

FINANCIAL STATEMENTS
FOR THE FIRST QUARTER OF YEAR 2010

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

BALANCE SHEET
As of 31 March 2010

Unit: VND

| ASSETS | Code | Note | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|------------|------------|------------------------|--------------------------|
| A - CURRENT ASSETS | 100 | | 109.297.525.255 | 112.512.263.766 |
| I. Cash and cash equivalents | 110 | V.1 | 14.617.386.828 | 20.554.939.053 |
| 1. Cash | 111 | | 5.617.386.828 | 7.554.939.053 |
| 2. Cash equivalents | 112 | | 9.000.000.000 | 13.000.000.000 |
| II. Short-term investments | 120 | | - | - |
| 1. Short-term investment | 121 | | - | - |
| 2. Provision for devaluation of long-term investment | 129 | | - | - |
| III. Accounts receivable | 130 | | 90.242.465.315 | 86.269.590.198 |
| 1. Receivable from customers | 131 | V.2 | 90.965.517.810 | 93.698.113.679 |
| 2. Prepayments to suppliers | 132 | V.3 | 3.028.982.745 | 2.989.497.797 |
| 3. Inter-company receivable | 133 | | | - |
| Receivable according to the progress of construction | | | | |
| 4. contract | 134 | | 5.540.387.727 | - |
| 5. Other receivable | 135 | V.4 | 766.225.362 | 819.812.603 |
| 6. Provision for bad debts | 139 | V.5 | (10.058.648.329) | (11.237.833.881) |
| IV. Inventories | 140 | | 1.572.479.470 | 4.347.249.847 |
| 1. Inventories | 141 | V.6 | 1.572.479.470 | 4.347.249.847 |
| 2. Provisions for devaluation of inventories | 149 | | - | - |
| V. Other current assets | 150 | | 2.865.193.642 | 1.340.484.668 |
| 1. Short-term prepaid expenses | 151 | | 7.397.000 | 8.914.000 |
| 2. VAT to be deducted | 152 | | - | - |
| 3. Taxes and accounts receivable to the State | 154 | | - | - |
| 4. Other current assets | 158 | V.7 | 2.857.796.642 | 1.331.570.668 |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Balance sheet (cont.)

| ASSETS | Code | Note | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------|------|-------------------------------|-------------------------------|
| B - LONG-TERM ASSETS | 200 | | 36.482.163.208 | 35.550.480.443 |
| I. Long-term accounts receivable | 210 | | 4.048.969.157 | 4.048.969.157 |
| 1. Long-term receivable from customers | 211 | V.8 | 4.048.969.157 | 4.048.969.157 |
| 2. Capital in subsidiary | 212 | | - | - |
| 3. Inter-company receivable | 213 | | - | - |
| 4. Other long-term receivable | 218 | | - | - |
| 5. Provision for bad debts | 219 | | - | - |
| II. Fixed assets | 220 | | 24.169.294.490 | 24.118.847.800 |
| 1. Tangible assets | 221 | V.9 | 7.856.239.782 | 7.744.068.464 |
| <i>Historical costs</i> | 222 | | 26.726.341.469 | 25.987.430.696 |
| <i>Accumulated depreciation</i> | 223 | | (18.870.101.687) | (18.243.362.232) |
| 2. Financial leasehold assets | 224 | | - | - |
| <i>Historical costs</i> | 225 | | - | - |
| <i>Accumulated depreciation</i> | 226 | | - | - |
| 3. Intangible fixed assets | 227 | V.10 | 16.313.054.708 | 16.374.779.336 |
| <i>Initial costs</i> | 228 | | 17.515.099.487 | 17.515.099.487 |
| <i>Accumulated amortization</i> | 229 | | (1.202.044.779) | (1.140.320.151) |
| 4. Construction in progress | 230 | | - | - |
| III. Investment property | 240 | | - | - |
| Historical costs | 241 | | - | - |
| Accumulated depreciation | 242 | | - | - |
| IV. Long-term investments | 250 | | 7.058.000.000 | 6.058.000.000 |
| 1. Investment in subsidiaries | 251 | | - | - |
| 2. Investment in business concerns, joint venture | 252 | | - | - |
| 3. Other long-term investments | 258 | V.11 | 7.058.000.000 | 6.058.000.000 |
| 4. Provision for devaluation of long-term investments | 259 | | - | - |
| V. Other long-term assets | 260 | | 1.205.899.561 | 1.324.663.486 |
| 1. Long-term prepaid expenses | 261 | V.12 | 1.125.899.561 | 1.244.663.486 |
| 2. Deferred income tax | 262 | | - | - |
| 3. Other long-term assets | 268 | | 80.000.000 | 80.000.000 |
| TOTAL ASSETS | 270 | | <u>145.779.688.463</u> | <u>148.062.744.209</u> |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Balance sheet (cont.)

| LIABILITIES AND OWNER'S EQUITY | Code | Note | Ending balance | Beginning balance |
|--|-------------|-------------|------------------------|--------------------------|
| A - LIABILITIES | 300 | | 89.060.452.634 | 94.186.900.100 |
| I. Current liabilities | 310 | | 78.705.317.411 | 83.810.393.877 |
| 1. Short-term debts and loans | 311 | V.13 | - | - |
| 2. Payable to suppliers | 312 | V.14 | 5.869.940.141 | 8.634.236.411 |
| 3. Advances from customers | 313 | V.15 | 38.003.455.272 | 27.001.221.672 |
| 4. Taxes and other obligations to the State Budget | 314 | V.16 | 3.867.552.270 | 6.514.419.819 |
| 5. Payable to employees | 315 | V.17 | 9.328.838.294 | 19.659.579.140 |
| 6. Accrued expenses | 316 | | - | - |
| 7. Inter-company payable | 317 | | - | - |
| 8. Payable according to the progress of construction | 318 | | - | - |
| 9. Other payable | 319 | V.18 | 16.512.836.506 | 16.809.311.907 |
| 10. Provision for short-term payable | 320 | | - | - |
| 11. Bonus and welfare funds | 323 | | 5.122.694.928 | 5.191.624.928 |
| II. Long-term liabilities | 330 | | 10.355.135.223 | 10.376.506.223 |
| 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 | 355.135.223 | 376.506.223 |
| 7. Provision for long-term payable | 337 | | - | - |
| B - OWNER'S EQUITY | 400 | | 56.719.235.829 | 53.875.844.109 |
| I. Owner's equity | 410 | | 56.719.235.829 | 53.875.844.109 |
| 1. Capital | 411 | V.21 | 34.295.500.000 | 34.295.500.000 |
| 2. Share premiums | 412 | | - | - |
| 3. Other capital | 413 | | - | - |
| 4. Treasury stocks | 414 | V.21 | (514.380.060) | (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 | 4.416.700.630 |
| 8. Financial reserved fund | 418 | V.21 | 1.473.732.004 | 1.473.732.004 |
| 9. Other funds | 419 | V.21 | (215.253.600) | 294.746.400 |
| 10. Retained earnings | 420 | V.21 | 17.262.936.855 | 13.512.825.617 |
| 11. Construction investment fund | 421 | | - | - |
| II. Other sources and funds | 430 | | - | - |
| 1. Sources of expenditure | 432 | | - | - |
| 2. Fund to form fixed assets | 433 | | - | - |
| TOTAL LIABILITIES AND OWNER'S EQUITY | 440 | | 145.779.688.463 | 148.062.744.209 |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

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 | | 144.849,78 | 193.367,02 |
| 6. Estimated operation expenses | | - | - |

Nha Trang, 20 April 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

INCOME STATEMENT

First quarter of year 2010

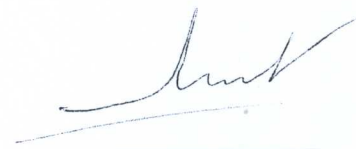
Unit: VND


| ITEMS | Code | Note | Quarter 1 | | Accumulate to quarter 1 | |
|----------------------------------|------|-------|----------------|----------------|-------------------------|----------------|
| | | | Year 2010 | Year 2009 | Year 2010 | Year 2009 |
| 1. Sales | 01 | VI.25 | 24.775.564.072 | 21.328.743.390 | 24.775.564.072 | 21.328.743.390 |
| 2. Deductions | 02 | | - | - | - | - |
| 3. Net sales | 10 | | 24.775.564.072 | 21.328.743.390 | 24.775.564.072 | 21.328.743.390 |
| 4. Costs of goods sold | 11 | VI.27 | 17.898.739.648 | 14.828.198.562 | 17.898.739.648 | 14.828.198.562 |
| 5. Gross profit / loss | 20 | | 6.876.824.424 | 6.500.544.828 | 6.876.824.424 | 6.500.544.828 |
| 6. Financial income | 21 | VI.26 | 842.047.508 | 34.175.788 | 842.047.508 | 34.175.788 |
| 7. Financial expenses | 22 | VI.28 | 9.000.000 | 19.200.000 | 9.000.000 | 19.200.000 |
| In which: Loan interest expenses | 23 | | 9.000.000 | 19.200.000 | 9.000.000 | 19.200.000 |
| 8. Selling expenses | 24 | | 27.909.092 | 67.295.410 | 27.909.092 | 67.295.410 |
| 9. Administrative overheads | 25 | | 2.682.538.523 | 2.943.540.514 | 2.682.538.523 | 2.943.540.514 |
| 10. Net operating profit / loss | 30 | | 4.999.424.317 | 3.504.684.692 | 4.999.424.317 | 3.504.684.692 |
| 11. Other income | 31 | | 724.000 | - | 724.000 | - |
| 12. Other expenses | 32 | | - | - | - | - |
| 13. Other profit | 40 | | 724.000 | - | 724.000 | - |
| 14. Profit / loss before tax | 50 | | 5.000.148.317 | 3.504.684.692 | 5.000.148.317 | 3.504.684.692 |
| 15. Current corporate income tax | 51 | VI.30 | 1.250.037.079 | 876.171.173 | 1.250.037.079 | 876.171.173 |
| 16. Deffed corporate incom tax | 52 | VI.30 | - | - | - | - |
| 17. Profit / loss after tax | 60 | | 3.750.111.238 | 2.628.513.519 | 3.750.111.238 | 2.628.513.519 |
| 18. Earning per share | 70 | | 1.107 | 801 | 1.107 | 801 |

Nha Trang, 20 April 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

CASH FLOWS STATEMENT

(Indirect method)

First quarter of year 2010

Unit: VND

| ITEMS | Code | Note | First quarter of year 2010 | First quarter of year 2009 |
|--|-----------|-----------|-------------------------------|-------------------------------|
| I. Cash flows from operating activities | | | | |
| 1. Profit/ (loss) before tax | 01 | | 5.000.148.317 | 3.504.684.692 |
| 2. Adjustments | | | | |
| - Depreciation of fixed assets | 02 | V.9, V.10 | 688.464.083 | 980.888.099 |
| - Provisions | 03 | | (1.179.185.552) | - |
| - Gain/ (loss) from unrealized foreign exchange difference | 04 | | | - |
| - Gain/ (loss) from investing activities | 05 | | | - |
| - Loan interest expenses | 06 | VI.3 | 9.000.000 | 19.200.000 |
| 3. Operating profit/ (loss) before changes of working capital | 08 | | 4.518.426.848 | 4.504.772.791 |
| - Increase/ (decrease) of accounts receivable | 09 | | 721.802.866 | 16.010.128.248 |
| - Increase/ (decrease) of inventories | 10 | | 2.774.770.377 | (1.422.160.830) |
| - Increase/ (decrease) of accounts payable | 11 | | (5.819.755.726) | 4.194.022.707 |
| - Increase/ (decrease) of prepaid expenses | 12 | | 120.280.925 | (26.851.939) |
| - Loan interests already paid | 13 | | (9.000.000) | (19.200.000) |
| - Corporate income tax already paid | 14 | V.16 | (993.131.218) | (1.078.270.513) |
| - Other gains | 15 | V.22 | | - |
| - Other disbursements | 16 | | (6.672.840.761) | (16.350.446.388) |
| <i>Net cash flows from operating activities</i> | 20 | | (5.359.446.689) | 5.811.994.076 |
| II. Cash flows from investing activities | | | | |
| 1. Purchases and construction of fixed assets and other long-term assets | 21 | V.9, V.10 | - | - |
| 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 | | (1.000.000.000) | - |
| 4. Recovery of loans given and disposals of debt instruments of other entities | 24 | | - | - |
| 5. Investments into other entities | 25 | V.11 | - | - |
| 6. Withdrawals of investments in other entities | 26 | | - | - |
| 7. Receipts of loan interests, dividends and profit shared | 27 | VI.3 | 431.444.464 | 34.175.788 |
| <i>Net cash flows from investing activities</i> | 30 | | (568.555.536) | 34.175.788 |

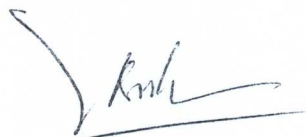
POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Cash flows statement (cont.)

| ITEMS | Code | Note | <u>First quarter of year 2010</u> | <u>First quarter of year 2009</u> |
|--|-----------|------------|---------------------------------------|---------------------------------------|
| III. Cash flows from financing activities | | | | |
| 1. Gains from stock issuance and capital contributions from shareholders | 31 | | - | - |
| 2. Repayment for capital contributions and re-purchases of stocks already issued | 32 | | (9.550.000) | (418.620.060) |
| 3. Short-term and long-term loans received | 33 | V.13 | 3.000.000.000 | 6.000.000.000 |
| 4. Loan principal amounts repaid | 34 | V.13 | (3.000.000.000) | (6.000.000.000) |
| 5. Payments for financial leasehold assets | 35 | | - | - |
| 6. Dividends and profit already paid to the owners | 36 | | - | - |
| <i>Net cash flows from financing activities</i> | 40 | | <u>(9.550.000)</u> | <u>(418.620.060)</u> |
| Net cash flows during the year | 50 | | (5.937.552.225) | 5.427.549.804 |
| Beginning cash and cash equivalents | 60 | V.1 | 20.554.939.053 | 713.499.346 |
| Effects of fluctuations in foreign exchange rates | 61 | | - | - |
| Ending cash and cash equivalents | 70 | V.1 | <u>14.617.386.828</u> | <u>6.141.049.150</u> |

Nha Trang, 20 April 2010



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Pham Minh Son
General Director

NOTES TO THE FINANCIAL STATEMENTS

First quarter of year 2010

I. OPERATION FEATURES

1. **Investment form** : Joint Stock Company
2. **Operating field** : Consulting service
3. **Business industry** : Consulting, investigating, designing power

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 statements.

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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

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.

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

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

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. 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.

8. 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.

9. 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.

10. Trade payable and other payable

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

11. Accrued expenses

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

12. 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

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

case that the unemployment fund is not enough for subsidizing resigned employees, the insufficient difference is recorded into expenses.

13. 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.

14. 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.

15. Dividends

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

16. 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.

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.

17. 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

- 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.

18. 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.

19. 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.

20. 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.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

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 | 34.039.982 | 792.000 |
| Cash in bank | 5.583.346.846 | 7.554.147.053 |
| Cash equivalents (under 3 months deposits) | 9.000.000.000 | 13.000.000.000 |
| Total | <u>14.617.386.828</u> | <u>20.554.939.053</u> |

2. Receivable from customers

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------------|------------------------------|
| Customers are belonged to EVN and NPT | 18.720.167.589 | 31.208.933.053 |
| Customers are not belonged to EVN and NPT | 72.245.350.221 | 62.489.180.626 |
| Total | <u>90.965.517.810</u> | <u>93.698.113.679</u> |

3. Prepayment 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 | 344.673.082 |
| Others | 1.887.208.563 | 1.847.723.615 |
| Total | <u>3.028.982.745</u> | <u>2.989.497.797</u> |

4. Other receivable

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|-------------------------------|---------------------------|---------------------------|
| Personal income tax of staffs | 138.008.000 | 138.008.000 |
| Others | 628.217.362 | 681.804.603 |
| Total | <u>766.225.362</u> | <u>819.812.603</u> |

5. Provision for bad debts

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------------|------------------------------|
| Overdue debts from 6 months to under 1 year | 232.858.263 | 232.858.263 |
| Overdue debts from 1 year to 2 years | 6.270.832.042 | 7.450.017.594 |
| Overdue debts from 2 years to 3 years | 3.131.331.896 | 3.422.252.396 |
| Overdue debts over 3 years | 423.626.128 | 132.705.628 |
| Total | <u>10.058.648.329</u> | <u>11.237.833.881</u> |

6. Inventories

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|------------------------|-----------------------------|-----------------------------|
| Materials and supplies | 547.790.370 | 619.555.925 |
| Tools | 24.096.836 | 22.753.424 |
| Work in progress | 1.000.592.264 | 3.704.940.498 |
| Total | <u>1.572.479.470</u> | <u>4.347.249.847</u> |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)**7. Other current assets**

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|-----------------------------|-----------------------------|
| This is amount receivable from customers in the period of products and service warranty | 2.857.796.642 | 1.331.570.668 |
| Total | <u>2.857.796.642</u> | <u>1.331.570.668</u> |

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 | 1.845.788.202 |
| Nho Que Power Development and Investment JSC | 1.532.762.821 | 1.532.762.821 |
| Board of Trung Son Hydroelectricity Management | 506.106.834 | 506.106.834 |
| Other customers | 164.311.300 | 164.311.300 |
| Total | <u>4.048.969.157</u> | <u>4.048.969.157</u> |

9. Tangible fixed assets

| | <u>Buiding & structures</u> | <u>Machinery & equipment</u> | <u>Vehicles</u> | <u>Office equipment</u> | <u>Total</u> |
|-------------------------|---------------------------------|----------------------------------|-----------------------------|-----------------------------|------------------------------|
| Historical costs | | | | | |
| Beginning balance | 6.063.541.735 | 8.450.682.678 | 9.679.610.309 | 1.793.595.974 | 25.987.430.696 |
| New purchases | 317.547.273 | 421.363.500 | - | - | 738.910.773 |
| Liquidation | - | - | - | - | - |
| Ending balance | <u>6.381.089.008</u> | <u>8.872.046.178</u> | <u>9.679.610.309</u> | <u>1.793.595.974</u> | <u>26.726.341.469</u> |
| Depreciation | | | | | |
| Beginning balance | 1.584.201.213 | 7.303.134.562 | 8.141.307.064 | 1.214.719.393 | 18.243.362.232 |
| Depreciation | 80.337.486 | 218.803.768 | 262.355.290 | 65.242.911 | 626.739.455 |
| Liquidation | - | - | - | - | - |
| Ending balance | <u>1.664.538.699</u> | <u>7.521.938.330</u> | <u>8.403.662.354</u> | <u>1.279.962.304</u> | <u>18.870.101.687</u> |
| Net book values | | | | | |
| Beginning balance | 4.479.340.522 | 1.147.548.116 | 1.538.303.245 | 578.876.581 | 7.744.068.464 |
| Ending balance | <u>4.716.550.309</u> | <u>1.350.107.848</u> | <u>1.275.947.955</u> | <u>513.633.670</u> | <u>7.856.239.782</u> |

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> |
|---------------------------|---------------------------------|----------------------------------|----------------------------|------------------------------|
| Initial costs | | | | |
| Beginning balance | 6.970.774.045 | 9.586.688.955 | 957.636.487 | 17.515.099.487 |
| Increases during the year | - | - | - | - |
| Ending balance | <u>6.970.774.045</u> | <u>9.586.688.955</u> | <u>957.636.487</u> | <u>17.515.099.487</u> |

Amortiation

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

| | <u>Long-term land use right</u> | <u>Fixed-term land use right</u> | <u>Computer's software</u> | <u>Total</u> |
|------------------------|-------------------------------------|--------------------------------------|--------------------------------|-----------------------|
| Beginning balance | - | 279.891.705 | 860.428.446 | 1.140.320.151 |
| Amortization | - | 49.876.200 | 11.848.428 | 61.724.628 |
| Ending balance | - | 329.767.905 | 872.276.874 | 1.202.044.779 |
| Net books value | | | | |
| Beginning balance | 6.970.774.045 | 9.306.797.250 | 97.208.041 | 16.374.779.336 |
| Ending balance | 6.970.774.045 | 9.256.921.050 | 85.359.613 | 16.313.054.708 |

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 | 4.558.000.000 | 3.558.000.000 |
| Demand deposits | 1.000.000.000 | 1.000.000.000 |
| Total | 7.058.000.000 | 6.058.000.000 |

12. Long-term prepaid expenses

This item reflects tools to be allocated for next period. Details of increases/ decreases are as follows:

| | |
|-----------------------|----------------------|
| Beginning balance | 1.244.663.486 |
| Increases | 42.780.000 |
| Allocation | (161.543.925) |
| Ending balance | 1.125.899.561 |

13. Short-term debts and loans

| | |
|-------------------------------------|-----------------|
| Beginning balance | - |
| Increases during the year | 3.000.000.000 |
| Amount already paid during the year | (3.000.000.000) |
| Ending balance | - |

14. Payable to suppliers

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|-----------------------|--------------------------|
| Power Engineering Consulting JSC 1 | 983.545.000 | 983.545.000 |
| Agriculture Map Measure Enterprise 1 | 765.398.010 | 1.356.212.010 |
| Irrigation Engineering Consulting Company 1 | 548.352.630 | 695.352.630 |
| Power Engineering Investigation Enterprise 2 | 402.995.874 | 402.995.874 |
| Other suppliers | 3.169.648.627 | 5.196.130.897 |
| Total | 5.869.940.141 | 8.634.236.411 |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)**15. Advances from customers**

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|---|------------------------------|------------------------------|
| Customers are belonged to EVN and NPT | 32.029.663.303 | 21.473.627.703 |
| Customers are not belonged to EVN and NPT | 5.973.791.969 | 5.527.593.969 |
| Total | <u>38.003.455.272</u> | <u>27.001.221.672</u> |

16. Taxes and other obligations to the State budget

The fulfillment of taxes and other obligations to the State budget during the period is as follows:

| | <u>Beginning balance</u> | <u>Amount payable</u> | <u>Amount already paid</u> | <u>Ending balance</u> |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| VAT on local sales | 5.326.946.601 | 1.188.683.638 | 4.187.933.580 | 2.327.696.659 |
| Corporate income tax | 993.131.218 | 1.250.037.079 | 993.131.218 | 1.250.037.079 |
| Personal income tax | 194.342.000 | 392.434.778 | 462.218.778 | 124.558.000 |
| Land rental and property tax | - | 7.655.000 | 7.655.000 | - |
| Other taxes | - | 168.260.532 | 3.000.000 | 165.260.532 |
| Total | <u>6.514.419.819</u> | <u>3.007.071.027</u> | <u>5.653.938.576</u> | <u>3.867.552.270</u> |

17. Other payable

| | <u>Ending balance</u> | <u>Beginning balance</u> |
|--|------------------------------|------------------------------|
| Excess assets for treatment | 214.964.407 | 214.964.407 |
| Trade Union's Expenditure | 1.038.517.370 | 1.153.665.648 |
| Social Insurance | 227.526.595 | 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 | 11.803.670.000 | 12.084.440.000 |
| Payable for EVN on long-term loan interest | 49.377.889 | 1.078.475.111 |
| Dividends payable for EVN | 848.531.000 | 848.531.000 |
| Others | 1.147.961.816 | 217.939.122 |
| Total | <u>16.512.836.506</u> | <u>16.809.311.907</u> |

18. 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%.

Details of increases/ decreases of loans are as follows:

| | <u>Amount</u> |
|-------------------------------------|------------------------------|
| Beginning balance | - |
| Amount loaned during the year | 10.000.000.000 |
| Amount already paid during the year | - |
| Ending balance | <u>10.000.000.000</u> |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)**19. Provision for unemployment fund**

| | |
|---|--------------------|
| Beginning balance | 376.506.223 |
| Appropriation during the year | - |
| Payment for subsidizing resigning employees | (21.371.000) |
| Ending balance | 355.135.223 |

20. Owner's equity*Statements of fluctuation in owner's equity*

| | Owner's equity | Business promotion fund | Financial reserved fund | Other funds | Retained earnings | Treasury stocks |
|--|-----------------------|-------------------------------|----------------------------|----------------------|-----------------------|----------------------|
| Beginning balance of previous year | 27.500.000.000 | 2.868.546.713 | 573.665.267 | 114.733.053 | 8.747.667.370 | - |
| Increases | - | - | - | - | 2.628.513.519 | - |
| Decreases | - | - | - | - | - | 418.620.060 |
| Ending balance of previous period | 27.500.000.000 | 2.868.546.716 | 573.665.267 | 114.733.053 | 11.376.180.889 | (418.620.060) |
| Beginning balance in current year | 34.295.500.000 | 4.416.700.630 | 1.473.732.004 | 294.746.400 | 13.512.825.617 | (504.830.060) |
| Increases | - | - | - | - | 3.750.111.238 | - |
| Decreases | - | - | - | 510.000.000 | - | 9.550.000 |
| Ending balance in current period | 34.295.500.000 | 4.416.700.630 | 1.473.732.004 | (215.253.600) | 17.262.936.855 | (514.380.060) |

Details of owner's equity

| | As of 31 March 2010 | |
|------------------------|-----------------------|---------------|
| | Share capital | Rate (%) |
| Electricity of Vietnam | 18.102.000.000 | 52,78 |
| Other shareholders | 16.193.500.000 | 47,22 |
| Total | 34.295.500.000 | 100,00 |

21. Bonus and welfare funds

| | |
|----------------------------------|----------------------|
| Beginning balance | 5.191.624.928 |
| Funds extracted from profit | - |
| Receipt from others | 6.000.000 |
| Payment according to regulations | (74.930.000) |
| Ending balance | 5.122.694.928 |

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

| | Current period | Previous period |
|-------------------|----------------|-----------------|
| Gains from survey | 8.459.014.128 | 6.880.321.574 |
| Gains from design | 16.316.549.944 | 14.448.421.816 |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

Notes to the financial statements (cont.)

| | <u>Current period</u> | <u>Previous period</u> |
|--|------------------------------|------------------------------|
| Total | <u>24.775.564.072</u> | <u>21.328.743.390</u> |
| 2. Costs of goods sold | | |
| | <u>Current period</u> | <u>Previous period</u> |
| Costs of survey | 6.203.538.540 | 4.638.620.095 |
| Costs of design | 11.695.201.108 | 10.189.578.467 |
| Total | <u>17.898.739.648</u> | <u>14.828.198.562</u> |
| 3. Financial income | | |
| | <u>Current period</u> | <u>Previous period</u> |
| Bank interest income | 431.444.464 | 34.175.788 |
| Gains from realized foreign exchange difference | 410.603.044 | - |
| Total | <u>842.047.508</u> | <u>34.175.788</u> |
| 4. Financial expenses | | |
| | <u>Current period</u> | <u>Previous period</u> |
| Loan interest expenses | 9.000.000 | 19.200.000 |
| Total | <u>9.000.000</u> | <u>19.200.000</u> |
| 5. Administrative overheads | | |
| | <u>Current period</u> | <u>Previous period</u> |
| Expenses for employees | 2.032.539.867 | 1.852.530.865 |
| Supplies and office equipments | 47.905.455 | 69.026.002 |
| Depreciation of fixed assets | 68.685.522 | 121.786.453 |
| External service rendered | 108.542.560 | 88.083.300 |
| Other expenses | 424.865.119 | 812.113.894 |
| Total | <u>2.682.538.523</u> | <u>2.943.540.514</u> |
| 6. Current corporate income tax expenses | | |
| | <u>Current period</u> | <u>Previous period</u> |
| Total accounting profit before tax | 5.000.148.317 | 3.504.684.692 |
| Increase/(decrease) of accounting profit to determine profit subject to corporate income tax | - | - |
| Total taxable income | 5.000.148.317 | 3.504.684.692 |
| Corporate income tax rate | 25% | 25% |
| <i>Estimated corporate income tax payable</i> | 1.250.037.079 | 876.171.173 |
| <i>Adjustment of corporate income tax expenses of previous year</i> | - | - |
| Total current corporate income tax expenses | <u>1.250.037.079</u> | <u>876.171.173</u> |

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

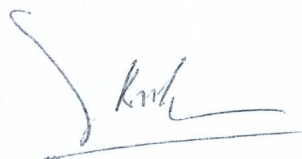
Address: 11 Hoang Hoa Tham St. – Nha Trang City – Khanh Hoa Province

Notes to the financial statements (cont.)

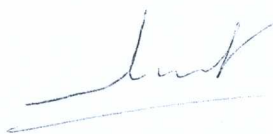
7. Earning per share

| | <u>Current period</u> | <u>Previous period</u> |
|---|-----------------------|------------------------|
| Accounting profit after corporate income tax | 3.750.111.238 | 2.628.513.519 |
| Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares | - | - |
| Profit attribute shareholders owned ordinary shares | 3.750.111.238 | 2.628.513.519 |
| Outstanding average ordinary shares during the year | 3.388.975 | 3.281.507 |
| Earning per share | 1.107 | 801 |

Nha Trang, 20 April 2010



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Phạm Minh Sơn
General Director