

**REPORT OF THE DIRECTORS**

The Directors of the company present this report together with the audited financial statements for the fiscal year ended 31 December 2009.

**Business highlights**

Power Engineering Consulting Joint Stock Company 4 is state-owned joint stock company, established on the basis of transforming state - owned company namely Power Engineering Consulting Company 4 to joint stock company.

Power Engineering Consulting Joint Stock Company 4 has official operated from 01 August 2007 in line with the business registration certificate No. 3703000280 dated 01 August 2007, the first change on 19 May 2008, the second time on 12 June 2009 and the third time on 5 December 2009 granted by Khanh Hoa Investment and Planning Department.

Power Engineering Consulting Joint Stock Company 4 has inherited all the interests of Power Engineering Consulting Company 4 starting from the date of business registration certificate for joint stock company.

Prescribed capital of the company in line with business registration certificate for second time is VND 34.295.500.000. It is divided into 3.429.550 of common stocks at face value of VND10.000 /stock.

Structure of prescribed capital of the company is as follows:

	As of 31 December 2009		As of 31 December 2008	
	Share capital	Rate (%)	Share capital	Rate (%)
Electricity of Vietnam (EVN)	18.102.000.000	52,78	15.085.000.000	54,85
Others	16.193.500.000	47,22	12.415.000.000	45,15
Total	<u>34.295.500.000</u>	<u>100,00</u>	<u>27.500.000.000</u>	<u>100,00</u>

Shares of the company (code: TV4) have been listed at Hanoi Securities Trading Centre.

Business activity as in business registration certificate:

- Providing consulting service for power project, network, lightening and new and renewable energy.
- Design of hydraulic projects.
- Establishment of power development plan for the region, provinces, cities, districts and precincts and development plan for new and renewable energy.
- Topographical investigation and survey investigation of works, hydrogeology, geotechnics.
- Hydrometeorology investigation, measurement and observation for projects.
- Treatment for foundation consolidation, comprising of measuring and plotting geological map for works, hydrogeology, boring, investigation excavation, geophysics, construction materials investigation and grouting.
- Providing service for measuring and plotting topographical map and land survey map, works deformation control.
- Project supervision and investigation.
- Providing consulting service for establishment of pre-feasibility study report, feasibility study report, technical design, working drawings, total invested capital, total cost estimate, estimated cost; establishment of bidding documents, tender documents evaluation; project construction supervision.
- Supervision of power project, networks, civil industry and hydraulics works.
- Providing consulting service for design of tertiary highway construction, designing on structure for tertiary civil works to 6 floors, quadruple industrial works, designing on architecture for tertiary civil and industrial works.
- Testing on physical-mechanical properties of soils and rocks, works' foundation and construction materials, testing and verifying project quality.



# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

## REPORT OF THE DIRECTORS (cont.)

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- Testing, analyzing and evaluating environmental criteria, environmental impacts investigation and evaluation, environmental supervision.
- Providing consulting service for examination, evaluation of pre-feasibility study report, feasibility study report, technical design, working drawings, total invested capital, total cost estimate, estimated cost; bidding documents for construction projects.
- Providing consulting service on management of construction investment.
- Testing, analyzing and evaluating environmental criteria.
- Environmental supervision.
- Producing and trading electricity.
- Trading activities involved to equipment materials import and export.
- Trading software and IT equipments.
- Processing and manufacturing power components, materials.
- Power installation.
- Trading hotel.
- Transporting goods by cars.
- Trading real estate and leasing office.

### **Registered office**

Address : 11 Hoang Hoa Tham St., – Nha Trang City – Khanh Hoa Province  
Tel : (058) 2220 405  
Fax : (058) 2220 400  
Website : www.pecc4.com.vn

### **Representative office in Ho Chi Minh City:**

Address : 46/8 Tran Quy Khoach – Tan Dinh Ward – District 1 – Ho Chi Minh City

### **Branch in Northern:**

Address : 10-A4 Dam Trau Town – Bach Dang Ward – Hai Ba Trung District – Hanoi City

### **Material effects to the operation of the company**

Pursuant to Resolution of Shareholder's annual meeting dated 10 April 2009, shareholders have approved to delegate the Board of Management to perform the necessary procedures of increasing prescribed capital of the company from VND 27.500.000.000 up to VND 34.295.500.000 by issuing bonus shares from retained earnings and from bonus and welfare fund at amount of VND 5.436.400.000 and VND 1.359.100.000 respectively. Performing this Regulation, Board of Management has already completed the necessary procedures of increasing prescribed capital from 12 June 2009.

### **Financial position and business results**

The financial position as of 31 December 2009, the business results and the cash flows for the fiscal year then ended of the company have been expressed in the financial statements attached to this report (from page 06 to page 29).

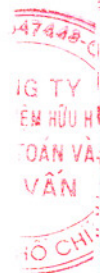
Pursuant to Resolution of Shareholder's annual meeting dated 10 April 2009, the company has performed the necessary procedures to issue the bonus shares from retained earnings of the year ended 2008 with total amount of VND 5.436.400.000.

### **Subsequent events**

The Directors of the company hereby ensure that there have been no events from 31 December 2009 to the date of this report which need to make adjustments on the figures or the disclosures in the financial statements.

### **The Board of management and the Executive officers**

The Board members and the Executive officers of the company during the year and to the date of this report include:



**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

REPORT OF THE DIRECTORS (cont.)

**Board of management**

<b>Full names</b>	<b>Position</b>	<b>Appointing date</b>	<b>Resigning date</b>
Mr. Pham Minh Son	Chairman	10 July 2007	-
Mr. Tran Van Tho	Member	10 July 2007	-
Mr. Van Cong Minh	Member	26 April 2008	-
Mr. Nguyen Duc Hoa	Member	26 April 2008	-
Mr. Luong Van Dai	Member	30 June 2008	-

**Directors**

<b>Full names</b>	<b>Position</b>	<b>Appointing date</b>	<b>Resigning date</b>
Mr. Pham Minh Son	General Director	16 August 2007	-
Mr. Tran Van Tho	Deputy General Director	16 August 2007	-
Mr. Tran Hoai Nam	Deputy General Director	16 August 2007	-
Mr. Vu Thanh Danh	Chief Accountant	16 August 2007	-

**Confirmation of the Directors**

The Directors of the company are responsible for the preparation of the financial statements to give a true and fair view on the financial position, the business results and the cash flows of the company for each of the company's fiscal year. In order to prepare these financial statements, the Directors must:

- Select appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;
- Announce the accounting standards to be followed for the material issues to be disclosed and explained in the financial statements;
- Prepare the financial statements of the company on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate.

The Directors hereby ensure that all the requirements above have been followed when the financial statements are prepared, that all the accounting books have been fully recorded by the company and can fairly reflect the financial position of the company at any time, and that all the financial statements have been prepared in compliance with the prevailing Vietnamese accounting system and standards.

The Directors of the company are also responsible for protecting the company's assets and consequently have taken appropriate measures to prevent and detect events causing loss and damages to the company's assets, frauds and other irregularities.

We, the Directors of the company, confirm that all the accompanying financial statements have been properly prepared and have given a true and fair view on the financial position as of 31 December 2009, the business results and the cash flows for the the fiscal year ended 31 December 2009 of the company, in compliance with the prevailing Vietnamese accounting system and standards as well as other related regulations.

For and on behalf of the Directors,



**Pham Minh Son**  
**General Director**

Date: 19 March 2010



**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**BALANCE SHEET**

As of 31 December 2009

Unit: VND

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>112.512.263.766</b>	<b>87.879.327.227</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>20.554.939.053</b>	<b>713.499.346</b>
1. Cash	111		7.554.939.053	713.499.346
2. Cash equivalents	112		13.000.000.000	-
<b>II. Short-term investments</b>	<b>120</b>		-	-
1. Short-term investment	121		-	-
2. Provision for devaluation of long-term investment	129		-	-
<b>III. Accounts receivable</b>	<b>130</b>		<b>86.269.590.198</b>	<b>84.430.886.372</b>
1. Receivable from customers	131	V.2	93.698.113.679	87.406.621.151
2. Prepayments to suppliers	132	V.3	2.989.497.797	2.523.012.666
3. Inter-company receivable	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Other receivable	135	V.4	819.812.603	1.062.917.158
6. Provision for bad debts	139	V.5	(11.237.833.881)	(6.561.664.603)
<b>IV. Inventories</b>	<b>140</b>		<b>4.347.249.847</b>	<b>1.685.656.545</b>
1. Inventories	141	V.6	4.347.249.847	1.685.656.545
2. Provisions for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>1.340.484.668</b>	<b>1.049.284.964</b>
1. Short-term prepaid expenses	151		8.914.000	8.330.100
2. VAT to be deducted	152		-	-
3. Taxes and accounts receivable to the State	154		-	-
4. Other current assets	158	V.7	1.331.570.668	1.040.954.864

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Balance sheet (cont.)**

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>35.550.480.443</b>	<b>31.085.478.185</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		<b>4.048.969.157</b>	<b>931.983.754</b>
1. Long-term receivable from customers	211	V.8	4.048.969.157	931.983.754
2. Capital in subsidiary	212		-	-
3. Inter-company receivable	213		-	-
4. Other long-term receivable	218		-	-
5. Provision for bad debts	219		-	-
<b>II. Fixed assets</b>	<b>220</b>		<b>24.118.847.800</b>	<b>27.227.590.584</b>
1. Tangible assets	221	V.9	7.744.068.464	10.742.696.329
<i>Historical costs</i>	222		25.987.430.696	25.549.575.925
<i>Accumulated depreciation</i>	223		(18.243.362.232)	(14.806.879.596)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	16.374.779.336	16.484.894.255
<i>Initial costs</i>	228		17.515.099.487	17.372.918.381
<i>Accumulated amortization</i>	229		(1.140.320.151)	(888.024.126)
4. Construction in progress	230		-	-
<b>III. Investment property</b>	<b>240</b>		<b>-</b>	<b>-</b>
Historical costs	241		-	-
Accumulated depreciation	242		-	-
<b>IV. Long-term investments</b>	<b>250</b>		<b>6.058.000.000</b>	<b>1.500.000.000</b>
1. Investment in subsidiaries	251		-	-
2. Investment in business concerns, joint venture	252		-	-
3. Other long-term investments	258	V.11	6.058.000.000	1.500.000.000
4. Provision for devaluation of long-term investments	259		-	-
<b>V. Other long-term assets</b>	<b>260</b>		<b>1.324.663.486</b>	<b>1.425.903.847</b>
1. Long-term prepaid expenses	261	V.12	1.244.663.486	1.418.903.847
2. Deferred income tax	262		-	-
3. Other long-term assets	268		80.000.000	7.000.000
<b>TOTAL ASSETS</b>	<b>270</b>		<b><u>148.062.744.209</u></b>	<b><u>118.964.805.412</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Balance sheet (cont.)**

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
<b>A - LIABILITIES</b>	<b>300</b>		<b>88.995.275.172</b>	<b>72.918.397.492</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>78.618.768.949</b>	<b>62.672.325.697</b>
1. Short-term debts and loans	311	V.13	-	-
2. Payable to suppliers	312	V.14	8.634.236.411	7.867.046.679
3. Advances from customers	313	V.15	27.001.221.672	16.271.105.609
4. Taxes and other obligations to the State Budget	314	V.16	6.514.419.819	8.460.604.113
5. Payable to employees	315	V.17	19.659.579.140	25.988.260.305
6. Accrued expenses	316		-	-
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction contract	318		-	-
9. Other payable	319	V.18	16.809.311.907	4.085.308.991
10. Provision for short-term payable	320		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>10.376.506.223</b>	<b>10.246.071.795</b>
1. Payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other payable	333		-	-
4. Long-term loans and debts	334	V.19	10.000.000.000	10.000.000.000
5. Deferred corporate income tax payable	335		-	-
6. Unemployment fund	336	V.20	376.506.223	246.071.795
7. Provision for long-term payable	337		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>59.067.469.037</b>	<b>46.046.407.920</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>53.875.844.109</b>	<b>39.804.612.403</b>
1. Capital	411	V.21	34.295.500.000	27.500.000.000
2. Share premiums	412		-	-
3. Other capital	413		-	-
4. Treasury stocks	414	V.21	(504.830.060)	-
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416	V.21	387.169.518	-
7. Business promotion fund	417	V.21	4.416.700.630	2.868.546.713
8. Financial reserved fund	418	V.21	1.473.732.004	573.665.267
9. Other funds	419	V.21	294.746.400	114.733.053
10. Retained earnings	420	V.21	13.512.825.617	8.747.667.370
11. Construction investment fund	421		-	-
<b>II. Other sources and funds</b>	<b>430</b>		<b>5.191.624.928</b>	<b>6.241.795.517</b>
1. Bonus and welfare funds	431	V.22	5.191.624.928	6.241.795.517
2. Sources of expenditure	432		-	-
3. Fund to form fixed assets	433		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>148.062.744.209</b>	<b>118.964.805.412</b>

This statement should be read in conjunction with the notes to the interim financial statements

# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

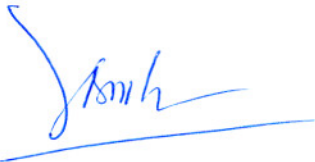
For the fiscal year ended 31 December 2009

### Balance sheet (cont.)

#### OFF-BALANCE SHEET ITEMS

ITEMS	Note	<u>Ending balance</u>	<u>Beginning balance</u>
1. Leasehold assets		-	-
2. Materials and goods kept or processed for others		-	-
3. Goods deposited by others		-	-
4. Bad debts already treated		-	-
5. Foreign currencies		-	-
USD		193.367,02	120.12
6. Estimated operation expenses		-	-

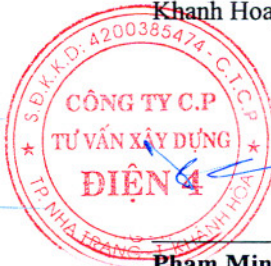
Khanh Hoa, 22 February 2010



**Tran Le Thanh Binh**  
Preparer



**Vu Thanh Danh**  
Chief Accountant



**Pham Minh Son**  
General Director

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

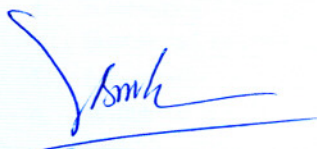
**INCOME STATEMENT**

Year ended 2009


Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01		134.660.682.923	111.794.099.319
2. Deductions	02		-	-
3. Net sales	10	VI.1	134.660.682.923	111.794.099.319
4. Costs of goods sold	11	VI.2	93.988.475.910	77.572.217.760
5. Gross profit/ (loss)	20		40.672.207.013	34.221.881.559
6. Financial income	21	VI.3	274.071.078	218.716.060
7. Financial expenses	22	VI.4	1.476.318.840	700.834.166
In which: Loan interest expenses	23		1.122.691.778	700.066.666
8. Selling expenses	24		95.440.865	146.213.637
9. Administrative overheads	25	VI.5	21.391.738.467	21.087.090.573
10. Net operating profit/(loss)	30		17.982.779.919	12.506.459.243
11. Other income	31		37.439.085	5.267.493
12. Other expenses	32		3.118.182	10.799.833
13. Other profit	40		34.320.903	(5.532.340)
14. Profit/ (loss) before tax	50		18.017.100.822	12.500.926.903
15. Current corporate income tax	51	VI.6	4.504.275.205	3.500.259.533
16. Deferred corporate income tax	52		-	-
17. Profit/(loss) after tax	60		<u>13.512.825.617</u>	<u>9.000.667.370</u>
18. Earning per share	70	VI.7	<u>4.048</u>	<u>2.733</u>

Khanh Hoa, 22 February 2010



**Tran Le Thanh Binh**  
Preparer



**Vu Thanh Danh**  
Chief Accountant



**Pham Minh Son**  
General Director

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**CASH FLOWS STATEMENT****(Indirect method)****Year ended 2009**

Unit: VND

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
<b>I. Cash flows from operating activities</b>				
1. Profit/ (loss) before tax	01		18.017.100.822	12.500.926.903
2. Adjustments				
- Depreciation of fixed assets	02	V.9, V.10	3.688.778.661	4.684.870.497
- Provisions	03		4.676.169.278	5.309.600.108
- Gain/ (loss) from unrealized foreign exchange difference	04		-	-
- Gain/ (loss) from investing activities	05		(253.719.078)	(215.940.647)
- Loan interest expenses	06	VI.3	1.122.691.778	700.066.666
3. Operating profit/ (loss) before changes of working capital	08		27.251.021.461	22.979.523.527
- Increase/ (decrease) of accounts receivable	09		(9.922.474.311)	(38.071.471.798)
- Increase/ (decrease) of inventories	10		(2.661.593.302)	(857.712.144)
- Increase/ (decrease) of accounts payable	11		15.707.652.975	21.143.232.959
- Increase/ (decrease) of prepaid expenses	12		173.656.461	516.216.005
- Loan interests already paid	13		(668.327.778)	(75.955.555)
- Corporate income tax already paid	14	V.16	(4.589.414.500)	(3.539.678.973)
- Other gains	15	V.22	7.000.000	7.000.000
- Other disbursements	16		(454.103.958)	(845.973.510)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b><u>24.843.417.048</u></b>	<b><u>1.255.180.511</u></b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21	V.9, V.10	(580.035.877)	(11.804.541.100)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		-	-
3. Loans given and purchases of debt instruments of other entities	23		-	-
4. Recovery of loans given and disposals of debt instruments of other entities	24		-	1.000.000.000
5. Investments into other entities	25	V.11	(4.558.000.000)	(1.500.000.000)
6. Withdrawals of investments in other entities	26		-	-
7. Receipts of loan interests, dividends and profit shared	27	VI.3	253.719.078	216.740.480
<b>Net cash flows from investing activities</b>	<b>30</b>		<b><u>(4.884.316.799)</u></b>	<b><u>(12.087.800.620)</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Cash flows statement (cont.)**

ITEMS	Code	Note	<u>Current year</u>	<u>Previous year</u>
<b>III. Cash flows from financing activities</b>				
1. Gains from stock issuance and capital contributions from shareholders	31		-	-
2. Repayment for capital contributions and re-purchases of stocks already issued	32		(504.830.060)	-
3. Short-term and long-term loans received	33	V.13	15.000.000.000	17.000.000.000
4. Loan principal amounts repaid	34	V.13	(15.000.000.000)	(8.000.000.000)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		-	(698.344.000)
<i>Net cash flows from financing activities</i>	<b>40</b>		<u>(504.830.060)</u>	<u>8.301.656.000</u>
<b>Net cash flows during the year</b>	<b>50</b>		<b>19.454.270.189</b>	<b>(2.530.964.109)</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>713.499.346</b>	<b>3.244.463.455</b>
Effects of fluctuations in foreign exchange rates	61		387.169.518	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<u><b>20.554.939.053</b></u>	<u><b>713.499.346</b></u>

Khanh Hoa, 22 February 2010



**Tran Le Thanh Binh**  
Preparer



**Vu Thanh Danh**  
Chief Accountant



**Pham Minh Son**  
General Director

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# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 2009

### I. OPERATION FEATURES

1. **Investment form** : Joint stock company
2. **Operating field** : Consulting service
3. **Business industry** : Consulting, investigating, designing power
4. **The operation features of the company during the fiscal year affect to the financial statements:**

Pursuant to Resolution of Shareholder's annual meeting dated 10 April 2009, shareholders have approved to delegate the Board of Management to perform the necessary procedures of increasing the prescribed capital of the company from VND 27.500.000.000 up to VND 34.295.500.000 by issuing bonus shares from retained earnings and from bonus and welfare fund at amount of VND 5.436.400.000 and VND 1.359.100.000 respectively. Performing this Regulation, Board of Management has already completed the necessary procedures of increasing prescribed capital from 12 June 2009.

### II. FISCAL YEAR AND STANDARD CURRENCY UNIT USED IN ACCOUNTING

1. **Fiscal year**

The fiscal year of the company is from 01 January to 31 December annually.
2. **Standard currency unit**

The standard currency unit used is Vietnam Dong (VND).

### III. ACCOUNTING SYSTEM AND STANDARDS

1. **Accounting system**

The company has been applying the Vietnamese accounting system.
2. **Accounting form**

The company has applied the voucher recording form. The bookkeeping works are done on the computer software.
3. **Statement on the compliance with the Vietnamese Accounting System and Standards**

The Directors ensure to follow all the requirements of the prevailing Vietnamese accounting system and standards in the preparation of these financial statement.

# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

### Notes to the financial statements (cont.)

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#### IV. ACCOUNTING POLICIES

##### 1. Accounting convention

All the financial statements are prepared in accordance with the historical cost convention.

##### 2. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash in bank, cash in transit and short-term investments of which the due dates can not exceed 3 months from the dates of the investments and the convertibility into cash is easy, and which do not have a lot of risks in the conversion into cash.

##### 3. Trade receivable and other receivable, provision for bad debts

Trade receivable and other receivable are recognized at the values on supporting documents and invoices.

Provisions for bad debts are made on the basis of the evaluation on the estimated loss.

Provision for bad debts is made for each particular type of bad debt on the basis of the overdue time of each debt or loss rate can cause, details are as follows:

- For overdue debts:
  - 30% value of overdue debts from 6 months to under 1 year.
  - 50% value of overdue debts from 1 year to under 2 years.
  - 70% value of overdue debts from 2 years to under 3 years.
  - 100% value of overdue debts over 3 years
- For accounts receivable not yet to be due to pay but not capacity to recover: based on the loss rate to make provisions.

##### 4. Inventories

Inventories are determined on the basis of costs. Costs include purchasing expenses, processing expenses and other directly related costs to bring the inventories to the current positions and conditions.

Costs of inventories are determined in accordance with the weighted average method and recorded in line with the perpetual method.

Provision for devaluation of inventories is recognized when their costs are higher than their net realizable values. Net realizable values are the estimated selling prices of inventories less the estimated expenses on product completion and other necessary expenses on product consumption.

##### 5. Tangible fixed assets

Fixed assets are determined by their historical costs less accumulated depreciation. Historical costs of fixed assets achieved from purchasing, constructing and transferring include all the expenses of the company to have these fixed assets as of the dates they are ready to be put into use. Other expenses incurred subsequent to the initial recognition are included in historical costs of fixed assets only if they certainly bring more economic benefits in the future thanks to the use of these assets. Those which do not meet the above conditions will be recorded into expenses during the period.

# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

### Notes to the financial statements (cont.)

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When a fixed asset is sold or disposed, its historical cost and accumulated depreciation are written off, then any gain/ (loss) arisen are posted into the income or the expenses during the period.

Fixed assets are depreciated in accordance with the straight-line method over their estimated useful lives. The depreciation years of fixed assets are as follows:

<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 25
Machinery and equipment	03 – 07
Vehicle	06
Office equipment	03 – 05

#### 6. Intangible fixed assets

##### *Value of land use right*

Land use right includes all the actual expenses related to the land being used such as expenses to obtain the land use right, expenses for house removal and land clearance, expenses on ground leveling, registration fees, etc. Fixed - term land use right is amortized for the period of using. Long-term land use right is not applied amortization.

Long-term land use right taken over state-owned company is determined in line with documents of evaluating company's value in order to conduct equitization as of 31 December 2005.

##### *Computer software*

Computer software includes all the expenses paid until the date the software is put into use. Computer software is amortized for the period from 3 to 5 years.

#### 7. Operating leasehold assets

A lease of asset is considered an operating lease in case most of the risks and rewards associated with the ownership of that asset belong to the lessor. The lease expenses are allocated in the company's operating expenses in accordance with the straight-line method over the leasing period and are not subject to the method of lease payment.

#### 8. Borrowing costs

Borrowing costs will be recognized into expenses during the period. Borrowing costs will be capitalized when they are directly related to the construction or the production of an asset in progress, which has taken a substantial period of time (over 12 months) to get ready for intended use or sales of the asset.

In the event of general borrowings which are partly used for acquiring, constructing or producing an asset in progress, the costs eligible for capitalization will be determined according to the capitalization rates applied to average accumulated expenditure on that asset. The capitalization rates are computed at the average interest rates on the borrowings not yet paid during the period, except for particular borrowings serving the purpose of obtaining a specific asset.

#### 9. Financial investments

Investments into securities are recorded at their original costs. Provision for devaluation of investment in security is made for each particular type of securities in the market and for which the market value decreases in comparison with the book value.

When an investment is liquidated, the differences between net liquidation values and book values are recorded into income or expenses during the period.

## **POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

### **FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

#### **Notes to the financial statements (cont.)**

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#### **10. Long-term prepaid expenses**

##### ***Tool expenses***

Expenses on tools being put into use are allocated into expenses during the period in accordance with the straight-line method for the period from 24 months.

##### ***Good will***

Goodwill is determined in line with the Minutes of evaluating the company's value to conduct the equitization as of 31 December 2005. Goodwill are recorded in line with straight line method for the period of 5 years.

#### **11. Trade payable and other payable**

Trade payable and other payable are recognized at the values on supporting invoices and documents.

#### **12. Accrued expenses**

Accrued expenses are recorded based on reasonable estimates on the amounts payable for goods and services already used during the period.

#### **13. Appropriation for unemployment fund**

Unemployment fund is used to pay for severance and unemployment allowances. The rate of extraction for this fund is applied in line with the Circular No. 82/2003/TT-BTC dated 14 August 2003 of the Ministry of Finance and is included into the company's expenses during the year. In case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

#### **14. Capital and funds**

Capital of the company is owner's equity recorded in accordance with the amount of capital already invested by shareholders.

These funds are made and used in line with the company's Charter.

#### **15. Treasury stocks**

When a share capital in the owner's equity is re-purchased, the amount payable including the expenses related to the transaction is classified as a treasury stocks and are recorded as a decrease in owner's equity.

#### **16. Dividends**

Dividends are recorded as an amount payable in the period during which the dividends are disclosed.

#### **17. Corporate income tax**

The company is responsible to pay corporate income tax at the rate of 25% on taxable income.

Corporate income tax during the period includes current income tax and deferred income tax.

Current income tax is the tax amount computed based on the taxable income during the period at the tax rates applied as of the balance sheet date. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures as well as those of non-taxable or non-deductible income and expenses.

# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

### Notes to the financial statements (cont.)

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Deferred income tax is the amount of corporate income tax payable or refundable due to temporary differences between book values of assets and liabilities serving the preparation of the financial statements and the values for tax purposes. Deferred income tax liabilities are recognized for all the temporary taxable differences. Deferred income tax assets are recorded only when there is an assurance on the availability of taxable income in the future against which the temporarily deductible differences can be used.

Book values of deferred corporate income tax assets are considered at the balance sheet dates and will be reduced to the rates that ensure enough taxable income against which the benefits from a part of or all of the deferred income tax can be used.

Deferred income tax assets and deferred income tax liabilities are determined at the estimated rates to be applied in the year when the assets are recovered or the liabilities are settled based on the effective tax rates as of the balance sheet date. Deferred income tax is recognized in the income statement. In the case that deferred income tax is related to the items of the owner's equity, corporate income tax will be included in the owner's equity of the company.

#### 18. Foreign currency translation

The transactions in foreign currencies during the year are converted at the actual exchange rates ruling as of the transaction dates. The differences on foreign exchange and those due to the revaluation of the ending balances of the monetary items are included in income or expenses during the year.

The ending balance of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date. Treatment of difference on foreign exchange due to revaluation of ending balance of monetary items in foreign currencies is performed in line with guidance of the Circular No. 201/2009/TT-BTC dated 15 October 2009 of the Ministry of Finance. Details are as follows:

- Difference on foreign exchange due to revaluation of the ending balance of monetary items and current liabilities in foreign currencies are reflected on exchange difference item of balance sheet and recorded by a reversing entry to write off the balance in the next beginning year.
- Difference on foreign exchange due to revaluation of long-term liabilities in foreign currencies at the end year is recorded into income or expenses during the year. However, if recording difference on foreign exchange of non-current liabilities leads to the business results of the company suffering loss, part of difference on foreign exchange will be allocated into the following years so that the company has not suffered loss but at least, loss from foreign exchange difference included to expenses during the year equal difference on foreign exchange of balance of long-term payable in foreign currencies in that year. The other loss from foreign exchange difference will be allocated into expenses of the following years for the maximum period of 5 years.

The exchange rate used as of:	31 December 2008 :	VND 16.977 /USD
	31 December 2009 :	VND 17.941 /USD

## **POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)**

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### **19. Recognition of sales**

Sales of service provision are recognized when there are no uncertain factors related to payments or additional costs. In case that the services are to be provided in many accounting periods, the determination of sales in each period is done on the basis of the service completion rate as of the balance sheet date.

Interests are recorded based on the accrual basis and determined based on the balance of deposit accounts and the interest rates applied.

Dividends and profit shared are recognized when the shareholders or the investors have the rights to receive dividends or profit from the capital contribution. Gains from other investments are recorded when the company have the rights to receive interest.

### **20. Construction contracts**

When the results from the contract implementations are reliably estimated:

- For the contracts stipulating that the contractors are paid according to the planned progress, income and expenses related to these contracts are recognized correspondingly to the works already completed as determined by the company itself.
- For the contracts stipulating that the contractors are paid according to the works actually done, income and expenses related to these contracts are recognized correspondingly to the works already completed as confirmed during the period in the invoices made by the customers.

When the results from the contract implementations cannot be reliably estimated:

- Income is recognized corresponding to the expenses incurred, of which the repayment is rather reliably made.
- Expenses are only recognized during the period as actually incurred.

The difference between the accumulated income from the contract already recognized and the accumulated amount in the invoices according to the planned progress of contract implementation is recognized as an amount receivable or an amount payable according to the planned progress of implementation of the construction contracts.

### **21. Related parties**

A party is considered a related party of the company in case that party is able to control the company or to cause material effects on the financial decisions as well as the operations of the company.

The related parties of the company are presented in Note VII.2.

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)****V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET****1. Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	792.000	69.359.000
Cahs in bank	7.554.147.053	644.140.346
Cash equivalents (under 3 months deposits)	13.000.000.000	-
<b>Total</b>	<b><u>20.554.939.053</u></b>	<b><u>713.499.346</u></b>

**2. Receivable from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Board of Central Power Project Mangement	9.680.916.480	18.420.166.634
Vietnam Power Construction Corporation	6.494.121.336	4.344.514.336
Northern Power Development and Investment JSC 1	6.384.387.366	6.384.387.366
La Ngau Hydroelectricity Joint Stock Company	6.010.808.709	6.010.808.709
Nam Muc Hydroelectricity Joint Stock Company	5.702.729.645	4.776.468.823
Song Ba Joint Stock Company	5.081.508.565	5.160.591.161
Board of Northern Power Project Management	4.808.820.866	3.630.035.058
Board of Central Rural Energy Project Management	4.775.962.356	5.743.950.775
Nho Que Power Development and Investment JSC	4.752.760.473	1.454.159.013
Nhan Luat Energy Joint Stock Company	3.854.527.900	-
Power Transmit Company 2	3.291.018.804	1.539.025.207
Power Transmit Company 3	3.269.134.865	-
Song Da - Ban Me Joint Stock Company	2.920.004.170	1.229.784.000
Underground Project Construction JSC	2.645.130.000	2.645.130.000
Energy Development and Finance Joint Stock Company	2.615.720.000	2.615.720.000
Others	21.410.562.144	23.451.880.069
<b>Total</b>	<b><u>93.698.113.679</u></b>	<b><u>87.406.621.151</u></b>

**3. Prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Energy Construction Consulting Co., Ltd	400.000.000	400.000.000
Le Nguyen Construction Co., Ltd.	397.101.100	397.101.100
CAVICO Infrastructure Material JSC	344.673.082	-
Others	1.847.723.615	1.725.911.566
<b>Total</b>	<b><u>2.989.497.797</u></b>	<b><u>2.523.012.666</u></b>

**4. Other receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Social insurance	-	7.863.900
Personal income tax of staffs	138.008.000	615.275.000
Others	681.804.603	439.778.258
<b>Total</b>	<b><u>819.812.603</u></b>	<b><u>1.062.917.158</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)****5. Provision for bad debts**

Details of provisions are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Overdue debts from 6 months to under 1 year	232.858.263	5.090.416.875
Overdue debts from 1 year to 2 years	7.450.017.594	1.471.247.728
Overdue debts from 2 years to 3 years	3.422.252.396	-
Overdue debts over 3 years	132.705.628	-
<b>Total</b>	<b><u>11.237.833.881</u></b>	<b><u>6.561.664.603</u></b>

**6. Inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	619.555.925	738.247.223
Tools	22.753.424	45.999.244
Work in progress	3.704.940.498	901.410.078
<b>Total</b>	<b><u>4.347.249.847</u></b>	<b><u>1.685.656.545</u></b>

**7. Other current assets**

This is advances for employees of the company.

**8. Long-term receivable from customers**

This item reflects amount of project guarantee to be received from customers.

	<u>Ending balance</u>	<u>Beginning balance</u>
Board of Hydroelectricity Management 1	1.845.788.202	-
Nho Que Power Development and Investment JSC	1.532.762.821	-
Board of Trung Son Hydroelectricity Management	506.106.834	767.672.454
Other customers	164.311.300	164.311.300
<b>Total</b>	<b><u>4.048.969.157</u></b>	<b><u>931.983.754</u></b>

**9. Tangible fixed assets**

	<u>Buildings &amp; structures</u>	<u>Machinery &amp; equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
<b>Historical costs</b>					
Beginning balance	6.063.541.735	8.416.282.678	9.648.610.309	1.421.141.203	25.549.575.925
New investment	-	34.400.000	31.000.000	372.454.771	437.854.771
<b>Ending balance</b>	<b><u>6.063.541.735</u></b>	<b><u>8.450.682.678</u></b>	<b><u>9.679.610.309</u></b>	<b><u>1.793.595.974</u></b>	<b><u>25.987.430.696</u></b>
<i>In which:</i>					
Fully depreciated but still being in use	251.729.530	3.998.949.737	4.364.536.729	804.500.616	9.419.716.612
<b>Depreciation</b>					
Beginning balance	1.232.989.984	5.916.578.144	6.693.701.455	963.610.013	14.806.879.596
Depreciation	351.211.229	1.386.556.418	1.447.605.609	251.109.380	3.436.482.636
<b>Ending balance</b>	<b><u>1.584.201.213</u></b>	<b><u>7.303.134.562</u></b>	<b><u>8.141.307.064</u></b>	<b><u>1.214.719.393</u></b>	<b><u>18.243.362.232</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)**

	<u>Buildings &amp; structures</u>	<u>Machinery &amp; equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
<b>Net book value</b>					
Beginning balance	4.830.551.751	2.499.704.534	2.954.908.854	457.531.190	10.742.696.329
<b>Ending balance</b>	<b>4.479.340.522</b>	<b>1.147.548.116</b>	<b>1.538.303.245</b>	<b>578.876.581</b>	<b>7.744.068.464</b>
<i>In which:</i>					
Temporarily not yet used	-	-	-	-	-
To be liquidated	-	-	-	-	-

**10. Intangible fixed assets**

	<u>Long-term land use right</u>	<u>Fixed-term land use right</u>	<u>Computer's software</u>	<u>Total</u>
<b>Initial costs</b>				
Beginning balance	6.970.774.045	9.586.688.955	815.455.381	17.372.918.381
Increases during the year	-	-	142.181.106	142.181.106
<b>Ending balance</b>	<b>6.970.774.045</b>	<b>9.586.688.955</b>	<b>957.636.487</b>	<b>17.515.099.487</b>
<b>Amortiation</b>				
Beginning balance	-	72.568.745	815.455.381	888.024.126
Amortization	-	207.322.960	44.973.065	252.296.025
<b>Ending balance</b>	<b>-</b>	<b>279.891.705</b>	<b>860.428.446</b>	<b>1.140.320.151</b>
<b>Net books value</b>				
Beginning balance	6.970.774.045	9.514.120.210	-	16.484.894.255
<b>Ending balance</b>	<b>6.970.774.045</b>	<b>9.306.797.250</b>	<b>97.208.041</b>	<b>16.374.779.336</b>

**11. Other long-term investment**

	<u>Ending balance</u>	<u>Beginning balance</u>
Contributing capital into EVN Land Nha Trang Immovable Property Joint Stock Company	1.500.000.000	1.500.000.000
Contributing capital into Buon Dong Hydroelectricity Joint Stock Company (see Notes VII.1)	3.558.000.000	-
Demand deposits	1.000.000.000	-
<b>Total</b>	<b>6.058.000.000</b>	<b>1.500.000.000</b>

**12. Long-term prepaid expenses**

	<u>Beginning balance</u>	<u>Increase</u>	<u>Allocation</u>	<u>Ending balance</u>
Goodwill	1.250.177.236	-	405.823.824	844.353.412
Tools	168.726.611	535.571.213	303.987.750	400.310.074
<b>Total</b>	<b>1.418.903.847</b>	<b>535.571.213</b>	<b>709.811.574</b>	<b>1.244.663.486</b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)****13. Short-term debts and loans**

This is loan from Indebank - Branch in Khanh Hoa to supplement the working capital. Details of increases, decreases of loans during the year are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	-	1.000.000.000
Increases during the year	15.000.000.000	7.000.000.000
Amount already paid during the year	<u>(15.000.000.000)</u>	<u>(8.000.000.000)</u>
<b>Ending balance</b>	<u>-</u>	<u>-</u>

**14. Payable to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Hoa Dong Design Investigation Institute (ECIDI)	1.563.235.212	-
Agriculture Map Measure Enterprise 1	1.356.212.010	1.752.159.810
Power Engineering Consulting JSC 1	983.545.000	1.083.545.000
Irrigation Engineering Consulting Company 1	695.352.630	37.333.000
Da Nang Map Measure Centre	516.535.836	-
Mineral and Geology Science Institute	88.925.600	758.761.139
Other suppliers	<u>3.430.430.123</u>	<u>4.235.247.730</u>
<b>Total</b>	<u><b>8.634.236.411</b></u>	<u><b>7.867.046.679</b></u>

**15. Advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Board of Trung Son Hydroelectricity Management	8.437.328.375	-
Board of Central Power Project Management	8.287.749.171	3.421.783.211
Mott MacDonald Co., Ltd.	3.275.792.580	-
Board of Southern Power Project Management	1.931.205.000	1.292.567.000
Board of Phu My - Ba Ria Project Management	1.078.000.000	1.078.000.000
Other customers	<u>3.991.146.546</u>	<u>10.478.755.398</u>
<b>Total</b>	<u><b>27.001.221.672</b></u>	<u><b>16.271.105.609</b></u>

**16. Taxes and other obligations to the State budget**

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	6.583.028.269	11.529.725.611	(12.785.807.279)	5.326.946.601
Corporate income tax	1.078.270.513	4.504.275.205	(4.589.414.500)	993.131.218
Personal income tax	799.305.331	362.242.000	(967.205.331)	194.342.000
Property tax	-	6.564.200	(6.564.200)	-
Other taxes	-	<u>1.331.089.448</u>	<u>(1.331.089.448)</u>	-
<b>Total</b>	<u><b>8.460.604.113</b></u>	<u><b>17.733.896.464</b></u>	<u><b>(19.680.080.758)</b></u>	<u><b>6.514.419.819</b></u>

**Value added tax**

The company has paid value added tax in line with deduction method. Tax rate applied for service of design and investigation is 10%.

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)****Corporate income tax**

See Note No. IV.17.

Current corporate income tax expense is presented in Note VI.6

**Property tax**

Land rental is paid in line with the Custom's notice.

**Other taxes**

The company has paid and declared these taxes in line with prevailing regulations.

**17. Payable to employees**

Salary fund during the year is determined in line with the meeting minute of the Board of Management dated 16 April 2009. The unit price of salary for sales recorded during the year is as follows:

- Survey: VND 519 / VND 1.000 sales
- Design: VND 510 / VND 1.000 sales

The ending balance is salary fund not yet paid to employees.

**18. Other payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Excess assets for treatment	214.964.407	214.964.407
Trade Union's Expenditure	1.153.665.648	1.016.978.044
Social Insurance	24.009.190	-
Payable for EVN on equitization	1.187.287.429	1.187.287.429
Amount contributing capital into Buon Don Hydroelectricity JSC taken from other shareholders (see Note VII.1)	12.084.440.000	-
Payable for EVN on long-term loan interest	1.078.475.111	624.111.111
Dividends payable for EVN	848.531.000	848.531.000
Others	217.939.122	193.437.000
<b>Total</b>	<b><u>16.809.311.907</u></b>	<b><u>4.085.308.991</u></b>

**19. Long-term debts and loans**

This item reflects long-term loans from EVN to supplement capital for loan period of 6 years, interest rate is calculated by 12 months deposit, interest paid after reference average of 4 Commercial Banks plus 1,2%. This loan has not arisen in the year 2009.

**20. Provision for unemployment fund**

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	246.071.795	30.995.055
Appropriation during the year	309.682.428	267.424.740
Payment for subsidizing the resigning employees	(179.248.000)	(52.348.000)
<b>Ending balance</b>	<b><u>376.506.223</u></b>	<b><u>246.071.795</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)****21. Owner's equity****Statements of fluctuation in owner's equity**

Statements of fluctuation in owner's equity presented in attached appendix.

**Details of owner's equity**

	As of 31 December 2009		As of 31 December 2008	
	Share capital	Rate (%)	Share capital	Rate (%)
Electricity of Vietnam	18.102.000.000	52,78	15.085.000.000	54,85
Other shareholders	16.193.500.000	47,22	12.415.000.000	45,15
<b>Total</b>	<b>34.295.500.000</b>	<b>100,00</b>	<b>27.500.000.000</b>	<b>100,00</b>

**Shares**

	Ending balance	Beginning balance
Number of shares allowed to be issued	3.429.550	2.750.000
Number of shares sold to public	3.429.550	2.750.000
- Common shares	3.429.550	2.750.000
- Preferred shares	-	-
Number of shares repurchased	40.421	-
- Common shares	40.421	-
- Preferred shares	-	-
Number of outstanding shares	3.389.129	2.750.000
- Common shares	3.389.129	2.750.000
- Preferred shares	-	-

Face value per outstanding share: VND 10.000.

**Purposes of appropriation for business promotion fund, financial reserved fund and other funds**

Business promotion fund is used to supplement the company's prescribed capital.

Financial reserved fund is used to:

- Compensate losses, damages of assets and liabilities unable to be recovered during the operations;
- Compensate the losses of the company according to the decision of the Board of management.

Other funds of owners are used for paying bonus to the Executive officers of the company in line with the Decision of the shareholders and the Board of Management of the company.

**22. Bonus and welfare funds**

	Current year	Previous year
Beginning balance	6.241.795.517	6.194.936.394
Funds extracted from profit in current year	450.033.369	286.832.633
Bonus from EVN	7.000.000	7.000.000
Issuance of bonus shares during the year	(1.359.100.000)	-
Funds paid during the year	(148.103.958)	(246.973.510)
<b>Ending balance</b>	<b>5.191.624.928</b>	<b>6.241.795.517</b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)**

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**VI. ADDITIONAL INFORMATION ON THE ITEMS OF THE INCOME STATEMENT****1. Net sales**

	<u>Current year</u>	<u>Previous year</u>
Gains from survey	29.117.817.716	56.216.381.941
Gains from design	105.289.675.813	55.577.717.378
Gains from transferring materials and merchandises	253.189.394	-
<b>Total</b>	<b><u>134.660.682.923</u></b>	<b><u>111.794.099.319</u></b>

**2. Costs of goods sold**

	<u>Current year</u>	<u>Previous year</u>
Costs of survey	23.446.497.818	39.868.598.591
Costs of design	70.328.119.348	37.703.619.169
Costs of materials and merchandises transferred	213.858.744	-
<b>Total</b>	<b><u>93.988.475.910</u></b>	<b><u>77.572.217.760</u></b>

**3. Financial income**

	<u>Current year</u>	<u>Previous year</u>
Bank interest income	253.719.078	216.740.480
Gains from realized foreign exchange difference	20.352.000	1.975.580
<b>Total</b>	<b><u>274.071.078</u></b>	<b><u>218.716.060</u></b>

**4. Financial expenses**

	<u>Current year</u>	<u>Previous year</u>
Interest on long-term loans from EVN	1.078.475.111	624.111.111
Interest on other short-term loans	44.216.667	75.955.555
Loss from realized foreign exchange difference	353.627.062	767.500
<b>Total</b>	<b><u>1.476.318.840</u></b>	<b><u>700.834.166</u></b>

**5. Administrative overheads**

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	10.104.878.804	9.777.719.152
Office supplies and equipments	368.860.720	356.641.737
Depreciation of fixed assets	417.059.108	539.563.533
External service rendered	703.217.222	619.266.668
Other expenses	9.797.722.613	9.793.899.483
<b>Total</b>	<b><u>21.391.738.467</u></b>	<b><u>21.087.090.573</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)****6. Current corporate income tax expenses**

Estimated corporate income tax payable during the year is as follows:

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	18.017.100.822	12.500.926.903
Increase/(decrease) of accounting profit to determine profit subject to corporate income tax	-	-
Total taxable income	18.017.100.822	12.500.926.903
Corporate income tax rate	25%	28%
<b><i>Estimated corporate income tax payable</i></b>	<b><u>4.504.275.205</u></b>	<b><u>3.500.259.533</u></b>

**7. Earning per share**

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	13.512.825.617	9.000.667.370
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-
Profit attribute shareholders owned ordinary shares	13.512.825.617	9.000.667.370
Outstanding average ordinary shares during the year	3.338.014	3.293.640
<b>Earning per share</b>	<b><u>4.048</u></b>	<b><u>2.733</u></b>

Outstanding average ordinary shares during the year is as follows:

	<u>Current year</u>	<u>Previous year</u>
Outstanding average ordinary shares at beginning year	2.750.000	2.750.000
Effect of ordinary shares repurchased during the year	(30.377)	-
Effect of ordinary shares issued on 12 June 2009 (from retained earnings)	543.640	543.640
Effect of ordinary shares additional issued during the year	74.751	-
<b>Outstanding average ordinary shares during the year</b>	<b><u>3.338.014</u></b>	<b><u>3.293.640</u></b>

In 2009, the company has increased prescribed capital from VND 27.500.0000.000 up to VND 34.295.500.000 from retained earnings and bonus funds. Therefore, earning per share of previous year has been adjusted according to number of shares additional issued from retained earnings at amount of VND 5.436.400.000. This retroactive adjustment lead earning per share of previous year to decrease VND 3.273 VND up to VND 2.733.

**8. Operating expenses**

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	4.697.798.177	5.837.680.638
Labor	63.155.492.572	57.546.123.579
Depreciation of fixed assets	3.688.778.661	4.684.870.497
External service rendered	28.559.825.154	14.011.918.407
Other expenses	18.177.291.098	17.427.487.321
<b>Total</b>	<b><u>118.279.185.662</u></b>	<b><u>99.508.080.442</u></b>

# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

Notes to the financial statements (cont.)

## VII. OTHER INFORMATION

### 1. Commitments

Pursuant to business registration certificate and the Charter of Buon Don Hydroelectricity Joint Stock Company, the company has registered to contribute 6.000.000 stocks at amount of VND 60.000.000.000 equivalent to 17,9% prescribed capital of the company. As of the balance sheet date, the company has only contributed VND 3.558.000.000.

In addition, the company has taken delegation of other shareholders of Buon Don Hydroelectricity Joint Stock Company (who are the labors of the company) in contributing prescribed capital of Buon Don Hydroelectricity Joint Stock Company. At present, the company has collected from these shareholders at amount of VND 12.084.440.000. This amount will be contributed into capital of Buon Don Hydroelectricity Joint Stock Company when the company received the notice on capital contribution.

### 2. Transaction with related parties

#### *Transaction with key management members*

Key management members and related individuals of the company including Board's members, the Directors and Chief Accountant.

Transactions between the company and key management members include:

<b>Key management members</b>	<b>Transactions</b>
Board of management and the Controllers	Pursuant to Resolution of the shareholder's annual meeting in the year 2009, remuneration of Board of Management and the Controllers in 2009 is VND 372.000.000 /year.
The Directors and Chief Accountant	Income during the year is about VND 1.240.000.000 (about VND 1.600.000.000 in previous year)

#### *Transactions with other related parties*

<b>Related parties</b>	<b>Relationships</b>
Electricity of Vietnam (EVN)	Shareholders possessing 52,78% stocks (see Note V.21)
Buon Don Hydroelectricity Joint Stock Company	The company registered to possess 17,9% of prescribed capital. Mr. Pham Minh Son - Chairman cum General Director of the company is Chairman of Buon Don Hydroelectricity Joint Stock Company

The material transactions between the company and other related parties during the period are as follows:

	<u>Current year</u>	<u>Previous year</u>
<b>Electricity of Vietnam (EVN)</b>		
Loan interest expenses payable during the year	1.078.475.111	624.111.111
Increasing contributed capital of EVN due to issuance of shares paid dividends in the year 2008	3.017.000.000	-
<b>Buon Don Hydroelectricity Joint Stock Company</b>		
Prescribed capital contribution	3.558.000.000	-

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham - Nha Trang City - Khanh Hoa Province

**FINANCIAL STATEMENTS**

For the fiscal year ended 31 December 2009

**Notes to the financial statements (cont.)**

As of the balance sheet date, the company has had accounts payable for Electricity of Vietnam (EVN) as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Loan principle amount payable	10.000.000.000	10.000.000.000
Payable for equitizing	1.187.287.429	1.187.287.429
Long-term loan interest payable	1.078.475.111	624.111.111
Dividend payable	848.531.000	848.531.000
<b>Total</b>	<b><u>13.114.293.540</u></b>	<b><u>12.659.929.540</u></b>

**3. Changes in accounting policies**

In the year 2009 the company has changed the accounting policies relating to treatment of exchange difference due to revaluation of the balance of monetary items in foreign currencies in accordance with the guidance of the Circular No. 201/2009/TT-BTC dated 15 October 2009 of Ministry of Finance (see Note IV.18). Accordingly, difference on foreign exchange due to revaluation of ending balance of monetary in foreign currencies at amount of VND 387.169.518 is reflected on exchange difference item of the balance sheet instead of recording into income or expenses in previous years.

**4. Other information**

On 31 December 2009, the Ministry of Finance has issued the Circular No. 244/2009/TT-BTC on amendment and supplement guidance to Enterprise Accounting System relating to issues as follows: Currency unit in accounting; Guidance on accounting system for foreign contractors; Amendment and supplement guidance to accounting method applicable for some economic transactions, The company will applied these regulations in preparing and presenting the financial statements from 2010 onward.

Khanh Hoa, 22 February 2010



**Tran Le Thanh Binh**  
Preparer



**Vu Thanh Danh**  
Chief Accountant



**Pham Minh Son**  
General Director

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

Address: 11 Hoang Hoa Tham St., - Nha Trang City - Khanh Hoa Province

## FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2009

Notes to the financial statements (cont.)

**Appendix 1: Statement of fluctuation in owner's equity**

Unit: VND

	Owner's equity	Treasury stocks	Difference on foreign exchange	Business promotion fund	Financial reserved fund	Other funds	Retained earnings	Total
Beginning balance of previous year	27.500.000.000	-	-	-	-	-	5.736.652.666	33.236.652.666
Profit of previous year	-	-	-	-	-	-	9.000.667.370	9.000.667.370
Funds made of previous year	-	-	-	2.868.546.713	573.665.267	288.733.053	(4.017.777.666)	(286.832.633)
Dividends given of previous year	-	-	-	-	-	-	(1.546.875.000)	(1.546.875.000)
Remuneration paid to Board of Management and the Controllers	-	-	-	-	-	-	(425.000.000)	(425.000.000)
Funds paid of previous year	-	-	-	-	-	(174.000.000)	-	(174.000.000)
<b>Ending balance of previous year</b>	<b>27.500.000.000</b>	<b>-</b>	<b>-</b>	<b>2.868.546.713</b>	<b>573.665.267</b>	<b>114.733.053</b>	<b>8.747.667.370</b>	<b>39.804.612.403</b>
Beginning balance in current year	27.500.000.000	-	-	2.868.546.713	573.665.267	114.733.053	8.747.667.370	39.804.612.403
Issuance of bonus shares from retained earnings	5.436.400.000	-	-	-	-	-	(5.436.400.000)	-
Issuance of bonus shares from bonus funds	1.359.100.000	-	-	-	-	-	-	1.359.100.000
Re-purchase of treasury shares during the period	-	(504.830.060)	-	-	-	-	-	(504.830.060)
Revaluation of foreign currency at the end year	-	-	387.169.518	-	-	-	-	387.169.518
Profit in current year	-	-	-	-	-	-	13.512.825.617	13.512.825.617
Funds extracted from profit of previous year	-	-	-	1.548.153.917	900.066.737	396.013.347	(3.294.267.370)	(450.033.369)
Remuneration paid to Board of Management and the Controllers	-	-	-	-	-	-	(17.000.000)	(17.000.000)
Funds paid during the year	-	-	-	-	-	(216.000.000)	-	(216.000.000)
<b>Ending balance</b>	<b>34.295.500.000</b>	<b>(504.830.060)</b>	<b>387.169.518</b>	<b>4.416.700.630</b>	<b>1.473.732.004</b>	<b>294.746.400</b>	<b>13.512.825.617</b>	<b>53.875.844.109</b>

This statement should be read in conjunction with the notes to the interim financial statements