,433,140
Other payables	174,568,562,000	84,902,194,090
	<u>375,423,502,160</u>	<u>337,986,627,230</u>
<b>b. Long-term</b>		
Long-term deposits received	41,417,600	-
The contributed capital of the parties under Business Cooperation Contract ("BCC")	473,474,637,440	473,684,939,590
	<u>473,516,055,040</u>	<u>473,684,939,590</u>

21. SHORT-TERM LOANS

	<u>Opening balance</u>	<u>In the year</u>				<u>Closing balance</u>
	VND	VND	VND	VND		VND
	Amount	Increases	Decreases	Foreign exchange differences		Amount
Short-term loans	75,041,270,020	37,777,846,860	(113,844,877,380)	1,025,760,500		-
Current portion of long-term loans (Details stated in Note 23)	760,275,754,580	286,591,635,018	(510,339,598,548)	16,825,022,390		553,352,813,440
	<u>835,317,024,600</u>	<u>324,369,481,878</u>	<u>(624,184,475,928)</u>	<u>17,850,782,890</u>		<u>553,352,813,440</u>

Details of the short-term loans are as follows:

	Closing balance VND	Opening balance VND
<b>a. PVD Deepwater</b>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	33,979,023,120	44,805,171,530
Military Joint Stock Commercial Bank ("MBBank"), and Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	170,557,411,920	224,899,027,240
Military Joint Stock Commercial Bank ("MBBank") and Ocean Commercial One Member Limited Liability Bank ("OceanBank")	60,263,234,080	79,463,816,990
<b>b. PVD Overseas</b>		
Southeast Asia Commercial Joint Stock Bank ("Seabank")	21,190,400,000	45,532,450,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	173,376,000,000	271,556,000,000
<b>c. PVD Tech</b>		
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	-	49,303,941,460
Tien Phong Commercial Joint Stock Bank ("TPBank")	93,977,545,760	94,019,288,820
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	9,198,560	25,737,328,560
	<b>553,352,813,440</b>	<b>835,317,024,600</b>

The Group short-term loan balance as at 31 December 2023 includes the current portion of long-term loans of PVD Deepwater for the purpose of financing the construction of PV DRILLING V Rig, which has been due but has not been paid by PVD Deepwater, with the principal amount of VND 268,538,526,821 (equivalent to USD 10,996,664). Furthermore, as at 31 December 2023, the Group included the interest that has been due but has not been paid with amount of VND 103,116,689,445 (equivalent to USD 4,222,633) and late payment interest of VND 47,628,276,669 (equivalent to USD 1,950,380) (as at 31 December 2022: principal amount of VND 353,940,930,161 (equivalent to USD 14,915,336), overdue interest of VND 68,800,278,295 (equivalent to USD 2,953,893) and late payment interest of VND 34,392,476,935 (equivalent to USD 1,475,349)).

PVD Deepwater has sent official dispatches to banks to request a temporary delay of recovery of principal, interest and disposal of collaterals. At the date of these VND-converted consolidated financial statements, PVD Deepwater has received correspondences from MBBank, Vietinbank and OceanBank and Vietcombank. Here are some key points from the feedback provided by the Banks:

- MB Bank: Approves the repayment plan for the loan related to the TAD drilling project at MB as committed (from Q2 2022 to Q3 2026). Approves the payment plan for the loan obligation after completing the principal repayment obligation (from the end of 2026 to the end of 2027).
- OceanBank: Agrees to prioritize the repayment of principal for overdue principal amounts and requests PVD Deepwater to supplement documentation for submission to authorities for approval of the repayment plan for accrued interest and penalties.
- Vietinbank: Requests PVD Deepwater to repay the debt with a minimum amount equal to the principal outstanding balance at the banks. Additionally, approves prioritizing the repayment of principal first, with unpaid interest and penalties to be paid afterwards.
- Vietcombank: Requests PVD Deepwater to settle overdue debts in the following order: repayment of overdue principal balance, overdue interest balance, penalties, and related fees (if any).

Besides, the Group's short-term loan balance as at 31 December 2023 includes the current portion of long-term loans of PVD Overseas for the purpose of financing the construction of PV DRILLING VI Rig with the principal amount of VND 194,566,400,000 (equivalent to USD 8,080,000). Furthermore, as at 31 December 2023, PVD Overseas included the interest that has been due but has not been paid with amount of VND 295,876,042,300 (equivalent to USD 12,287,211) (as at 31 December 2022: principal amount of VND 317,088,450,000 (equivalent to USD 13,545,000), interest of VND 123,841,610,596 (equivalent to USD 5,320,571)). At the date of these VND-converted consolidated financial statements, PVD Overseas has not yet received correspondences from Vietcombank in relation of late payment of the interest amount.

NOTES TO THE VND-CONVERTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the loan from Southeast Asia Commercial Joint Stock Bank, the interest portion for the scheduled payments on November 29, 2022, and the payments due in 2023 will be deferred until the final maturity date on August 29, 2029, under the credit contract No. 3626/2014/HĐTD-SeABank - PVD Overseas dated August 21, 2014. As of December 31, 2023, the deferred interest portion is VND 28,432,768,425 (equivalent to USD 1,180,763).

22. SHORT-TERM PROVISIONS

	Provision for overhaul cost of fixed assets	Provision for severance allowance and other provision	Total
	VND	VND	USD
Opening balance	258,829,902,620	24,446,828,900	283,276,731,520
Charge for the year	67,953,796,287	1,283,715,771	69,237,512,058
Use during the year	(115,973,577,213)	-	(115,973,577,213)
Reclassify from long-term provision	92,214,123,417	-	92,214,123,417
Foreign exchange differences	529,727,849	213,704,849	743,432,698
Closing balance	<u>303,553,972,960</u>	<u>25,944,249,520</u>	<u>329,498,222,480</u>

23. LONG-TERM LOANS

	Closing balance	Opening balance
	VND	VND
Long-term loans	3,341,034,622,800	3,760,027,817,100
Current portion of long-term loans (Details stated in Note 21)	(553,352,813,440)	(760,275,754,580)
	<u>2,787,681,809,360</u>	<u>2,999,752,062,520</u>

	Opening balance		During the year	Closing balance
	VND		VND	VND
	Amount	Increases	Decreases	Amount
Long-term loans	2,999,752,062,520	196,059,786	(286,591,635,018)	2,787,681,809,360
	<u>2,999,752,062,520</u>	<u>196,059,786</u>	<u>(286,591,635,018)</u>	<u>2,787,681,809,360</u>

Details of the long-term loans are as follows:

	Closing balance	Opening balance
	VND	VND
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	33,979,023,120	44,805,171,530
Military Joint Stock Commercial Bank ("MBBank"), and Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	170,557,387,840	224,899,027,240
Military Joint Stock Commercial Bank ("MBBank") and Ocean Commercial One Member Limited Liability Bank ("OceanBank")	60,263,234,080	79,463,816,990
Southeast Asia Commercial Joint Stock Bank ("Seabank")	328,595,680,000	364,985,310,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam ("Vietcombank")	2,418,524,573,360	2,622,787,738,470
Tien Phong Commercial Joint Stock Bank ("TPBank")	328,921,386,080	423,086,752,870
Vietnam Joint Stock Commercial Bank for Industry and Trade ("Vietinbank")	193,338,320	-
	<u>3,341,034,622,800</u>	<u>3,760,027,817,100</u>

Supplemental information for the Group's long-term loans are as follows:

Name of bank	Purpose of financing	Interest rate %	Form of collaterals	Closing balance	Currency
Vietcombank	PV DRILLING V	12-month savings interest rate + margin	Guaranteed by value of PV DRILLING V and revenue from capital contribution in BCC	1,411,089	USD
MBBank and Vietinbank	PV DRILLING V	LIBOR 6 months + margin	Guaranteed by value of PV DRILLING V and revenue from capital contribution in BCC	7,082,948	USD
MBBank and OceanBank	PV DRILLING V	LIBOR 6 months + margin	Guaranteed by value of PV DRILLING V and revenue from capital contribution in BCC	2,502,626	USD
Seabank	PV DRILLING VI	LIBOR 3 months + margin (from 01/01/2023 to 30/06/2023) SOFR 3 months + margin (from 01/07/2023 to 31/12/2023)	Guaranteed by value of PV DRILLING VI with corresponding loan proportion	13,646,000	USD
Vietcombank	PV DRILLING VI	LIBOR 3 months + margin (from 01/01/2023 to 30/06/2023) SOFR 3 months + margin (from 01/07/2023 to 31/12/2023)	Guaranteed by value of PV DRILLING VI with corresponding loan proportion	100,437,067	USD
TPBank	Purchasing fixed asset	LIBOR 3 months + margin (from 01/01/2023 to 23/06/2023) SOFR 3 months + margin (from 24/06/2023 to 31/12/2023)	Drilling Equipment Set (DES)	13,659,526	USD
Vietinbank (*)	Purchasing fixed asset	6.5% per year	Fixed assets formed in the future	8,029	USD
				<b><u>138,747,285</u></b>	

(\*) Long-term loan from Vietnam Joint Stock Commercial Bank for Industry and Trade – Branch 7 – Ho Chi Minh City under contract No. 1213/2023-HĐCVDAT/HNCT924\_PDVT signed 29 December 2023 with the amount of VND 23,900,000,000 for the purpose of payment for legal, reasonable and valid expenses to implement the project "The Phase III of Factory Expansion Project in Dong Xuyen Industrial Park". The loan is repayable in instalments starting from 29 December 2023 to 29 December 2029. Interest is paid monthly and applies a fixed interest rate of 6.5%/p.a in the first year, from the 2<sup>nd</sup> year to the 6<sup>th</sup> year, the interest rate on debts in any interest period is the daily interest rate and equal to the sum of the base interest rate plus (+) margin of 2.5%.

Long-term loans are repayable as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Within one year	553,352,813,440	760,275,754,580
In the second year	296,286,364,080	283,172,088,820
In the third to fifth year inclusive	827,838,373,600	868,990,998,640
After five years	1,663,557,071,680	1,847,588,975,060
	<u>3,341,034,622,800</u>	<u>3,760,027,817,100</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	(553,352,813,440)	(760,275,754,580)
<b>Amount due for settlement after 12 months</b>	<u><b>2,787,681,809,360</b></u>	<u><b>2,999,752,062,520</b></u>

**24. LONG-TERM PROVISIONS**

	<u>Provision for overhaul cost of fixed assets</u>	<u>Warranty for goods sold</u>	<u>Total</u>
	<u>VND</u>	<u>VND</u>	<u>VND</u>
Opening balance	189,796,387,720	6,376,930,820	196,173,318,540
Charge for the year	111,120,138,753	-	111,120,138,753
Reclassify to short-term provision	(92,214,123,417)	-	(92,214,123,417)
Foreign exchange differences	5,237,849,904	(2,834,420)	5,235,015,484
<b>Closing balance</b>	<u><b>213,940,252,960</b></u>	<u><b>6,374,096,400</b></u>	<u><b>220,314,349,360</b></u>

**25. SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT FUND**

According to the Group's Charter, the Group is permitted to appropriate profit to the Scientific and Technological Development Fund with the amount not exceeding 10% of taxable income for development of scientific and technological activities.

Movement of fund appropriation and usage during the year is as follows:

	<u>Scientific and Technological Development Fund</u>		
	<u>VND</u>		
	<u>Available</u>	<u>The carrying value of assets formed from the fund</u>	<u>Total</u>
Prior year's opening balance	37,148,640,240	54,473,107,840	91,621,748,080
Increase in the year	13,483,714,425	30,410,239,898	43,893,954,323
- Provision	13,483,714,425	-	13,483,714,425
- Forming fixed assets	-	30,410,239,898	30,410,239,898
Decrease in the year	(31,061,857,184)	(16,837,762,544)	(47,899,619,728)
- Fund usage	(31,061,857,184)	-	(31,061,857,184)
+ Holding	(1,135,264,739)	-	(1,135,264,739)
+ Subsidiaries	(29,926,592,445)	-	(29,926,592,445)
- Depreciation of fixed assets	-	(16,837,762,544)	(16,837,762,544)
Foreign exchange differences on conversion	819,671,044	(737,024,439)	82,646,605
<b>Current year's opening balance</b>	<u><b>20,390,168,525</b></u>	<u><b>67,308,560,755</b></u>	<u><b>87,698,729,280</b></u>
Increase in the year	12,243,327,089	7,821,335,477	20,064,662,566
- Provision	12,243,327,089	-	12,243,327,089
- Forming fixed assets	-	7,821,335,477	7,821,335,477
Decrease in the year	(8,526,805,477)	(18,741,300,578)	(27,268,106,055)
- Fund usage	(8,526,805,477)	-	(8,526,805,477)
+ Holding	(8,526,805,477)	-	(8,526,805,477)
- Depreciation of fixed assets	-	(18,741,300,578)	(18,741,300,578)
Foreign exchange differences on conversion	114,611,303	(2,000,207,334)	(1,885,596,031)
<b>Current year's closing balance</b>	<u><b>24,221,301,440</b></u>	<u><b>54,388,388,320</b></u>	<u><b>78,609,689,760</b></u>

26. OWNERS' EQUITY

Charter Capital

According to the 17<sup>th</sup> amendment of the Business Registration Certificate, the Group's charter capital as at 31 December 2023 is VND 5,562,960,060,000, equivalent to USD 270,911,347. The number of shares which has been approved and issued by the Company was as below:

	Closing balance		Opening balance	
	Number of shares	VND	Number of shares	VND
Authorized share capital	556,296,006	5,562,960,060,000	556,296,006	5,562,960,060,000
Issued share capital				
Ordinary shares	556,296,006	5,562,960,060,000	556,296,006	5,562,960,060,000
	<u>556,296,006</u>	<u>5,562,960,060,000</u>	<u>556,296,006</u>	<u>5,562,960,060,000</u>
Treasury shares				
Ordinary shares	(416,000)	(4,160,000,000)	(416,000)	(4,160,000,000)
	<u>(416,000)</u>	<u>(4,160,000,000)</u>	<u>(416,000)</u>	<u>(4,160,000,000)</u>
Shares currently in circulation				
Ordinary shares	555,880,006	5,558,800,060,000	555,880,006	5,558,800,060,000
	<u>555,880,006</u>	<u>5,558,800,060,000</u>	<u>555,880,006</u>	<u>5,558,800,060,000</u>

Ordinary shares have a par value of VND 10,000. The Company has only one class of ordinary shares which carry no right to fixed dividend. Ordinary shareholders will receive dividends at the time of declaration and be entitled to a voting right for each owned share at the shareholders' meeting. All shares rank equally with regard to the Company's residual assets.

PetroVietnam, the founding shareholder and the main shareholder of the Company, currently holds 280,496,572 shares, equivalent to 50.4% as at 31 December 2023 (as at 31 December 2022 is the same) of total shares in circulation of the Company.

According to the transaction report of major shareholders, as at 17 January 2024, Dragon Capital fund holds 57,738,200 shares, equivalent to 10.3868% compared to the total shares in circulation of the Company.

	Number of share	Percentage of ownership
- Dragon Capital fund	57,738,200	10.3868%
+ CTBC Vietnam Equity Fund	27,500,000	4.9471%
+ DC Developing Markets Strategies Public Limited Company	8,500,000	1.5291%
+ Hanoi Investment Holding Limited	8,691,200	1.5635%
+ KB Vietnam Focus Balanced Fund	760,000	0.1367%
+ Norges Bank	11,119,000	2.0003%
+ Samsung Vietnam Securities Master Investment Trust - Equity	1,168,000	0.2101%

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE VND-CONVERTED SEPARATE FINANCIAL STATEMENTS (Continued)**

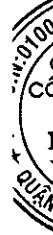
**FORM B 09-DN**

Movement in owners' equity during the year were as follows:

	Owner's contributed capital	Share premium	Treasury shares	Foreign exchange reserve	Investment and development fund	Retained earnings	Non-controlling interests	Total
	VND	VND	VND	VND	VND	VND	VND	VND
Prior year's opening balance	4,215,457,890,000	2,434,086,374,663	(20,948,559,850)	1,450,764,484,622	3,589,768,966,060	1,922,901,754,595	239,549,557,030	13,831,580,467,120
Dividends declared	-	-	-	-	-	-	-	-
Capital increase	1,347,502,170,000	-	-	-	-	(1,347,502,170,000)	(3,490,427,500)	(3,490,427,500)
Foreign exchange differences	-	-	-	395,893,099,710	-	1,002,590,424	(1,608,650,912)	395,287,039,222
Profit for the year	-	-	-	-	-	(154,856,438,352)	-	(154,856,438,352)
Funds appropriation	-	-	-	-	821,666,076	(37,531,642,236)	(764,989,016)	(37,474,965,176)
Allocation to NCI	-	-	-	-	-	4,444,016,852	(4,444,016,852)	-
Distributions to BCC (Note 27)	-	-	-	-	-	47,463,627,816	-	47,463,627,816
<b>Current year's opening balance</b>	<b>5,562,960,060,000</b>	<b>2,434,086,374,663</b>	<b>(20,948,559,850)</b>	<b>1,846,657,584,332</b>	<b>3,590,590,632,136</b>	<b>435,921,739,099</b>	<b>229,241,472,750</b>	<b>14,078,509,303,130</b>
Dividends declared	-	-	-	-	-	-	(3,490,427,500)	(3,490,427,500)
Foreign exchange differences	-	-	-	360,179,746,767	-	1,868,509,890	(1,476,556,029)	360,571,700,628
Profit for the year	-	-	-	-	-	545,942,180,784	-	545,942,180,784
Funds appropriation	-	-	-	-	193,776,903,918	(329,062,725,147)	(909,848,082)	(136,195,669,311)
Allocation to NCI	-	-	-	-	-	(13,930,353,177)	13,930,353,177	-
Distributions to BCC (Note 27)	-	-	-	-	-	52,820,452,269	-	52,820,452,269
<b>Current year's closing balance</b>	<b>5,562,960,060,000</b>	<b>2,434,086,374,663</b>	<b>(20,948,559,850)</b>	<b>2,206,837,331,099</b>	<b>3,784,367,536,054</b>	<b>693,559,803,718</b>	<b>237,294,994,316</b>	<b>14,898,157,540,000</b>

Foreign exchange differences represent the differences from the translation of financial statements of the subsidiaries and branches in Algeria from Vietnam Dong and Dinar Algeria respectively, into US Dollar.

For the year ended 31 December 2023, the Company has provisionally set up the Investment Development Fund and the Science and Technology Development Fund in accordance with Resolutions No. 04/12/2023/NQ-HĐQT and No. 05/12/2023/NQ-HĐQT dated 21 December 2023, approved by the Board of Directors.



Detailed movement in foreign exchange differences as follows:

	Foreign exchange difference from translation of overseas branches' operation VND	Foreign exchange difference from translation of subsidiaries' financial statements VND	Total VND
Prior year's opening balance	(64,579,580,863)	1,515,344,065,485	1,450,764,484,622
Incurring in the year	7,656,149,775	388,236,949,935	395,893,099,710
Current year's opening balance	(56,923,431,088)	1,903,581,015,420	1,846,657,584,332
Incurring in the year	15,577,047,057	344,602,699,710	360,179,746,767
Closing balance	<u>(41,346,384,031)</u>	<u>2,248,183,715,130</u>	<u>2,206,837,331,099</u>

**27. NON-CONTROLLING INTERESTS AND INTERESTS OF PARTNERS IN BUSINESS COOPERATION CONTRACT**

Non-controlling interests ("NCI") and interests of partners in business cooperation contract ("BCC") represent the other shareholders' portion in the operating result of PVD Training and PVD Overseas and interest of partners in the business cooperation contract with the following details:

	Current year VND	Prior year VND
Profit/(loss) of NCI in PVD Training and PVD Overseas (*)	13,930,353,177	(4,444,016,852)
Loss in BCC interests (**)	(52,820,452,269)	(47,463,627,816)
	<u>(38,890,099,092)</u>	<u>(51,907,644,668)</u>

**(\*) Details of NCI in PVD Training and PVD Overseas**

The rates of the NCI in PVD Training and PVD Overseas as at 31 December 2023 and 31 December 2022 were calculated as follows:

	PVD Training VND	PVD Overseas USD
Charter capital of subsidiaries	28,958,670,000	66,698,050
Including:		
<i>Distributed capital to the Holding Company</i>	14,996,960,000	54,400,000
<i>Distributed capital to the non-controlling interests</i>	13,961,710,000	12,298,050
Share of the non-controlling interests	<u>48.21%</u>	<u>18.44%</u>

NCI in net assets as at 31 December 2023 and 31 December 2022 were as follows:

	Closing balance VND	Opening balance VND
<b>Non-controlling interests</b>	<b>237,294,994,316</b>	<b>229,241,472,750</b>
Details as follows:		
<i>PVD Training</i>		
Charter capital	13,961,710,000	13,961,710,000
Share premium	150,655,698	150,655,698
Other funds	12,214,037,004	11,114,639,140
Foreign exchange differences from conversion	(5,841,716,210)	(5,064,333,742)
Retained earnings	<u>25,381,646,121</u>	<u>24,179,551,044</u>
<i>PVD Overseas</i>		
Contributed capital	263,191,917,150	263,191,917,150
Accumulated losses	<u>(71,763,255,447)</u>	<u>(78,292,666,540)</u>



NCI in operating result:

	<u>Current year</u> <u>VND</u>	<u>Prior year</u> <u>VND</u>
Profit/(Loss) for the year	55,235,263,980	(41,182,669,044)
Non-controlling profit/(loss) in operating result	<u>13,930,353,177</u>	<u>(4,444,016,852)</u>

**(\*\*) Details of interests of partners in BCC**

The Group and Petrovietnam, Military Joint-Stock Commercial Bank ("MBBank") and Ocean Commercial One Member Limited Liability Bank ("OceanBank") have cooperated in financing and operating the Tender Assist Drilling Rig project ("TAD" or "PV DRILLING V") 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 result as a base for profit/(loss) shared to all partners corresponding to capital contribution percentage in BCC.

Percentage of capital contribution of all partners in BCC as follows:

	<u>Percentage</u> %
Capital contribution of Petrovietnam	23.00
Capital contribution of the Group	62.43
Capital contribution of MBBank	9.71
Capital contribution of OceanBank	<u>4.86</u>

The financial portion of BCC was presented in the VND-converted consolidated financial statements of the Group as follows:

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Total Assets	2,495,471,338,293	2,714,121,305,440
<i>In which: Net book value of PV DRILLING V</i>	<u>2,368,283,583,842</u>	<u>2,574,818,761,632</u>

The actual contributed capital of other partners (Petrovietnam, MBBank and OceanBank) in BCC in order to finance and operate "TAD" project was recognized as other long-term payables. The other long-term payables as at 31 December 2023 and 31 December 2022 were as follows:

	<u>Closing balance</u> <u>VND</u>	<u>Opening balance</u> <u>VND</u>
Petrovietnam	278,173,894,859	278,173,894,859
MBBank	133,229,238,748	133,229,238,748
OceanBank	68,756,768,760	68,756,768,760
Foreign exchange difference from translation	<u>(6,643,847,327)</u>	<u>(6,474,962,777)</u>
	<u>473,516,055,040</u>	<u>473,684,939,590</u>

	Current year	Prior year
	VND	VND
Net revenue	125,088,258,880	117,680,798,630
Cost of sales	152,718,254,408	151,836,528,621
General and administration expenses	5,142,498,406	3,307,864,150
Financial expenses	45,009,287,180	33,350,350,285
Financial income	147,941,222	478,135,836
Other losses	(59,433,981,907)	(55,998,044,121)
Corporate income tax	-	-
Net loss	(137,067,821,799)	(126,333,852,711)
Adjustment for expenses not subject to BCC	(3,524,278,995)	-
Net loss distributed to BCC parties	(140,592,100,794)	(126,333,852,711)
<i>Shared loss as the percentage of capital contribution</i>		
The Group	(87,771,648,525)	(78,870,224,895)
Other BCC parties:	(52,820,452,269)	(47,463,627,816)
<i>Petrovietnam</i>	(32,336,183,183)	(29,056,786,124)
<i>MBBank</i>	(13,651,492,987)	(12,267,017,098)
<i>OceanBank</i>	(6,832,776,099)	(6,139,824,594)

## 28. OFF BALANCE SHEET ITEMS

### Operating lease assets

Minimum lease payment in the future under non-cancellable operating leases is under the terms described in Note 41.

## Foreign currencies



**Unrecoverable overdue debt has been processed:**

36

For the subsidiary PVD Tech, this subsidiary has processed the financial handling of short-term receivables for Carling Air Compressor Sdn Bhd and OLTREMARE with the amounts of 2,722,115,396 VND and 1,955,347,130 VND respectively, according to Resolution No. 057/PT-HĐQT and Resolution No. 058/PT-HĐQT of the Board of Directors of PVD Tech dated 31 December 2019.

These financially handling debts are monitored separately off the balance sheet for a period of 10 years from the date of settlement and the Company continues to take measures to recover the debt.

## 29. BUSINESS AND GEOGRAPHICAL SEGMENTS

### Business segments

For management purposes, the Group is currently organized into three operating divisions - drilling services, trading and other services. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

- Drilling services: providing drilling rigs and drilling services.
- Trading: provide material and equipment for drilling activities.
- Other services: provide well services, wire line logging, oil spill control service, drilling manpower supply service, investment-management project consulting service, management consulting service and other related services in the oil and gas industry.

Segment information about the Group's business is presented below:

### Balance sheet

As at 31 December 2023

	Drilling services VND	Trading VND	Other services VND	Total VND
<b>Assets</b>				
Segment assets	19,806,006,943,520	687,748,229,840	1,139,093,034,240	21,632,848,207,600
Unallocated assets	-	-	-	-
<b>Consolidated assets</b>				<b>21,632,848,207,600</b>
<b>Liabilities</b>				
Segment liabilities	5,842,447,998,240	427,814,213,680	464,428,455,680	6,734,690,667,600
Unallocated liabilities	-	-	-	-
<b>Consolidated liabilities</b>				<b>6,734,690,667,600</b>

### Income statement

For the year ended 31 December 2023

	Drilling services VND	Trading VND	Other services VND	Total VND
Gross revenue	4,067,897,158,962	157,142,368,266	1,579,372,957,695	5,804,412,484,923
Net revenue	4,067,897,158,962	157,142,368,266	1,579,372,957,695	5,804,412,484,923
Cost of sales	3,204,407,818,170	144,759,187,677	1,149,751,873,764	4,498,918,879,611
Gross profit	863,489,340,792	12,383,180,589	429,621,083,931	1,305,493,605,312
Financial income				134,219,305,233
Financial expenses				392,052,837,813
Selling expenses				24,149,229,741
General and administration expenses				522,515,095,908
Operating profit				500,995,747,083
Other income				155,300,348,463
Other expenses				64,053,858,921
Profit from other activities				91,246,489,542
Accounting profit before tax				592,242,236,625
Income from investments in joint ventures				66,137,035,575
Current corporate income tax expense				135,002,100,324
Deferred corporate tax income				(22,565,008,908)
<b>Net profit after corporate income tax</b>				<b>545,942,180,784</b>

**Balance sheet**  
**As at 31 December 2022**

	Drilling services	Trading	Other services	Total
	VND	VND	VND	VND
<b>Assets</b>				
Segment assets	18,985,450,234,270	587,083,518,020	1,131,512,939,180	20,704,046,691,470
Unallocated assets	-	-	-	-
<b>Consolidated assets</b>				<b>20,704,046,691,470</b>
<b>Liabilities</b>				
Segment liabilities	5,878,501,557,230	259,143,479,570	487,892,351,540	6,625,537,388,340
Unallocated liabilities	-	-	-	-
<b>Consolidated liabilities</b>				<b>6,625,537,388,340</b>

**Income statement**  
**For the year ended 31 December 2022**

	Drilling services	Trading	Other services	Total
	VND	VND	VND	VND
Gross revenue	3,535,403,580,588	114,863,242,736	1,781,337,790,496	5,431,604,613,820
Net revenue	3,535,403,580,588	114,863,242,736	1,781,337,790,496	5,431,604,613,820
Cost of sales	3,408,806,370,904	86,903,506,360	1,358,467,406,164	4,854,177,283,428
Gross profit	126,597,209,684	27,959,736,376	422,870,384,332	577,427,330,392
Financial income				117,547,035,364
Financial expenses				312,523,267,496
Selling expenses				17,630,778,616
General and administration expenses				492,791,232,296
Operating loss				(127,970,912,652)
Other income				4,781,821,440
Other expenses				60,384,787,144
Loss from other activities				(55,602,965,704)
Accounting loss before tax				(183,573,878,356)
Income from investments in joint ventures				45,056,726,484
Current corporate income tax expense				38,111,703,432
Deferred corporate tax income				(21,772,416,952)
<b>Net loss after corporate income tax</b>				<b>(154,856,438,352)</b>

**Geographical segments**

For the year ended 31 December 2023, the Group is operating in geographical areas of Vietnam, Malaysia, Cambodia, Brunei, Myanmar, Algeria, Indonesia and Thailand. Segment information about the Group's geographical operation is presented below:

**PETROVIETNAM DRILLING AND WELL SERVICES CORPORATION**  
**NOTES TO THE VND-CONVERTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

FORM B 09-DN/HN

Balance sheet  
As at 31 December 2023

	Vietnam	Malaysia	Cambodia	Brunei	Myanmar	Algeria	Indonesia	Thailand	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
<b>Assets</b>									
Segment assets	10,671,981,560,240	3,489,339,851,200	-	-	59,429,440	226,079,510,720	2,850,778,826,000	501,576,021,520	21,632,848,207,600
Unallocated assets	-	-	-3,893,033,008,480	-	-	-	-	-	-
<b>Consolidated assets</b>									<b>21,632,848,207,600</b>
<b>Liabilities</b>									
Segment liabilities	5,569,206,651,680	227,007,481,680	2,372,289,360	657,643,100,800	-	67,321,106,160	115,680,079,200	95,459,958,720	6,734,690,667,600
Unallocated liabilities	-	-	-	-	-	-	-	-	-
<b>Consolidated liabilities</b>									<b>6,734,690,667,600</b>

Income statement  
For the year ended 31 December 2023

	Vietnam	Malaysia	Cambodia	Brunei	Myanmar	Algeria	Indonesia	Thailand	Total
	VND	VND	VND	VND	VND	VND	VND	VND	VND
Gross revenue	2,903,594,296,980	748,040,759,700	-	903,073,035,111	-	-218,634,406,146	776,453,449,395	254,616,537,591	5,804,412,484,923
Net revenue	2,903,594,296,980	748,040,759,700	-	903,073,035,111	-	-218,634,406,146	776,453,449,395	254,616,537,591	5,804,412,484,923
Cost of sales	2,260,293,068,670	623,764,990,368	-	853,517,870,751	-	-171,000,660,831	471,093,220,806	119,249,068,185	4,498,918,879,611
Gross profit	643,301,228,310	124,275,769,332	-	49,555,164,360	-	-47,633,745,315	305,360,228,589	135,367,469,406	1,305,493,605,312
Financial income									134,219,305,233
Financial expenses									392,052,837,813
Selling expenses									24,149,229,741
General and administration expenses									522,515,095,908
Operating profit									500,995,747,083
Other income									155,300,348,463
Other expenses									64,053,858,921
Profit from other activities									91,246,489,542
Accounting loss before tax									592,242,236,625
Income from investments in joint ventures									66,137,035,575
Current corporate income tax expense									135,002,100,324
Deferred corporate tax income									(22,565,008,908)
<b>Net profit after corporate income tax</b>									<b>545,942,180,784</b>

NOTES TO THE VND-CONVERTED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Balance sheet  
As at 31 December 2022

	Vietnam VND	Malaysia VND	Cambodia VND	Brunei VND	Myanmar VND	Algeria VND	Indonesia VND	Total VND
<b>Assets</b>								
Segment assets	10,068,002,117,690	3,412,722,441,400	92,220,417,600	4,316,237,314,130	57,775,880	273,709,064,520	2,541,097,560,250	20,704,046,691,470
Unallocated assets	-	-	-	-	-	-	-	-
<b>Consolidated assets</b>								<b>20,704,046,691,470</b>
<b>Liabilities</b>								
Segment liabilities	5,638,501,277,420	163,769,571,100	11,960,286,050	666,232,423,690	-	77,290,175,080	67,783,655,000	6,625,537,388,340
Unallocated liabilities	-	-	-	-	-	-	-	-
<b>Consolidated liabilities</b>								<b>6,625,537,388,340</b>

Income statement  
For the year ended 31 December 2022

	Vietnam VND	Malaysia VND	Cambodia VND	Brunei VND	Myanmar VND	Algeria VND	Indonesia VND	Total VND
Gross revenue	3,607,933,714,704	550,299,245,496	-	778,738,102,648	-	208,458,855,132	286,174,695,840	5,431,604,613,820
Net revenue	3,607,933,714,704	550,299,245,496	-	778,738,102,648	-	208,458,855,132	286,174,695,840	5,431,604,613,820
Cost of sales	3,146,156,774,816	530,824,821,472	-	808,029,086,568	-	142,114,806,812	227,051,793,760	4,854,177,283,428
Gross profit/(loss)	461,776,939,888	19,474,424,024	-	(29,290,983,920)	-	66,344,048,320	59,122,902,080	577,427,330,392
Financial income								117,547,035,364
Financial expenses								312,523,267,496
Selling expenses								17,630,778,616
General and administration expenses								492,791,232,296
Operating loss								(127,970,912,652)
Other income								4,781,821,440
Other expenses								60,384,787,144
Loss from other activities								(55,602,965,704)
Accounting loss before tax								(183,573,878,356)
Income from investments in joint ventures								45,056,726,484
Current corporate income tax expense								38,111,703,432
Deferred corporate tax income								(21,772,416,952)
<b>Net loss after corporate income tax</b>								<b>(154,856,438,352)</b>

**30. NET REVENUE FROM GOODS SOLD AND SERVICES RENDERED**

	Current year VND	Prior year VND
Sales of trading	157,142,368,266	114,863,242,736
Sales of drilling services	4,067,897,158,962	3,535,403,580,588
Sales of technical well and other services	1,579,372,957,695	1,781,337,790,496
	<u>5,804,412,484,923</u>	<u>5,431,604,613,820</u>

Sales transactions with related parties: see Note 43.

**31. COST OF GOODS SOLD AND SERVICES RENDERED**

	Current year VND	Prior year VND
Cost of trading	144,759,187,677	86,903,506,360
Cost of drilling services	3,204,407,818,170	3,408,806,370,904
Cost of technical well and other services	1,149,751,873,764	1,358,467,406,164
	<u>4,498,918,879,611</u>	<u>4,854,177,283,428</u>

**32. PRODUCTION COSTS BY NATURE**

	Current year VND	Prior year VND
Raw materials and consumables	719,704,675,833	677,359,880,340
Labour	1,873,370,288,322	1,926,296,598,644
Depreciation and amortisation	808,911,854,790	735,122,812,292
Rigs rental expenses	772,592,028	553,886,915,032
Out-sourced services	1,361,336,815,605	1,178,727,829,840
Additional provision	139,747,755,615	183,461,688,036
Other expenses	141,739,223,067	109,743,570,156
	<u>5,045,583,205,260</u>	<u>5,364,599,294,340</u>

**33. FINANCIAL INCOME**

	Current year VND	Prior year VND
Interest income	67,334,699,991	59,341,859,412
Foreign exchange gain	63,546,546,531	58,205,175,952
Others	3,338,058,711	-
	<u>134,219,305,233</u>	<u>117,547,035,364</u>

**34. FINANCIAL EXPENSES**

	Current year VND	Prior year VND
Interest expense	250,499,968,602	168,031,934,532
Foreign exchange loss	141,676,915,731	134,900,526,992
Others	(124,046,520)	9,590,805,972
	<u>392,052,837,813</u>	<u>312,523,267,496</u>

35. GENERAL AND ADMINISTRATION EXPENSES

	Current year VND	Prior year VND
Labour	302,368,505,868	261,256,783,524
Depreciation and amortisation	16,397,056,104	14,769,785,800
Out-sourced services	118,304,420,793	92,760,841,932
Additional provision	16,405,744,095	61,637,617,844
Other expenses	69,039,369,048	62,366,203,196
	<b>522,515,095,908</b>	<b>492,791,232,296</b>

36. OTHER INCOME

	Closing balance VND	Opening balance VND
Disposal of fixed assets	155,081,823	4,375,445,756
Income from contract termination agreement with customer (money received) (*)	142,038,000,000	-
Others	13,107,266,640	406,375,684
	<b>155,300,348,463</b>	<b>4,781,821,440</b>

(\*) Other income from contract termination agreement with Valeura Energy (Gulf of Thailand) due to the termination of contract number VETL-05-22. The Corporation has collected the entire amount in the year.

37. OTHER EXPENSES

	Closing balance VND	Opening balance VND
Penalty for contract breach	13,364,142,363	11,923,922,384
Depreciation expense	47,831,438,538	47,831,435,168
Others	2,858,278,020	629,429,592
	<b>64,053,858,921</b>	<b>60,384,787,144</b>

38. CURRENT CORPORATE INCOME TAX EXPENSE

	Current year VND	Prior year VND
<b>Current corporate income tax expenses</b>		
The corporate income tax expenses calculated on taxable income for the current fiscal year.	25,642,735,638	30,441,563,152
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in Vietnam.	2,707,859,778	77,113,388
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in overseas.	22,091,643,600	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in overseas (*)	30,602,371,176	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in Vietnam.	53,957,490,132	7,593,026,892
<b>The total current corporate income tax expenses.</b>	<b>135,002,100,324</b>	<b>38,111,703,432</b>



(\*) Reflecting the corporate income tax arising from the business operations of the overseas Representative Offices and has been partially paid to the tax authorities of the country where the Company operates.

The current corporate income tax expense during the year was computed as follows:

	Current year VND	Prior year VND
<b>Profit/(Loss) before tax</b>	658,379,272,200	(138,517,151,872)
Adjustments for assessable income		
Less: non-taxable income	151,132,598,448	138,183,979,208
Add back: non-deductible expenses	145,630,732,845	204,322,826,312
Loss carry-forward	240,830,660,733	-
<b>Taxable income/(loss)</b>	<b>412,046,745,864</b>	<b>(72,378,304,768)</b>
The corporate income tax expenses calculated on taxable income for the current fiscal year.	25,642,735,638	30,441,563,152
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in Vietnam.	2,707,859,778	77,113,388
Adjustment of corporate income tax expenses from previous years into the current year's corporate income tax expenses – Paid in overseas.	22,091,643,600	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in overseas.	30,602,371,176	-
The corporate income tax expenses calculated on income derived from business operations conducted overseas – Paid in Vietnam.	53,957,490,132	7,593,026,892
<b>Corporate income tax expense based on taxable income in the current year</b>	<b>135,002,100,324</b>	<b>38,111,703,432</b>

For the year ended 31 December 2023, in accordance with Law on Corporate Income Tax ("CIT"), applicable CIT rate is 20% of taxable income of the Group (2022: 20%), except for the incentives as follows:

- PVD Training is obliged to pay CIT at the rate of 10% of its taxable income from training over its operating period and 20% of its taxable income from other activities.
- PVD Deepwater is obliged to pay CIT at the rate 10% for 15 years from taxable income generated by PV Drilling V project (2011). PVD Deepwater is entitled to CIT exemption for 4 years from the first profit-making year (from 2012 to 2015) and a reduction of 50% for the following 9 years (from 2016 to 2024).

Taxable income from overseas business operations is calculated separately for each market and is subject to the same tax rate as the Corporation. However, losses incurred in different markets cannot be offset and cannot be transferred to taxable income from business operations in Vietnam. The Corporation's Offices and its subsidiary pay corporate income tax in accordance with the regulations in force in the host countries at the following tax rates:

- The Office in Indonesia is obliged to pay corporate income tax at a rate of 22% on taxable income, with taxable income deemed as 15% of revenue.
- The Office in Algeria is obliged to pay corporate income tax at a rate of 26% on the taxable income.
- PVD Overseas in Singapore is obliged to pay corporate income tax at a rate of 17% on profit before tax.

At the balance sheet date, the Group has unused tax losses of VND 615,763,154,325 (2022: VND 875,181,447,320) available for offset against future profits. No deferred tax asset has been recognized due to the uncertainty of future profits. These losses can be carried forward for a maximum period of five years from the year it incurred.

The above tax loss figures are originally in Vietnam Dong based on the annual tax declaration results. The utilization shall be subject to the foreign exchange difference over time.

The benefits from the Group's tax losses carried forward expire according to the following schedule:

	<b>The Company</b>	<b>PVD Deepwater</b>	<b>Tax losses</b>
	<b>VND</b>	<b>VND</b>	<b>Total</b>
			<b>VND</b>
2024	-	29,538,734,593	29,538,734,593
2025	29,231,793,208	15,377,107,952	44,608,901,160
2026 (*)	152,827,251,702	25,392,586,114	178,219,837,816
2027 (*)	162,410,138,627	94,764,257,454	257,174,396,081
2028	-	106,221,284,675	106,221,284,675
	<b>344,469,183,537</b>	<b>271,293,970,788</b>	<b>615,763,154,325</b>

(\*) The figures have been adjusted according to the inspection results of the Large Enterprise Tax - General Department of Taxation.

### 39. BASIC PROFIT/(LOSS) PER SHARE

The calculation of the basic loss per share attributable to ordinary shareholders of the Group is based on the following data:

	<b>Current year</b>	<b>Prior year (Restated)</b>
	<b>VND</b>	<b>VND</b>
Profit/(Loss) attributable to the Holding Company's shareholders	584,832,279,876	(102,948,793,684)
Appropriation to Bonus and Welfare funds	(134,375,973,147)	(35,944,987,144)
Profit/(Loss) for the purpose of calculating basic profit/(loss) per share	450,456,306,729	(138,893,780,828)
Weighted average number of ordinary shares	555,880,006	555,880,006
<b>Basic profit/(loss) per share</b>	<b>810</b>	<b>(250)</b>

### 40. CONTINGENT LIABILITIES

As at the date of these VND-converted consolidated financial statements, the Group has not completed the tax finalization for its office operation in Algeria, Malaysia Brunei and Indonesia in accordance with the local tax finalization procedures. The tax finalization will be done by the Authorities of Algeria, Malaysia, Brunei and Indonesia upon the completion of Algeria, Malaysia Brunei and Indonesia projects and the tax liabilities will be determined at that time. However, the Group's Board of Management believes that no significant tax liabilities will incur upon the tax finalization of these branches and therefore, no additional provision has been made.

### 41. COMMITMENTS

#### Operating lease commitments

	<b>Current year</b>	<b>Prior year</b>
	<b>VND</b>	<b>VND</b>
Minimum lease payments under operating leases recognised in VND-converted consolidated income statement for the year	36,894,394,173	35,566,891,800



As at the balance sheet date, the Group had outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Within one year	31,071,570,036	29,322,034,104
In the second to fifth year inclusive	64,024,409,709	64,596,881,932
After five years	26,100,026,979	26,887,108,468
	<u><b>121,196,006,724</b></u>	<u><b>120,806,024,504</b></u>

Operating lease commitments represent rental payable by the Group which related to the lease contracts of office, warehouse and land with the duration over one year.

#### **Guarantee commitment**

The Company commits to guarantee the short-term credit line for the year 2023-2024 for PVD Tubulars according to Resolution No. 01/08/2023/NQ-HĐQT dated 8 August 2023 of the Board of Directors, with a maximum total amount of USD 2,550,000.

## **42. FINANCIAL INSTRUMENTS**

### **Capital risk management**

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings disclosed in Note 21 and Note 23, offset by cash and cash equivalents) and equity attributable to shareholders of the Group (comprising owners' contributed capital, share premium, treasury shares, foreign exchange difference, reserves and retained earnings) and non-controlling interests.

#### *Gearing ratio*

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

	<u>Closing balance</u>	<u>Opening balance</u>
	<u>VND</u>	<u>VND</u>
Borrowings	3,341,034,622,800	3,835,069,087,120
Less: Cash and cash equivalents	2,256,047,157,280	2,078,586,541,400
Net debt	1,084,987,465,520	1,756,482,545,720
Owners' equity	14,898,157,540,000	14,078,509,303,130
<b>Net debt to equity ratio</b>	<u><b>0.07</b></u>	<u><b>0.12</b></u>

### **Significant accounting policies**

Details of the significant accounting policies and methods adopted by the Group (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 3.

Categories of financial instruments

	Closing balance VND	Opening balance VND
<b>Financial assets</b>		
Cash and cash equivalents	2,256,047,157,280	2,078,586,541,400
Trade and other receivables	2,177,010,336,480	2,070,070,849,570
Held-to-maturity investments	1,278,224,697,680	424,471,711,880
	<b>5,711,282,191,440</b>	<b>4,573,129,102,850</b>
<b>Financial liabilities</b>		
Loans and borrowings	3,341,034,622,800	3,835,069,087,120
Trade and other payables	742,256,223,520	649,957,744,870
Accrued expenses	729,668,138,640	498,364,908,680
	<b>4,812,958,984,960</b>	<b>4,983,391,740,670</b>

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 management objectives**

Financial risks include market risk (consisting of foreign currency risk and interest rate risk), credit risk and liquidity risk. The Group has hedged 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.

**Market risk**

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**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 and Cross Currency Swap contracts in order to minimize the foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as at 31 December 2023 and 31 December 2022 are as follows:

	Assets		Liabilities	
	Closing balance VND	Opening balance VND	Closing balance VND	Opening balance VND
United States Dollar ("USD")				
(Subsidiaries)	186,716,488,560	367,890,464,547	624,152,829,440	524,354,120,618
Vietnam Dong ("VND") (The Company)	2,340,446,690,400	1,211,839,408,792	102,234,914,880	376,013,983,818
Algerian Dinar ("DZD")	9,985,036,880	12,594,064,980	254,838,640	12,703,155,580
Singapore Dollar ("SGD")	1,054,968,880	582,136,656	4,883,881,520	4,193,125,407
Euro ("EUR")	74,455,360	53,725,950	8,244,293,680	5,199,666,302
Thai Baht ("THB")	1,565,200	275,957,080	3,577,878,640	64,892,520
British Pound ("GBP")	168,271,040	77,533,920	2,061,922,240	898,982,645
Malaysia Ringgit (MYR)	136,673,239,920	433,783,367,120	36,718,749,200	16,552,251,190
Brunei Dollar ("BND")	591,717,840	-	7,449,774,080	1,353,261,870
Australian Dollar ("AUD")	-	-	72,577,120	-
Indonesia Rupiah (IDR)	313,791,777,600	-	7,765,198,000	-

*Foreign currency sensitivity analysis*

The Company is mainly exposed to Vietnam Dong and subsidiaries exposed to United States Dollar.

The rate of 2% (prior year: 2%) is the sensitivity rate used when reporting foreign currency risk internally and represents the Group's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 2% change in foreign currency rates.

- If the foreign exchange rate of Vietnam Dong against the US Dollar changes by 2%, the profit before tax of the Company and its subsidiaries will change by VND 44,764,238,400 (previous year: VND 16,620,832,976).
- If the foreign exchange rate of Malaysia Ringgit ("MYR") against the US Dollar changes by 2%, the profit before tax of the Company will change by VND 1,999,097,520.
- If the foreign exchange rate of Indonesia Rupian ("IDR") against the US Dollar changes by 2%, the profit before tax of the Company will change by VND 6,120,534,000.

Based on the similar analysis for other foreign currencies, there was no significant effect on the business result of the Group.

*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.

*Interest rate sensitivity*

The loan's sensitivity to interest rate changes was assessed by the Group that may arise at an appropriate level is fluctuation in floating interest bearing loan of higher/lower 30 basic points. Assuming all other variables were held constant and the loan balance at the balance sheet date were the outstanding amount for the next year, if interest rates applicable to floating interest bearing loans had been 30 basic points higher/lower, the Group's loss before tax would have decreased/increased by VND 10,023,103,868 (2022: VND 11,505,207,261).

*Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Group. Therefore, the Group has devised an appropriate credit policy in place and the exposure to credit risk is monitored on an on-going basis. As at 31 December 2023, the Group made provision for doubtful debts which was overdue for more than six months in accordance with the Accounting policies stated in Note 3.

*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 year is kept to manageable levels relative to the amount of funds that the Group believes can generate within that year. The Group's 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 shareholders to meet its liquidity requirements in the short and longer term.

The following tables detail the Group'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 including interest that will be earned on those assets, and undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay, if any. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 year	From 1 - 5 years	More than 5 years	Total
	VND	VND	VND	VND
<b>Opening balance</b>				
Cash and cash equivalents	2,078,586,541,400	-	-	2,078,586,541,400
Trade and other receivables	2,051,425,112,310	18,645,737,260	-	2,070,070,849,570
Held-to-maturity investments	424,471,711,880	-	-	424,471,711,880
	<b>4,554,483,365,590</b>	<b>18,645,737,260</b>	<b>-</b>	<b>4,573,129,102,850</b>
<b>Borrowings</b>	835,317,024,600	1,152,163,087,460	1,847,588,975,060	3,835,069,087,120
Trade and other payables	649,957,744,870	-	-	649,957,744,870
Accrued expenses	498,364,908,680	-	-	498,364,908,680
	<b>1,983,639,678,150</b>	<b>1,152,163,087,460</b>	<b>1,847,588,975,060</b>	<b>4,983,391,740,670</b>
<b>Net liquidity gap</b>	<b>2,570,843,687,440</b>	<b>(1,133,517,350,200)</b>	<b>(1,847,588,975,060)</b>	<b>(410,262,637,820)</b>

List of related parties with significant transactions and balances for the year:



During the year, the Group entered into the following significant transactions with its related parties:

	Current year VND	Prior year VND
<b>Sales</b>		
<b>Petrovietnam's subsidiaries</b>	<b>137,492,760,327</b>	<b>351,826,259,884</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PTSC Mechanical and Construction Limited Company	39,204,145,110	148,681,990,556
- Petrovietnam Camau Fertilizer Joint stock company (PVCFC)	32,637,681,024	63,976,716,188
- PetroVietnam Fertilizer and Chemicals Corporation (PVFCCo)	97,958,874	36,864,063,280
<b>Petrovietnam's joint ventures/joint operating companies/petroleum sharing contracts</b>	<b>1,324,275,219,033</b>	<b>1,450,621,396,224</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- Vietsovpetro Joint Venture	268,075,656,030	779,930,392,472
- Hoang Long Joint Operating Company	2,869,451,676	52,904,322,988
- Cuu Long Joint Operating Company	106,027,863,396	184,425,291,160
- Bien Dong Oil and Gas Operating Company	6,517,271,592	43,188,082,652
- Premier Oil Vietnam Offshore B.V.. In Ho Chi Minh City	134,317,216,761	57,656,444,252
- Petrovietnam Domestic Exploration Production Operating Company Limited	408,176,754,843	39,057,407,312
-Thang Long Joint Operating Company	176,584,056,246	33,596,857,712
<b>The Group's joint ventures</b>	<b>56,658,058,626</b>	<b>57,836,321,180</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PVD-Baker Hughes	52,792,163,034	49,916,522,524
<b>Purchases</b>		
<b>Petrovietnam's subsidiaries</b>	<b>41,380,759,095</b>	<b>47,967,343,732</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PetroVietnam Technical Services Corporation Branch	32,615,499,423	34,226,729,548
- PTSC Marine		
<b>Petrovietnam's joint ventures/joint operating companies/petroleum sharing contracts</b>	<b>58,502,587,767</b>	<b>62,506,906,616</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- Petrosetco Vung Tau General Services JSC	28,555,272,174	35,166,754,084
- PVI Insurance Saigon Company	25,937,180,412	15,506,866,892
<b>The Group's joint ventures</b>	<b>27,553,951,620</b>	<b>23,633,402,980</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PVD-Expro	26,048,419,839	15,255,462,816
<b>Profit shared from joint ventures</b>		
<b>The Company's joint ventures</b>	<b>36,803,087,412</b>	<b>105,940,457,964</b>
<i><u>In which: details account for 10% or more of total value of transactions:</u></i>		
- PVD-Baker Hughes	36,803,087,412	105,940,457,964

Remuneration paid to the Group's Boards of Directors and Management and Supervisors during the year was as follows:

	Current period VND	Prior period VND
<b>Board of Directors</b>		
Mr. Mai The Toan	1,028,621,520	422,208,200
Mr. Do Duc Chien	1,039,463,120	437,783,040
Mr. Nguyen Xuan Cuong	1,039,463,120	436,167,040
Mr. Vu Thuy Tuong	1,324,570,750	1,092,239,125
Mr. Van Duc Tong	120,000,000	120,000,000
Mr. Nguyen Van Toan	120,000,000	120,000,000
Mr. Hoang Xuan Quoc	120,000,000	120,000,000
<b>Board of Managment</b>		
Mr. Dao Ngoc Anh	657,996,500	1,226,812,000
Mr. Trinh Van Vinh	-	1,118,491,000
Mr. Ho Vu Hai	1,472,674,500	1,220,222,000
Mr. Do Danh Rang	1,470,590,850	1,225,087,600
Mr. Nguyen Cong Doan	1,403,935,800	1,163,334,800
Mr. Nguyen The Son	1,453,581,525	678,936,500
Mr. Dinh Quang Nhut	1,659,054,630	-
<b>Board of Supervisor</b>		
Mr. Luong Thanh Tinh	1,098,987,750	904,688,147
Mr. Nguyen Van Tai	478,303,800	392,111,562
Mr. Nguyen Binh Hop	84,000,000	84,000,000
<b>Chief Accountant</b>		
Mr. Nguyen Ngoc Truong	1,348,389,257	557,780,445
<b>Total</b>	<b>15,919,633,122</b>	<b>11,319,861,459</b>

44. SUPPLEMENTAL DISCLOSURES OF CONSOLIDATED CASH FLOW INFORMATION

Supplemental non-cash disclosures

Interest expense paid during the year excluded an amount of VND 436,849,198,240 (2022: VND 209,524,837,480), representing interest expense during the year that has yet not been paid. Consequently, changes in payables have been adjusted by the same amount.

Cash outflows for acquisition and construction of fixed assets and other long-term assets during the year excluded an amount of VND 4,107,782,157 (2022: VND 7,494,945,600), representing additions of fixed assets during the year that have not yet been paid. Consequently, changes in payables have been adjusted by the same amount.

Interest income, dividends and profits received during the year excluded an amount of VND 9,231,068,000 (2022: VND 20,441,705,640), representing interest income, dividends and profits declared during the year to be received. Consequently, changes in receivables have been adjusted by the same amount.

Proceeds from borrowings and repayment of borrowings during the year exclude an amount of VND 15,618,284,108 (2022: VND 750,000,000), representing cash inflow and outflow for short-term borrowings of 3 months or less that are presented on a net basis. Consequently, proceeds from borrowings and repayment of borrowings have been adjusted by the same amount.



45. SUBSEQUENCE EVENT

According to the Decision of the Board of Directors No. 01/03/2024/QĐ-HĐQT dated 27 March 2024, the Board of Directors has decided to terminate the operation of Petrovietnam Drilling Investment Corporation (PVD Invest). This Decision takes effect from the date of signing and the Company is implementing relevant procedures in accordance with the current regulations.

46. APPROVAL FOR ISSUANCE OF THE VND-CONVERTED CONSOLIDATED FINANCIAL STATEMENTS

The Board of Management approved the accompanying VND-converted consolidated financial statements, which give a true and fair view of the VND-converted consolidated balance sheet of the Company as at 31 December 2023, and its VND-converted consolidated income statement and its VND-converted consolidated cash flow statement for the year then ended in accordance with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to VND-converted consolidated financial reporting.



Nguyễn Xuân Cường  
President  
29 March 2024

Nguyễn Ngọc Truong  
Chief Accountant

Trần Kim Hoàng  
Preparer

