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DRILLING MUD CORPORATION
(Incorporated in the Socialist Republic of Vietnam)

**AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**
For the year ended 31 December 2013

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STATEMENT OF THE BOARD OF DIRECTORS

The Board of Directors of Drilling Mud Corporation (“the Corporation”) presents this report together with the Corporation’s consolidated financial statements for the year ended 31 December 2013.

THE BOARDS OF MANAGEMENT AND DIRECTORS

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

Board of Management

Mr. Nguyen Ngoc Khanh	Chairman
Mr. Ton Anh Thi	Member
Mr. Do Xuan Vinh	Member
Ms. Chu Thi Hien	Member (resigned on 05 April 2013)
Ms. Le Thi Thu Huong	Member (appointed on 05 April 2013)
Mr. Ha Duy Tan	Member

Board of Directors

Mr. Ton Anh Thi	General Director
Mr. Le Hai Phong	Deputy General Director
Mr. Pham Xuan Toan	Deputy General Director
Mr. Luu Quoc Phuong	Deputy General Director
Ms. Vu Hoang Hoa	Deputy General Director
Mr. Khuat Quang Tien	Deputy General Director

BOARD OF DIRECTORS’ STATEMENT OF RESPONSIBILITY

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

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STATEMENT OF THE BOARD OF DIRECTORS (Continued)

BOARD OF DIRECTORS' STATEMENT OF RESPONSIBILITY (Continued)

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

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

For and on behalf of the Board of Directors,



Ton Anh Thi
General Director

Hanoi, 10 March 2014

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No.: 680 /VNIA-HN-BC

INDEPENDENT AUDITOR'S REPORT

**To: The Shareholders
The Boards of Management and Directors
Drilling Mud Corporation**

We have audited the accompanying the consolidated financial statements of Drilling Mud Corporation ("the Corporation"), prepared on 10 March 2014 as set out from page 05 to page 36, which comprise the consolidated balance sheet as at 31 December 2013, and the consolidated statement of income and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinion

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



Trương Anh Hưng
Deputy General Director
Audit Practising Registration Certificate
No. 0029-2013-001-1

For and on behalf of
DELOITTE VIETNAM COMPANY LIMITED

10 March 2014
Hanoi, S.R. Vietnam

Tran Duy Cuong
Auditor
Audit Practising Registration Certificate
No. 0797-2013-001-1

CONSOLIDATED BALANCE SHEET
As at 31 December 2013

FORM B 01-DN/HN
 Unit: VND

ASSETS	Codes	Notes	31/12/2013	31/12/2012
A. CURRENT ASSETS (100=110+120+130+140+150)	100		1,902,363,474,754	1,662,822,222,680
I. Cash and cash equivalents	110	5	448,989,852,292	349,794,504,974
1. Cash	111		167,128,109,791	207,318,504,974
2. Cash equivalents	112		281,861,742,501	142,476,000,000
II. Short-term financial investments	120		-	2,081,500,000
1. Short-term investments	121		-	2,081,500,000
III. Short-term receivables	130		672,043,832,250	707,039,290,786
1. Trade accounts receivable	131		588,610,377,146	639,650,220,618
2. Advances to suppliers	132		84,823,452,435	69,557,836,705
3. Other receivables	135	6	10,465,536,352	6,902,895,309
4. Provision for short-term doubtful debts	139		(11,855,533,683)	(9,071,661,846)
IV. Inventories	140	7	754,461,869,704	561,220,136,436
1. Inventories	141		754,851,970,311	561,442,515,157
2. Provision for devaluation of inventories	149		(390,100,607)	(222,378,721)
V. Other short-term assets	150		26,867,920,508	42,686,790,484
1. Short-term prepayments	151		12,495,733,429	11,186,077,676
2. Value added tax deductibles	152		9,060,815,484	24,920,595,604
3. Tax and other receivables from the State budget	154	13	1,847,880,035	-
4. Other short-term assets	158		3,463,491,560	6,580,117,204
B. NON-CURRENT ASSETS (200=220+250+260)	200		279,552,197,342	281,432,493,257
I. Fixed assets	220		224,721,229,645	235,204,718,405
1. Tangible fixed assets	221	8	182,138,667,231	183,725,807,491
- Cost	222		313,032,123,500	298,344,721,680
- Accumulated depreciation	223		(130,893,456,269)	(114,618,914,189)
2. Intangible assets	227		25,012,541,783	28,208,191,113
- Cost	228		26,462,373,034	29,098,510,499
- Accumulated amortisation	229		(1,449,831,251)	(890,319,386)
3. Construction in progress	230	9	17,570,020,631	23,270,719,801
II. Long-term financial investments	250		12,896,439,390	4,058,925,000
1. Interests in joint ventures	252	11	12,896,439,390	4,058,925,000
III. Other long-term assets	260		41,934,528,307	42,168,849,852
1. Long-term prepayments	261		19,986,266,033	41,175,971,709
2. Deferred tax assets	262		20,616,340,649	825,582,576
3. Other long-term assets	268		1,331,921,625	167,295,567
TOTAL ASSETS (270=100+200)	270		2,181,915,672,096	1,944,254,715,937

The notes set out on pages 10 to 36 are an integral part of these consolidated financial statements

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2013

FORM B 01-DN/HN

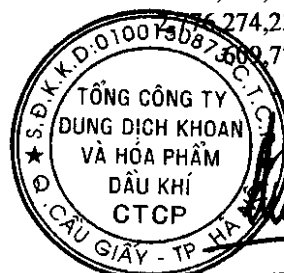
Unit: VND

RESOURCES	Codes	Notes	31/12/2013	31/12/2012
A. LIABILITIES (300=310+330)	300		1,181,349,781,069	929,803,903,705
I. Current liabilities	310		1,111,383,846,315	843,530,358,611
1. Short-term loans and liabilities	311	12	370,422,040,349	226,939,380,858
2. Trade accounts payable	312		457,603,132,745	357,958,558,111
3. Advances from customers	313		2,488,132,144	22,664,868,100
4. Taxes and amounts payable to the State budget	314	13	69,774,126,393	64,195,343,023
5. Payables to employees	315		19,534,999,640	18,532,163,820
6. Accrued expenses	316	14	34,883,181,323	45,574,030,356
7. Other current payables	319	15	133,347,492,307	92,145,711,226
8. Bonus and welfare funds	323		23,330,741,414	15,520,303,117
II. Long-term liabilities	330		69,965,934,754	86,273,545,094
1. Long-term loans and liabilities	334	16	66,139,828,179	84,913,878,501
2. Scientific and technological development fund	339		3,826,106,575	1,359,666,593
B. EQUITY (400=410+430)	400		845,922,844,737	837,581,411,360
I. Shareholders' equity	410	17	844,956,991,708	837,406,928,210
1. Charter capital	411		500,000,000,000	500,000,000,000
2. Share premium	412		18,965,245,000	18,965,245,000
3. Foreign exchange reserve	416		2,673,642,004	2,585,916,823
4. Investment and development fund	417		58,595,149,809	47,749,187,403
5. Financial reserve fund	418		21,245,006,896	16,681,922,664
6. Other shareholders' funds	419		93,455,588	93,455,588
7. Retained earnings	420		243,384,492,411	251,331,200,732
II. Other resources and funds	430		965,853,029	174,483,150
1. Subsidised fund	432		965,853,029	174,483,150
C. MINORITY INTERESTS	439		154,643,046,290	176,869,400,872
TOTAL RESOURCES (440=300+400+439)	440		2,181,915,672,096	1,944,254,715,937
OFF BALANCE SHEET ITEMS	Unit		31/12/2013	31/12/2012
1. Consignment goods for sale	VND		728,693,185	1,643,353,825
2. Bad debts written off	VND		56,274,239	2,742,262,239
3. Foreign currencies	USD		369,776	403,367


Ta Dinh Khang
Preparer


Bui Tuan Ngoc
Chief Accountant


Ton Anh Thi
General Director



10 March 2014

The notes set out on pages 10 to 36 are an integral part of these consolidated financial statements

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2013

FORM B 02-DN/HN
Unit: VND

ITEMS	Codes	Notes	2013	2012
1. Gross sales	01	18	3,846,929,856,548	3,755,220,819,379
2. Deductions	02	18	231,894,323,675	46,639,047,943
3. Net sales (10=01-02)	10	18	3,615,035,532,873	3,708,581,771,436
4. Cost of sales	11		3,074,347,690,600	3,040,734,357,597
5. Gross profit from sales(20=10-11)	20		540,687,842,273	667,847,413,839
6. Financial income	21	20	19,150,712,398	18,858,926,492
7. Financial expenses	22	21	35,830,269,107	39,117,579,661
<i>In which: Interest expense</i>	23		19,659,506,056	29,264,183,041
8. Selling expenses	24		68,713,336,661	47,178,636,047
9. General and administration expenses	25		247,057,574,205	243,564,964,344
10. Operating profit (30=(20+(21-22)-(24+25))	30		208,237,374,698	356,845,160,279
11. Other income	31		9,138,558,955	30,285,364,725
12. Other expenses	32		6,259,499,489	10,568,487,282
13. Profit from other activities (40=31-32)	40		2,879,059,466	19,716,877,443
14. Accounting profit before tax (50=30+40)	50		211,116,434,164	376,562,037,722
15. Current corporate income tax expense	51		64,384,861,888	95,400,518,169
16. Deferred corporate tax (income)/expense	52		(10,723,888,400)	9,534,824,931
17. Net profit after corporate income tax (60=50-51-52)	60		157,455,460,676	271,626,694,622
Profit after tax attributable to minority interests	61		78,915,369,857	132,142,470,016
Profit after tax attributable to the shareholders of the Holding Company	62		78,540,090,819	139,484,224,606
18. Basic earnings per share	70	22	1,571	3,807

Ta Dinh Khang
Preparer

10 March 2014

Bui Tuan Ngoc
Chief Accountant



Ton Anh Thi
General Director

The notes set out on pages 10 to 36 are an integral part of these consolidated financial statements

ITEMS	Codes	2013	2012
I. CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	01	211,116,434,164	376,562,037,722
2. Adjustments for:			
- Depreciation and amortisation	02	24,069,714,746	22,406,842,001
- Provisions	03	2,951,593,723	(24,117,102,365)
- Unrealized foreign exchange (gain)/loss	04	(418,690,542)	51,152,190
- (Gain) from investing activities	05	(9,646,975,388)	(11,047,826,298)
- Interest expense	06	19,659,506,056	29,264,183,041
3. Operating profit before movements in working capital	08	247,731,582,759	393,119,286,291
- Changes in receivables	09	150,791,540,462	(359,166,882,818)
- Changes in inventories	10	(193,409,455,154)	291,440,954,465
- Changes in accounts payable (not including accrued interest and corporate income tax payable)	11	(66,533,984,952)	(80,087,341,245)
- Changes in prepaid expenses	12	4,394,627,053	(12,542,238,208)
- Interest paid	13	(18,158,042,192)	(28,689,923,029)
- Corporate income tax paid	14	(64,649,596,197)	(84,641,640,511)
- Other cash inflows	15	583,087,264	408,456,728
- Other cash outflows	16	(11,462,141,331)	(28,434,156)
Net cash from operating activities	20	49,287,617,712	119,812,237,516
II. CASH FLOW FROM INVESTING ACTIVITIES			
1. Acquisition and construction of fixed assets and other long-term assets	21	(28,177,303,637)	(86,012,299,568)
2. Proceeds from sale, disposal of fixed assets and other long-term assets	22	325,909,390	6,800,038,365
3. Cash outflow for lending, buying debt instruments of other entities	23	-	(2,081,500,000)
4. Cash recovered from lending and selling debt instruments of other entities	24	2,081,500,000	-
5. Investments in other entities	25	(8,837,514,390)	(1,559,565,000)
6. Interest earned, dividends and profits received	26	9,666,804,024	5,794,626,444
Net cash (used in) investing activities	30	(24,940,604,613)	(77,058,699,759)
III. CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issuing stocks, receiving capital from shareholders	31	-	150,000,000,000
2. Proceeds from borrowings	33	1,073,629,910,164	597,651,948,623
3. Repayment of borrowings	34	(948,945,909,495)	(565,724,755,132)
4. Dividends and profits paid	36	(49,835,666,450)	(48,957,189,900)
Net cash from financing activities	40	74,848,334,219	132,970,003,591
Net increase in cash (50=20+30+40)	50	99,195,347,318	175,723,541,349
Cash and cash equivalents at the beginning of the year	60	349,794,504,974	174,077,405,381
Effects of changes in foreign exchange rates	61	-	(6,441,756)
Cash and cash equivalents at the end of the year (70 = 50+60+61)	70	448,989,852,292	349,794,504,974

The notes set out on pages 10 to 36 are an integral part of these consolidated financial statements

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CONSOLIDATED CASH FLOW STATEMENT (Continued)
For the year ended 31 December 2013

Supplemental non-cash disclosures

Cash outflows for purchases and construction of fixed assets and other long-term assets during the year exclude an amount of VND 5,828,578,983, representing an addition in fixed assets during the year that has not yet been paid (2012: VND 14,711,479,480).

Dividends and profits paid to shareholders include dividends of 2011 which were divided in 2012 and paid in 2013 with an amount of VND 1,210,702,487 and exclude the declared amounts in the prior years which had not been paid to shareholders in 2013 with an amount of VND 1,375,036,037.



Ta Dinh Khang
Preparer

10 March 2014



Bui Tuan Ngoc
Chief Accountant



Ton Anh Thi
General Director

The notes set out on pages 10 to 36 are an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FORM B 09-DN/HN

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

Drilling Mud Corporation ("the Corporation"), formerly known as Drilling Mud Joint Stock Company, was established and operates under Decision No. 1544/QĐ-TCCB dated 28 April 2005 issued by the Minister of Industry on the basis of equitization of Drilling Mud Company which was a state-owned enterprise, and an independent accounting member of Vietnam Oil and Gas Group. The Corporation was granted Business Registration Certificate for Joint Stock Company No. 0103009579 dated 18 October 2005 by Hanoi Department of Planning and Investment.

Shares of the Corporation are listed and traded on Hanoi Stock Exchange (HNX) with stock symbol of PVC.

The Corporation was granted the 16th Amendment dated 10 July 2013 issued by Hanoi Department of Planning and Investment to Business Registration Certificate for Joint Stock Company No. 0103009579 dated 18 October 2005 with its charter capital of VND 500,000,000,000, equivalent to 50,000,000 shares.

Operating industry and principal activities

- Conducting technology transfer research, providing drilling fluid service, oil wells completion and repair service, near wellbore zone treatment service, oil recovery enhancing service and other oil and gas engineering services;
- Producing drilling fluid and petrochemical, cement for drilling wells and other substances used for oil probe, exploitation, paper industry, steel rolling industry;
- Collecting, processing and recycling scrap and waste materials from oil and gas industry;
- Environmental treatment and environmental treatment technologies transfer;
- Trading chemicals (except for products prohibited by the State), chemical products, materials and equipment for oil and gas exploration, probe, exploitation, transportation, storage and processing and other economic industries;
- Importing and exporting chemicals (except for products prohibited by the State), chemical products, equipments, raw materials for oil and gas industry, environmental treatment and pollution prevention service and other industries;
- Trading materials for industries;
- Trading gas and gas products, biofuels;
- Trading plastics in primary forms; wholesale of silk, fibers, textile fibers; wholesale of raw cotton fibers, dyes, auxiliary materials, packaging for textile industry;
- Trading additives for drilling fluid;
- Mining for bentonite, industrial sand, dolomite, kaolin.

2. ACCOUNTING CONVENTION AND FINANCIAL YEAR

Accounting convention

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

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

Financial year

The Corporation's financial year begins on 01 January and ends on 31 December.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

3. ADOPTION OF NEW ACCOUNTING GUIDANCE

New guidance on management, usage and depreciation of fixed assets

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

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

On 28 June 2013, the Ministry of Finance issued Circular No. 89/2013/TT-BTC ("Circular 89") amending and supplementing Circular No. 228/2009/TT-BTC ("Circular 228") dated 07 December 2009 of the Ministry of Finance guiding the appropriation and use of provisions for devaluation of inventories, losses of financial investments, bad debts and warranty for products, goods and construction and installation works at enterprises. Circular 89 shall be effective starting from 26 July 2013. According to the Board of Directors' assessment, Circular 89 does not have material effect on the Corporation's consolidated financial statements for the year ended 31 December 2013.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Estimates

The preparation of consolidated financial statements in conformity with Vietnamese Accounting Standards, accounting regime for enterprises and legal regulations relating to financial reporting requires 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. Actual results could differ from those estimates.

Basis of consolidation

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

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

All significant inter-company transactions and balances between group enterprises are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Corporation's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Corporation except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Interests in joint ventures

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

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Corporation 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 recognized at cost plus the transaction costs that are directly attributable to the acquisition of the financial assets. Financial assets of the Corporation comprise cash, and cash equivalents, trade and other receivables, short-term financial investment and deposits.

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 Corporation comprise trade and other payables, borrowings and accrued expenses.

Subsequent measurement after initial recognition

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 and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Provision for doubtful debts

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

Inventories

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories (Continued)

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 realisable values as at the balance sheet date.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The costs of purchased tangible fixed assets comprise their purchase prices and any directly attributable costs of bringing the assets to their working condition and location for their intended use.

The costs of self-constructed or manufactured assets are the actual construction or manufacturing cost plus installation and test running costs.

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

	<u>2013</u> (Years)
Buildings and structures	6 - 25
Machinery and equipment	5 - 12
Office equipment	3 - 5
Motor vehicles	6 - 8

Intangible assets and amortisation

Intangible assets represent land use rights, international measurement units converter and accounting software. Land use rights are stated at cost less accumulated amortisation. Land use rights are amortized using the straight-line method over the duration of the right to use the land. International measurement units converter and accounting software are amortized using the straight-line method over 2-3 years.

Construction in progress

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

Revenue recognition

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

- (a) the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - (b) the Corporation 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 Corporation;
- and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

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 periods, revenue is recognised in each period by reference to the percentage of completion of the transaction at the balance sheet date of that period. 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 Corporation;
- (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 accrued on a time basis, by reference to the outstanding principal and at the applicable interest rate.

Dividend income from investment is recognised when the Corporation's rights to receive payment has been established.

Foreign currencies

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

For the purpose of consolidating the financial statements, the assets and liabilities of M-I Drilling Fluids Vietnam L.L.C. and DMC-VTS Joint Venture Company (including comparatives) are translated to the reporting currency of the consolidated financial statements using the exchange rate prevailing on the balance sheet date. Income and expense items (including comparatives) are translated to the reporting currency at the exchange date on the transaction date. Foreign exchange differences arising, if any, are classified as equity and transferred to the Corporation's foreign exchange difference.

Borrowing costs

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.

All other borrowing costs are recognised in the consolidated income statement when incurred.

Provisions

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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 never taxable or 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 profit and is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the 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.

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.

5. CASH AND CASH EQUIVALENTS

	31/12/2013	31/12/2012
	VND	VND
Cash on hand	4,104,175,262	2,753,908,679
Cash in bank	163,023,934,529	204,564,596,295
Cash equivalents (i)	281,861,742,501	142,476,000,000
	<u>448,989,852,292</u>	<u>349,794,504,974</u>

(i) Cash equivalents as at 31 December 2013 represent time deposits with term of less than 3 months.

6. OTHER RECEIVABLES

	31/12/2013	31/12/2012
	VND	VND
Thanh Hoa Iron and Steel Joint Stock Company	1,433,519,972	1,441,505,669
Other receivables	9,032,016,380	5,461,389,640
	<u>10,465,536,352</u>	<u>6,902,895,309</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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7. INVENTORIES

	31/12/2013	31/12/2012
	VND	VND
Goods in transit	66,959,431,241	49,132,971,746
Raw materials	24,259,458,215	25,750,280,164
Tools and supplies	1,716,828,122	1,608,863,796
Work in progress	18,192,892,521	16,714,056,392
Finished goods	17,042,891,431	15,882,172,349
Merchandise	459,624,881,770	388,818,661,933
Goods on consignment	167,055,587,011	63,535,508,777
Total	754,851,970,311	561,442,515,157
Provision for devaluation of inventories	(390,100,607)	(222,378,721)
Net realisable value of inventories	754,461,869,704	561,220,136,436

DRILLING MUD CORPORATION

6th-7th Floor, Vietnam Petroleum Institute Tower, 173 Trung Kinh,
Tower, Cau Giay District, Hanoi, S.R. Vietnam

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

8. TANGIBLE FIXED ASSETS

	Buildings and structures	Machinery and equipment	Office equipment	Motor vehicles	Others	Total
	VND	VND	VND	VND	VND	VND
COST						
As at 01/01/2013	140,541,912,738	100,791,493,736	8,092,163,366	48,842,700,840	76,451,000	298,344,721,680
Addition	4,491,079,289	15,883,152,402	2,367,487,484	3,011,508,518	-	25,753,227,693
Purchases	197,665,338	7,373,280,907	2,320,801,458	1,449,090,909	-	11,340,838,612
Transfer from construction in progress	4,203,720,677	7,874,704,274	23,635,462	1,284,403,285	-	13,386,463,698
Increase due to financial statements conversion	89,693,274	635,167,221	23,050,564	131,481,231	-	879,392,290
Others	-	-	-	146,533,093	-	146,533,093
Reduction	539,781,646	3,882,903,038	4,754,149,112	1,888,992,077	-	11,065,825,873
Disposals	-	70,380,959	135,497,811	1,757,904,304	-	1,963,783,074
Others	539,781,646	3,812,522,079	4,618,651,301	131,087,773	-	9,102,042,799
As at 31/12/2013	144,493,210,381	112,791,743,100	5,705,501,738	49,965,217,281	76,451,000	313,032,123,500
ACCUMULATED DEPRECIATION						
As at 01/01/2013	36,994,137,534	48,117,324,501	5,664,726,603	23,814,648,371	28,077,180	114,618,914,189
Addition	8,617,874,591	9,274,774,860	1,741,775,008	4,209,395,782	15,290,004	23,859,110,245
Charge for the year	8,534,193,645	8,895,771,057	1,730,409,701	4,101,189,002	15,290,004	23,276,853,409
Increase due to financial statements conversion	83,680,946	379,003,803	11,365,307	108,206,780	-	582,256,836
Reduction	381,302,624	1,984,707,237	3,701,023,737	1,517,534,567	-	7,584,568,165
Disposals	-	31,229,807	19,411,380	1,391,924,447	-	1,442,565,634
Others	381,302,624	1,953,477,430	3,681,612,357	125,610,120	-	6,142,002,531
As at 31/12/2013	45,230,709,501	55,407,392,124	3,705,477,874	26,506,509,586	43,367,184	130,893,456,269
NET BOOK VALUE						
As at 31/12/2013	99,262,500,880	57,384,350,976	2,000,023,864	23,458,707,695	33,083,816	182,138,667,231
As at 31/12/2012	103,547,775,204	52,674,169,235	2,427,436,763	25,028,052,469	48,373,820	183,725,807,491

The cost of the Corporation's tangible fixed assets which have been fully depreciated but are still in use as at 31 December 2013 was VND 56,447,926,488 (as at 31 December 2012: VND 45,182,363,881).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
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9. CONSTRUCTION IN PROGRESS

	<u>31/12/2013</u>	<u>31/12/2012</u>
	VND	VND
Opening balance	23,270,719,801	103,563,398,911
Addition	7,685,764,528	56,893,350,539
Decreases:	13,386,463,698	137,186,029,649
- <i>Transfer to fixed assets</i>	13,386,463,698	137,084,847,210
<i>In which: Tangible fixed assets</i>	13,386,463,698	111,090,806,971
<i>Intangible fixed assets</i>	-	25,994,040,239
- <i>Others</i>	-	101,182,439
Closing balance	<u>17,570,020,631</u>	<u>23,270,719,801</u>
In which:		
+ <i>Cai Mep Petrochemical Plant</i>	2,415,187,336	8,993,417,921
+ <i>Chemical Plant in Dung Quat</i>	-	4,685,470,763
+ <i>Cleaning equipment project</i>	12,090,204,364	9,028,425,036
+ <i>Other projects</i>	3,064,628,931	563,406,081
Total	<u>17,570,020,631</u>	<u>23,270,719,801</u>

10. INVESTMENTS IN SUBSIDIARIES

Details of the Corporation's subsidiaries as at 31 December 2013 are as follows:

Name of subsidiaries	Place of incorporation (or registration) and operation	Contributed capital VND	Proportion of ownership interest %	Proportion of voting power held %	Principal activities
DMC - Northern Petroleum Chemicals Joint Stock Company	Hanoi	37,565,000,000	95.72	95.72	Manufacturing and trading drilling fluids and petrochemical products
DMC - Southern Petroleum Chemicals Joint Stock Company	Vung Tau	35,483,000,000	90.14	90.14	
DMC - Middle Petroleum Chemicals Joint Stock Company	Quang Ngai	7,542,000,000	75.42	75.42	
Drilling Fluid and Wells Services One Member Limited Company	Vung Tau	60,000,000,000	100	100	Drilling service
M-I Drilling Fluids Vietnam L.L.C.	Vung Tau	9,161,000,006	51	51	
Bac Kan Investment and Barite Mining Joint Stock Company	Bac Kan	1,681,381,000	77.44	77.44	Exploiting, processing and trading minerals
Total		<u>151,432,381,006</u>			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) FORM B 09-DN/HN
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11. INVESTMENTS IN JOINT VENTURES

Investments in joint ventures as at 31 December 2013 represent the value of capital contribution to DMC-VTS Joint Venture Company in accordance with Joint Venture Agreement No.02/HDL/D/DMC-VTS dated 12 December 2009, with the duration of 15 years. The Joint Venture Company was established in Lao People's Democratic Republic on the basis of joint control between Vietnam parties including Drilling Mud Corporation and Northeast Coal Corporation, represented by the Corporation; and VTS Group. The Corporation holds 30% of the capital contribution.

The figures of the joint venture's financial statements used for the preparation of the consolidated financial statements of the Corporation for the year ended 31 December 2012 were translated from the USD denominated figures using the exchange rate regulated by Vietnam Oil and Gas Group and the inter-bank average exchange rate as at 31 December 2013 and 31 December 2012.

Summarised financial information in respect of the Corporation's joint venture is set out follows:

	31/12/2013 USD	31/12/2012 USD	31/12/2013 VND equivalent	31/12/2012 VND equivalent
Total assets	2,308,574.35	730,988.01	48,676,290,170	15,215,515,428
Total liabilities	944,715.26	96,988.01	19,919,321,257	2,018,805,428
Net assets	1,363,859.09	634,000.00	28,756,968,913	13,196,710,000
Exchange rates			21,085	20,815
The Company's share of joint venture's net assets	611,640.47	195,000.00	12,896,439,390	4,058,925,000

12. SHORT-TERM LOANS AND LIABILITIES

	31/12/2013 VND	31/12/2012 VND
Short-term borrowings (*)	351,246,290,027	207,763,630,536
Current portion of long-term loans (Note 16)	19,175,750,322	19,175,750,322
Total	370,422,040,349	226,939,380,858

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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12. SHORT-TERM LOANS AND LIABILITIES (Continued)

(*) Short-term borrowings include the loans obtained from the banks and financial institutions as follows:

	<u>31/12/2013</u> VND	<u>31/12/2012</u> VND
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch (i)	96,476,964,459	77,834,971,962
Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Da Branch (ii)	70,200,251,373	103,801,132,074
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ha Tay Branch (iii)	56,851,852,355	-
Vietnam Export Import Joint Stock Commercial Bank - Ba Ria Vung Tau Branch (iv)	44,931,616,400	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Vung Tau Branch	26,700,000,000	1,800,000,000
HSBC Bank (Vietnam) Ltd.	-	4,227,526,500
International Vietnam Joint Stock Commercial Bank - Vung Tau Branch	19,800,947,740	20,000,000,000
Vietnam Technological and Commercial Joint Stock Bank - Operation Center	17,283,796,200	-
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Ngai Branch	8,850,000,000	-
Military Commercial Joint Stock Bank - Thang Long Branch	4,678,761,500	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Quang Ngai Branch	3,630,000,000	-
Vietnam Joint Stock Commercial Bank for Industry and Trade - Bac Kan Branch	-	100,000,000
Vietnam Export Import Joint Stock Commercial Bank - Ba Dinh Branch	1,842,100,000	-
	<u>351,246,290,027</u>	<u>207,763,630,536</u>

- (i) Unsecured short-term loans obtained from Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh branch represent loans under Credit Contract No. 2013/HDTDHM/NHCT124-DMC dated 19 August 2013 with the credit limit of VND 150 billion and the credit limit duration is up to 30 June 2014. The loan term of no more than 6 months from the date of withdrawal is specified on each covenant. The loan purpose is to increase working capital for the Corporation's business plan in 2013. Interest rate is the basic rate (+) margin as per the Bank's regulation in each period. Interest rate is the floating rate which is subject to periodical adjustment once per month. The date of interest rate adjustment is on the 25th of each month, the first date of interest rate adjustment is made on the 25th of the month when the loan incurs and/or the 25th of the consecutive month of that month.
- (ii) Unsecured short-term loans from Vietnam Joint Stock Commercial Bank for Industry and Trade - Dong Da branch represent loans obtained under Credit Contract No. 2013-HDTDHM/NHCT124-DMC dated 30 July 2013 with the credit limit of VND 150 billion and the loan term of no more than 6 months from the effective date of the withdrawal is specified on each covenant. The loan purpose is to increase working capital for the Corporation's business plan in 2013. Interest rate is the basic rate (+) margin and not lower than floor interest rate announced by Vietnam Joint Stock Commercial Bank for Industry and Trade at the date of interest rate determination. Interest rate is subject to periodical adjustment once per month. The first date of interest rate determination is the contract date; the following date of interest rate determination is the 1st of each month.

DRILLING MUD CORPORATION6th-7th Floor, Vietnam Petroleum Institute Tower, 173 Trung Kinh
Cau Giay District, Hanoi, S.R. Vietnam**Consolidated financial statements**
For the year ended 31 December 2013**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***12. SHORT-TERM LOANS AND LIABILITIES (Continued)**

- (iii) Unsecured short-term loans obtained from Joint Stock Commercial Bank for Foreign Trade of Vietnam - Ha Tay Branch represent the loan under Credit Contract No. 62/13/HM-DMC/VCBHT dated 11 September 2013 with the credit limit of VND 80 billion and the loan term of no more than 6 months from the effective date of the withdrawal is specified on each covenant. The loan purpose is to increase working capital for the Corporation's business plan in 2013. Loan's interest is paid from 26th day to the last day of each month.
- (iv) Unsecured short-term loans from Vietnam Export Import Joint Stock Commercial Bank - Ba Ria Vung Tau Branch represent loans no more than 4 months from the effective date of the withdrawal which is specified on each covenant. The loan purpose is to increase working capital for Drilling Fluid and Wells Services One Member Limited Company's business plan in 2013.

13. TAXES AND AMOUNTS PAYABLE TO THE STATE BUDGET

Items	01/01/2013	Amount payable and adjustments due to the consolidation	Amount paid	31/12/2013
	VND	VND	VND	VND
Taxes	64,194,560,564	267,139,532,393	263,482,646,539	67,851,446,418
Value added tax of domestic goods and services payables	(5,780,506,594)	43,555,739,563	32,421,402,155	5,353,830,814
Value added tax of domestic goods and services receivables	-	2,506,689,950	3,905,781,282	(1,399,091,332)
Value added tax of imported goods	-	105,603,791,189	105,334,180,012	269,611,177
Import/export duties	74,688,167	8,061,304,868	8,087,826,906	48,166,129
Corporate income tax payables	64,207,030,634	59,174,647,259	63,002,646,324	60,379,031,569
Corporate income tax receivables	573,336,576	665,878,750	1,646,949,873	(407,734,547)
Personal income tax	3,977,771,805	35,020,726,134	36,596,988,087	2,401,509,852
Natural resources tax	198,255,726	524,411,569	354,918,325	367,748,970
Real estate tax payables	-	565,121,471	565,121,471	-
Real estate tax receivables	-	110,586,798	151,640,954	(41,054,156)
Business registration tax	-	12,000,000	12,000,000	-
Others	943,984,250	11,338,634,842	11,403,191,150	879,427,942
Other payables	782,459	4,265,426,381	4,191,408,900	74,799,940
Fees and charges	782,459	4,265,426,381	4,191,408,900	74,799,940
Total	64,195,343,023	271,404,958,774	267,674,055,439	67,926,246,358
<i>In which:</i>				
- Taxes and amounts receivable from the State budget	-			1,847,880,035
- Taxes and amounts payable to the State budget	64,195,343,023			69,774,126,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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14. ACCRUED EXPENSES

	<u>31/12/2013</u>	<u>31/12/2012</u>
	VND	VND
Mixing and pumping expense	2,098,400,285	1,378,161,150
Technical service	1,138,632,170	2,911,977,703
Machinery and equipment	3,557,208,180	11,300,943,702
Engineers	2,316,419,185	3,724,348,229
Temporarily imported goods	1,277,910,795	15,901,590,996
Others	24,494,610,708	10,357,008,577
	<u>34,883,181,323</u>	<u>45,574,030,356</u>

15. OTHER CURRENT PAYABLES

	<u>31/12/2013</u>	<u>31/12/2012</u>
	VND	VND
Joint venture interest payable to MI LLC	113,859,000,000	77,550,591,205
Vietnam Oil and Gas Group	2,400,000,000	3,949,298,819
Others	17,088,492,307	10,645,821,202
	<u>133,347,492,307</u>	<u>92,145,711,226</u>

16. LONG-TERM LOANS AND LIABILITIES

	<u>31/12/2013</u>	<u>31/12/2012</u>
	VND	VND
Vietnam Export Import Commercial Joint Stock Bank- Operation Center I (i)	12,797,092,954	18,737,584,470
Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch (ii)	52,941,035,225	66,176,294,031
Joint Stock Commercial Bank for Foreign Trade of Vietnam - Quang Ngai Branch	401,700,000	-
	<u>66,139,828,179</u>	<u>84,913,878,501</u>

- (i) Represents the long-term loan obtained from Vietnam Export Import Commercial Joint Stock Bank-Operation Center I under Credit Contract No. 2000-LAV-201007419 dated 06 December 2010 with the credit limit of VND 81 billion. The loan term is 72 months, and the principal is graced for 12 months from the first disbursement date. The interest rate is adjusted once per month, and is 12-month saving interest rate (paid in arrears) plus (+) a margin of 3% per annum. Overdue interest rate is equal to 150% of the due interest rate. The loan is used to purchase tank cleaning system, offshore oil storage and oil tankers. The loan is secured by the assets acquired from the loan.
- (ii) Represents the long-term loan obtained from Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh branch under Credit Contract No. 02-2011/HDTD dated 27 October 2011 with the credit limit of VND 104 billion. The loan term is 84 months and the principal is graced for 12 months from the first disbursement date. The interest rate is adjusted once per month and is the saving interest rate in VND (paid in arrears) plus (+) the margin specified for each period (the margin at the signing date is 4.5%). Overdue interest rate is equal to 150% of the due interest rate. The loan is used to pay for the expenses incurred from Cai Mep PetroChemical Plant Project. The loan is secured by the revenue from business contracts when the assets of the project have not been formed, fixed assets formed from the project, regular deposits at Vietnam Joint Stock Commercial Bank for Industry and Trade - Ba Dinh Branch, leasing land-use rights at Cai Mep Industrial Zone.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements

16. LONG-TERM LOANS AND LIABILITIES (Continued)

Long-term loans are repayable as follows:

	31/12/2013	31/12/2012
	VND	VND
Within one year	19,175,750,322	19,175,750,322
In second year	19,880,579,470	19,175,750,322
In the third to fifth year inclusive	46,259,248,709	52,502,869,372
After five years	-	13,235,258,807
Total	85,315,578,501	104,089,628,823
Less: Amount due for settlement within 12 months (shown under current liabilities)	19,175,750,322	19,175,750,322
Amount due for settlement after 12 months	66,139,828,179	84,913,878,501

DRILLING MUD CORPORATION6th-7th Floor, Vietnam Petroleum Institute Tower, 173 Trung Kinh,
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)*These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***17. SHAREHOLDERS' EQUITY****Movement in shareholders' equity**

	Charter capital	Share premium	Foreign exchange reserve	Investment and development fund	Financial reserve fund	Other shareholders' funds	Retained earnings	Total
	VND	VND	VND	VND	VND	VND	VND	VND
As at 01/01/2012	350,000,000,000	17,847,745,000	9,357,729,424	42,138,707,515	12,990,559,293	-	191,738,571,108	624,073,312,340
Increase from the Joint Venture	150,000,000,000	1,117,500,000	-	-	-	-	-	151,117,500,000
Profit after tax for the year	-	-	-	-	-	-	139,484,224,606	139,484,224,606
Foreign exchange difference due to financial statements conversion	-	-	(3,611,179,862)	-	-	-	-	(3,611,179,862)
Funds distribution	-	-	-	5,610,479,888	3,694,763,371	93,455,588	(9,398,698,847)	-
Other increases	-	-	1,193,946,834	-	-	-	6,746,373,503	7,940,320,337
Appropriation of bonus and welfare funds and executive board's bonus fund	-	-	-	-	-	-	(26,057,881,573)	(26,057,881,573)
Dividends declared	-	-	-	-	-	-	(49,000,000,000)	(49,000,000,000)
Others decreases	-	-	(4,354,579,573)	-	(3,400,000)	-	(2,181,388,065)	(6,539,367,638)
As at 01/01/2013	500,000,000,000	18,965,245,000	2,585,916,823	47,749,187,403	16,681,922,664	93,455,588	251,331,200,732	837,406,928,210
Profit after tax for the year	-	-	-	-	-	-	78,540,090,819	78,540,090,819
Foreign exchange difference due to financial statement conversion	-	-	114,655,790	-	63,400,197	-	-	178,055,987
Funds distribution (*)	-	-	-	10,845,962,406	4,775,739,875	-	(15,621,702,281)	-
Other increases	-	-	-	-	-	-	605,818,108	605,818,108
Appropriation of bonus and welfare funds and executive board's bonus fund (*)	-	-	-	-	-	-	(21,470,914,967)	(21,470,914,967)
Dividends declared (*)	-	-	-	-	-	-	(50,000,000,000)	(50,000,000,000)
Others decreases	-	-	(26,930,609)	-	(276,055,840)	-	-	(302,986,449)
As at 31/12/2013	500,000,000,000	18,965,245,000	2,673,642,004	58,595,149,809	21,245,006,896	93,455,588	243,384,492,411	844,956,991,708

(*) According to Resolution of the General Shareholders' Annual Meeting No. 870/NQ-DMC of the Corporation dated 22 April 2013 on funds appropriation and dividend declared from profit for the year 2012, the Corporation distributed funds and declared the dividends payable to the shareholders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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17. SHAREHOLDERS' EQUITY (Continued)

Shares	31/12/2013	31/12/2012
Number of common shares registered to issue	50,000,000	50,000,000
Number of common shares issued to public	50,000,000	50,000,000
Number of treasury shares	-	-
Number of outstanding common shares in circulation	50,000,000	50,000,000
The par value of each common share is VND 10,000.		

Charter capital and investment capital

As at 31 December 2013, the proportion of charter capital held by shareholders are as follows:

- Vietnam Oil and Gas Group - the State shareholder held 17,999,619 shares, equivalent to VND 179,996,190,000, accounting for 36% of the charter capital.
- PetroVietnam Fertilizer and Chemicals Joint Stock Corporation held 5,133,202 shares, equivalent to VND 51,332,020,000, accounting for 10.27% of the charter capital.
- Other shareholders held 26,867,179 shares, equivalent to VND 268,671,790,000, accounting for 53.73% of the charter capital.

Dividends and distribution

During 2013, the Corporation declared dividends and made funds distribution from retained earnings of 2012 under Resolutions issued by the General Shareholders' Annual Meetings in 2012 of the Corporation and its subsidiaries.

18. NET SALES

	2013 VND	2012 VND
Gross sales	3,846,929,856,548	3,755,220,819,379
+ Sales of goods sold	3,437,266,682,602	3,361,978,139,712
+ Sales of services rendered	409,663,173,946	393,242,679,667
Deduction	231,894,323,675	46,639,047,943
+ Sales discount	2,531,126	-
+ Sales rebates	-	97,989,758
+ Sales return	229,656,870,623	45,849,721,487
+ Export duty	2,234,921,926	691,336,698
Net sales	3,615,035,532,873	3,708,581,771,436

19. PRODUCTION COST BY NATURE

	2013 VND	2012 VND
Raw materials and consumables	1,200,240,326,901	1,341,129,579,405
Labour	142,266,141,588	118,538,456,532
Depreciation and amortisation	24,069,714,746	22,406,842,001
Out-sourced services	1,952,813,511,777	2,074,600,431,661
Other monetary expenses	54,682,732,034	39,248,291,972
	3,374,072,427,046	3,595,923,601,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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20. FINANCIAL INCOME

	2013	2012
	VND	VND
Bank and loan interest	9,666,804,024	5,794,626,444
Unrealised foreign exchange gain	443,299,042	-
Realised foreign exchange gain	3,863,158,807	213,219,298
Others	5,177,450,525	12,851,080,750
	19,150,712,398	18,858,926,492

21. FINANCIAL EXPENSES

	2013	2012
	VND	VND
Interest expense	19,659,506,056	29,264,183,041
Administration expenses and salary allocated for activities of the joint venture	5,666,600,000	4,964,083,605
Unrealised foreign exchange loss	8,956,256,149	51,152,191
Realised foreign exchange loss	24,608,500	4,616,823,019
Others	1,523,298,402	221,337,805
	35,830,269,107	39,117,579,661

22. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share possibly attributable to the ordinary equity holders of the Corporation is based on the following data:

	2013	2012
	VND	VND
Net profit after tax attributable to the shareholders of the parent company	78,540,090,819	139,484,224,606
Weighted average number of shares in circulation	50,000,000	36,638,568
Basic earnings per share	1,571	3,807

23. OPERATING LEASE COMMITMENTS

In 2010, the Corporation had an operating lease for its head office located on the Vietnam Petroleum Institute Tower at No. 173 Trung Kinh street, Cau Giay district, Hanoi under office lease contract No. 2917/2010/HD-VDKVN dated 21 December 2010 for the period of 50 years from the date of office hand-over (10 August 2010). The leasing area is 3,060 m² at the rental charge of VND 41,000,000/m²/50 years. The total contract value of VND 125,460,000,000 (excluding VAT) will be payable in 10 years, twice a year on every 01 January and 01 July. The capital utilizing cost of 10% per year is calculated on the unpaid amount.

Two parties signed Appendix No. 4 on 14 May 2013 to adjust some provisions of Contract No. 2917/2010/HD-VDKVN dated 21 December 2010; therefore, from 01 January 2013 to 30 June 2015, the rental charge shall be VND 273,000/m²/month; from 01 July 2015, the rental charge shall be based on market price. Up to the date of these consolidated financial statements, the Corporation fully paid the rental charge for the period to 30 June 2015. From 01 July 2015, rental charge shall be paid twice a year on every 01 January (for the period from 01 January to 30 June) and 01 July (for the period from 01 July to 31 December).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) **FORM B 09-DN/HN**
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24. FINANCIAL INSTRUMENTS

Capital risk management

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

The capital structure of the Corporation consists of net debt (borrowings disclosed in Notes 12 and 16, offset by cash and cash equivalents) and the Shareholders' equity (comprising capital, reserves and retained earnings).

Gearing ratio

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

	<u>31/12/2013</u>	<u>31/12/2012</u>
	VND	VND
Borrowings	436,561,868,528	311,853,259,359
Less: Cash and cash equivalents	448,989,852,292	349,794,504,974
Net debt	-	-
Equity	845,922,844,737	837,581,411,360
Net debt to equity ratio	-	-

Significant accounting policies

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

Categories of financial instruments

	<u>Carrying amounts</u>	
	<u>31/12/2013</u>	<u>31/12/2012</u>
	VND	VND
Financial assets		
Cash and cash equivalents	448,989,852,292	349,794,504,974
Trade and other receivables	587,220,379,815	637,481,454,081
Short-term financial investments	-	2,081,500,000
Deposits	2,044,692,498	781,141,367
Total	1,038,254,924,605	990,138,600,422
Financial liabilities		
Borrowings	436,561,868,528	311,853,259,359
Trade and other receivables	585,633,979,078	449,848,258,856
Accruals	34,883,181,323	45,574,030,356
Total	1,057,079,028,929	807,275,548,571

The Corporation has not 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 issued by the Ministry of Finance on 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.

DRILLING MUD CORPORATION
24. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives

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

Market risk

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

Foreign currency risk management

The Corporation undertakes certain transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Corporation does not hedge these risk exposures due to the lack of any market to purchase financial instruments.

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

	Assets		Liabilities	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
	VND	VND	VND	VND
United States Dollar (USD)	50,879,141,117	245,730,216,948	370,764,863,238	37,243,888,594

Foreign currency sensitivity

The Corporation is mainly exposed to United States Dollar.

The following table details the Corporation's sensitivity to a 10% increase and decrease in Vietnam Dong against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in the foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in the foreign currency rate. For a 10% increase/decrease in the following foreign currency against Vietnam Dong, the profit/(loss) before tax in the year would decrease/increase by the following amount:

	2013	2012
	VND	VND
United States Dollar (USD)	(31,988,572,212)	20,848,632,835

Interest rate risk management

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

The interest rate sensitivity

The loan's sensitivity to interest rate changes which may arise at an appropriate level is presented in the following table. Assuming all other variables were held constant, if interest rates applicable to floating interest bearing loans had been 200 basis points higher/lower, the Corporation's profit before tax for the year ended 31 December 2013 would have changed as follows:

24. FINANCIAL INSTRUMENTS (Continued)

The interest rate sensitivity (Continued)

	<u>Increase/(decrease) in basis points</u>	<u>Impact on profit before tax</u> VND
For the year ended 31 December 2013		
VND	+200	(8,475,295,511)
VND	-200	8,475,295,511
For the year ended 31 December 2012		
VND	+200	(5,795,676,310)
VND	-200	5,795,676,310

Equity instruments price risk management

The Corporation is exposed to equity instruments price risks arising from investments in the joint venture. The Corporation's Board of Management assesses and approves decisions on investments in subsidiaries and associates such as operating industry, investees, etc. Investments in the joint venture are held for long-term strategic investments rather than trading purposes. The Corporation does not have intention to trade these investments in the foreseeable future.

Commodity price risk management

The Corporation purchases materials, commodities from local and foreign suppliers for business purpose. Therefore, the Corporation is exposed to the risk of changes in selling prices of materials, commodities.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. The Corporation has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. At the balance sheet date, there is a significant concentration of credit risk arising on the amounts due from Phu Thinh Export Import Production Joint Stock Company, Khang Minh Development Investment Joint Stock Company, Binh Son Refining and Petrochemical Company Limited (BSR), Bien Dong Petroleum Operating Company, Petroleum Trading Joint Stock Company, Japan-Vietnam petroleum Company Limited, Cuu Long Joint Operating Company and Thang Long Joint Operating Company. The maximum exposure to credit risk is represented by the carrying amount of balances due from these companies.

Liquidity risk management

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

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

Liquidity risk management (Continued)

	Less than 1 year VND	1-5 years VND	Over 5 years VND	Total VND
31/12/2013				
Cash and cash equivalents	448,989,852,292	-	-	448,989,852,292
Trade and other receivables	587,220,379,815	-	-	587,220,379,815
Deposits	712,772,138	1,331,920,360	-	2,044,692,498
Total	1,036,923,004,245	1,331,920,360	-	1,038,254,924,605
31/12/2013				
Borrowings	370,422,040,349	66,139,828,179	-	436,561,868,528
Trade and other payables	585,633,979,078	-	-	585,633,979,078
Accruals	34,883,181,323	-	-	34,883,181,323
Total	990,939,200,750	66,139,828,179	-	1,057,079,028,929
Net liquidity gap	45,983,803,495	(64,807,907,819)	-	(18,824,104,324)
31/12/2012				
Cash and cash equivalents	349,794,504,974	-	-	349,794,504,974
Trade and other receivables	637,481,454,081	-	-	637,481,454,081
Short term investments	2,081,500,000	-	-	2,081,500,000
Other financial assets	613,845,800	167,295,567	-	781,141,367
Total	989,971,304,855	167,295,567	-	990,138,600,422
31/12/2012				
Borrowings	226,939,380,858	71,678,619,694	13,235,258,807	311,853,259,359
Trade and other payables	449,848,258,856	-	-	449,848,258,856
Accruals	45,574,030,356	-	-	45,574,030,356
Total	722,361,670,070	71,678,619,694	13,235,258,807	807,275,548,571
Net liquidity gap	267,609,634,785	(71,511,324,127)	(13,235,258,807)	182,863,051,851

The management assessed the liquidity risk concentration at low level. The management believes that the Corporation will be able to generate sufficient funds to meet its financial obligations as and when they fall due.

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DRILLING MUD CORPORATION6th-7th Floor, Vietnam Petroleum Institute Tower, 173 Trung Kinh,
Cau Giay District, Hanoi, S.R. Vietnam**Consolidated financial statements**
For the year ended 31 December 2013**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)****FORM B 09-DN/HN***These notes are an integral part of and should be read in conjunction with the accompanying consolidated financial statements***25. RELATED PARTY TRANSACTIONS AND BALANCES**

List of related parties of the Corporation as at 31 December 2013 and/or 31 December 2012 is as follows:

Related parties	Relationship
Vietnam Oil and Gas Group	Parent Company
PetroVietnam Fertilizer and Chemicals Corporation	Shareholder
Petroleum Trading Joint Stock Company	In Group
Bien Dong Petroleum Operating Company	In Group
Joint Venture Vietsovpetro	In Group
Binh Son Refining and Petrochemical Company Limited (BSR)	In Group
Indochina Petroleum Transportation Joint Stock Company	In Group
BJ services-PV Drilling Joint Venture Company Limited	In Group
Dung Quat Shipbuilding Industry One Member Company Limited	In Group
Branch of PetroVietnam Fertilizer and Chemicals Corporation- Phu My Fertilizer Plant Drilling Division	In Group
Central Petrovietnam Fertilizer and Chemical joint Stock Company	In Group
Branch of PetroVietnam Power Corporation - Ca Mau Petro Power Company	In Group
PTSC Quang Ngai Petroleum Services Joint Stock Company	In Group
Branch of PetroVietnam General Services Joint Stock Corporation - PetroVietnam Industrial Material Distribution Company	In Group
PetroVietnam Energy Technology Corporation	In Group
Branch of PV Oil - Mien Dong Petroleum Depot	In Group
PetroVietnam Vung Ang-Quang Trach Power Project Management Board	In Group
PetroVietnam Marine Shipyard Joint Stock Company	In Group
PTSC Geos and Subsea Services Company	In Group
Petroleum Information Technology Telecom and Automation Joint Stock Company (PVC-HN)	In Group
North PetroVietnam Fertilizer and Chemicals Joint Stock Company	In Group
Vietnam Petroleum Institute	In Group
Hanoi Petroleum Construction Joint Stock Company (PVC-HN)	In Group
Southeast PetroVietnam Fertilizer and Chemicals Joint Stock Company	In Group
Vietnam Transportation Corporation	In Group
PetroVietnam Thai Binh Power Project No.2 Management Board	In Group
PetroVietnam Ca Mau Fertilizer Company Limited (PVCFC)	In Group
PetroVietnam Domestic Exploration Production Corporation	In Group
Petroleum Pipeline and Tank Construction Joint Stock Company	In Group
Mien Trung Petroleum Construction Joint Stock Company (PVC - MT)	In Group
PV Oil Hanoi	In Group
PV Oil Vung Tau	In Group
PetroVietnam Transportation Hanoi Joint Stock Company	In Group
Petroleum Supply Base	In Group
Petrosetco Assets Management JSC (PSA)	In Group
Branch of PV Oil - Central Oil and Gas Petroleum Company Limited	In Group

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25. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

List of related parties of the Corporation as at 31 December 2013 and/or 31 December 2012 is as follows
(Continued):

Related parties	Relationship
Central Oil and Gas Petroleum Joint Stock Company	In Group
PVI Hanoi	In Group
PetroVietnam Petrochemical and Textile Fiber Joint Stock Company	In Group
Petrovietnam Central Biofuels Joint Stock Company	In Group
PTSC Quang Ngai Petroleum Services Joint Stock Company	In Group
PetroVietnam Energy Technology Corporation	In Group
PVCombank (formerly known as PVFC)	In Group
PetroVietnam Security Joint Stock Company	In Group
PetroVietnam Fertilizer and Chemicals Corporation	In Group
Hanoi Petroleum Construction Joint Stock Company (PVC-HN)	In Group
Petrowaco Property Joint Stock Company	In Group
PetroVietnam Domestic Exploration Production Operating Company Limited (PVEP POC)	In Group

25. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

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

	2013 VND	2012 VND
Sales		
PetroVietnam Domestic Exploration Production Operating Company Limited (PVEP POC)	134,547,610,873	104,397,207,908
PetroVietnam Trading Joint Stock Company	194,319,709,386	258,659,931,564
Bien Dong Petroleum Operating Company	159,494,109,948	201,479,150,658
Joint Venture Vietsoyepetro	126,671,861,128	130,321,947,849
Binh Son Refining and Petrochemical Company Limited (BSR)	67,916,713,348	45,018,911,481
Indochina Petroleum Transportation Joint Stock Company	-	23,398,909,091
BJ Services - PV Drilling Joint Venture Limited	40,900,962,935	23,242,257,219
Dung Quat Ship Building Industry One Member Company Limited	11,610,568,157	10,705,939,932
PetroVietnam Fertilizer and Chemicals Corporation- Phu My Fertilizer Plant	4,897,643,209	8,125,824,155
PV Drilling Division	7,462,681,265	7,264,940,292
Central PetroVietnam Fertilizer and Chemicals Joint Stock Company	9,501,277,546	7,206,262,707
Branch of PetroVietnam Power Corporation - Ca Mau Petro Power Company	2,009,481,800	6,132,441,000
PTSC Quang Ngai Petroleum Services Joint Stock Company	7,905,716,084	4,821,336,800
Branch of PetroVietnam General Services Joint Stock Corporation - PetroVietnam Industrial Material	-	2,900,000,000
PetroVietnam Energy Technology Corporation	505,236,364	2,143,636,364
Branch of PetroVietnam Oil Corporation- Mien Dong Petroleum Depot	1,454,545,455	1,338,181,818
PetroVietnam Vung Ang-Quang Trach Power Project Management Board	611,636,250	832,588,500
PetroVietnam Marine Shipyard Joint Stock Company	273,529,730	829,396,000
PTSC Geos and Subsea Services Company	1,682,358,000	448,628,800
Petrolimex Information Technology Telecom and Automation Joint Stock Company	-	328,168,209
North PetroVietnam Fertilizer and Chemicals Joint Stock Company	205,909,093	295,000,000
Vietnam Petroleum Institute	-	265,810,000
PetroVietnam Thai Binh Power Project No.2 Management Board	530,318,700	-
PetroVietnam Ca Mau Fertilizer Company Limited (PVCFC)	16,656,903,406	-
PetroVietnam Domestic Exploration Production Corporation	22,198,093,252	-
Income from other activities		
Petrowaco Property Joint Stock Company (Petrowaco)	-	2,246,400,000

DRILLING MUD CORPORATION6th-7th Floor, Vietnam Petroleum Institute Tower, 173 Trung Kinh,
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During the year, the Corporation entered into the following significant transactions with its related parties (Continued):

	<u>2013</u>	<u>2012</u>
	VND	VND
Purchase of goods, rendering of services		
Binh Son Refining and Petrochemical Company Limited (BSR)	892,975,470,260	675,194,502,814
Central PetroVietnam Fertilizer and Chemicals Joint Stock Company	44,196,842,856	45,402,106,922
North PetroVietnam Fertilizer and Chemicals Company	19,224,750,000	26,201,904,763
Vietnam Oil and Gas Group	1,492,124,004	1,611,143,676
Petroleum Pipeline and Tank Construction Joint Stock Company	2,862,775,220	30,080,296,066
Vietnam Petroleum Institute	887,542,331	23,950,979,195
PetroVietnam Building and Commercial Joint Stock Company	-	18,818,422,285
Mien Trung Petroleum Construction Joint Stock Company	3,112,812,846	-
Hanoi Oil and Gas Petroleum JSC.	10,213,452,821	26,201,111,950
Vung Tau Oil and Gas Petroleum JSC.	3,710,621,561	4,180,555,942
Vietnam Transportation Hanoi Joint Stock Company	4,156,947,936	7,480,097,885
Petroleum Supply Base	40,729,529,636	42,627,115,924
PetroVietnam Assets Management JSC. (PSA)	6,382,553,027	7,741,889,461
Central Oil and Gas Petroleum Joint Stock Company	5,444,077,726	7,635,443,774
PVI Hanoi	475,783,396	616,408,498
PetroVietnam Petrochemical and Textile Fiber Joint Stock Company	-	27,212,944,030
PetroVietnam Domestic Exploration Production Operating Company Limited (Block 103-107)	3,107,356,001	-
Petrovietnam Central Biofuels Joint Stock Company	1,412,656,453	-
PTSC Quang Ngai Petroleum Services Joint Stock Company	6,230,869,494	-
PetroVietnam Energy Technology Corporation	505,236,364	-
PetroVietnam Security Joint Stock Company	712,322,787	-
Short-term borrowings obtained from PVCombank (formerly known as PVFC)		
Proceeds from borrowings	-	42,960,884,651
Repayment of borrowings	-	42,960,884,651
Interest payable	-	2,742,699,618
Interest paid	-	2,742,699,618
Dividends paid in cash		
Vietnam Oil and Gas Group	17,999,619,800	16,348,494,400
PetroVietnam Fertilizer and Chemicals Corporation	5,133,202,000	3,948,043,400