



**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN  
AUDITING AND CONSULTING CO., LTD.**



**FINANCIAL STATEMENTS**

**FOR THE FIRST 6 MONTHS OF THE FISCAL YEAR ENDED  
31 DECEMBER 2012**

**POWER ENGINEERING  
CONSULTING JOINT STOCK  
COMPANY 4**



an independent member of  
**BAKER TILLY  
INTERNATIONAL**

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**REPORT OF THE DIRECTORS**

The Directors of Power Engineering Consulting Joint Stock Company 4 present this report together with the financial statements for the first 6 months of the fiscal year ended 31 December 2012 reviewed by Auditing and Consulting Co., Ltd. (A&C).

**Business highlights**

Power Engineering Consulting Joint Stock Company 4 was 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 1 August 2007 in line with the Business registration certificate No. 3703000280 dated 1 August 2007 granted by Khanh Hoa Investment and Planning Department. The company has registered the amended business registration certificate for the first time dated 19 May 2008, the second one dated 12 June 2009, the third one dated 5 December 2009, the fourth one dated 19 August 2010, the fifth one dated 30 July 2011, the sixth one dated 25 October 2011 and the seventh on dated 20 July 2012.

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 the business registration certificate for the seventh time is as follows:

Shareholders	Share capital (VND)	Rate (%)
Electricity of Vietnam (EVN)	31.280.250.000	51,23
Others	29.779.170.000	48,77
<b>Total</b>	<b>61.059.420.000</b>	<b>100,00</b>

The company's shares have been listed on Ha Noi Stock Exchange under the code of TV4.

Business industry as in business registration certificate:

- Testing, surveying and certifying eligibility of bearing safety, certifying suitability of construction quality.
- Providing consulting service for power project, network, lightning 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; establishment of bidding documents, tender documents evaluation; project construction supervision.

## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE DIRECTORS (cont.)

- 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; testing, analyzing and evaluating environmental criteria.
- 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.
- Consulting on environment, surveying and preparing report on compensation, resettlement, construction project. Consulting on management of construction investment project.
- Environmental impacts investigation and evaluation.
- 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, Nha Trang city, Khanh Hoa Province  
Tel : (058) 2220 405  
Fax : (058) 2220 400  
Website : www.pecc4.com.vn

### Affiliates:

Branches	Address
Branch in Northern	Lot 3 - TT4 Lane 183 - Hoang Van Thai Street - Khuong Trung Ward - Thanh Xuan District - Ha Noi City
Branch in Southern	No. 46/8 Tran Quy Khoach St - Tan Dinh Ward - District 1 - Ho Chi Minh City

### Material effects on the company's operations

Due to effect of fiscal policy of public investment restriction and of credit tightening policy to curb inflation by State, electricity projects have met difficulty in arranging capital affecting to sales of the company.

### Financial position and business results

The financial position as of 30 June 2012, the business results and the cash flows for the first 6 months of the fiscal year ended 31 December 2012 of the company have been expressed in the interim financial statements attached to this report (from page 07 to page 37).

### Subsequent events

- Pursuant to Resolution of Shareholders' general meeting of the year 2012 dated 21 April 2012, the shareholders have passed the plan of dividend payment of the year 2011 by shares at rate of 20% (shareholders possessing 100 shares will received 20 new shares). On 4 July 2012, the company has sent the Report to the State Securities Committee on results of issuing shares for dividend payment,

## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

### REPORT OF THE DIRECTORS (cont.)

according to those, number of shares registered to additional issues are 1.007.165 shares equivalent to VND 10.071.650.000 (amount from retained earnings). The company has been granted the amended business registration certificate for the seventh time dated 20 July 2012 by Khanh Hoa Investment and Planning Department; accordingly, the company's prescribed capital increases from VND 50.987.770.000 to VND 61.059.420.000.

Apart from the events said above, the Directors of the company hereby ensure that there have been no events from 30 June 2012 to the date of this report which need to make adjustments on the figures or the disclosures in the interim financial statements.

#### **The Board of Management and the Directors**

The Board of management and the Directors of the company during the year and to the date of this report include:

##### ***The Board of Management***

Full name	Position	Appointing date	Resigning date
Mr. Pham Minh Son	Chairman	10 July 2007	-
Mr. Tran Hoai Nam	Member	26 April 2011	-
Mr. Nguyen Phu Gia	Member	21 April 2012	-
Mr. Tran Van Tho	Member	10 July 2007	-
Mr. Van Cong Minh	Member	26 April 2008	21 April 2012
Mr. Luong Van Dai	Member	30 June 2008	29 February 2012
Mr. Tran Hoai Nam	Member	26 April 2011	-
Mr. Vu Thanh Danh	Member	21 April 2012	-

##### ***The Directors***

Full name	Position	Appointing date	Resigning date
Mr. Pham Minh Son	General Director	16 August 2007	-
	Deputy General		
Mr. Tran Van Tho	Director	16 August 2007	-
	Deputy General		
Mr. Tran Hoai Nam	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;
- Clearly state the accounting standards applied for the company if it is complied and material errors in comparison with these standards presented and explained in report on owner's equity;
- Prepare the interim 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.

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

REPORT OF THE DIRECTORS (cont.)

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The Directors confirm that the company has complied the requirements mentioned above were followed when the financial statements were prepared, that all the accounting books of the company have been fully recorded 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 Vietnamese accounting system and standards issued in line with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 by Finance Minister as well as Circulars giving guidance on performing accounting system and standards of Ministry of Finance.

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.

### **The approval of the financial statements**

The Directors have approved the accompanying financial statements. The financial statements referred to above give a true and fair view of the financial position as of 31 June 2012, the business results and the cash flows for the first 6 months of the year ended 31 December 2012 of Power Engineering Consulting Joint Stock Company 4, as well as in compliance with the Vietnamese accounting system and standards issued in line with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 by Finance Minister and Circulars giving guidance on performance of accounting system and standards of Ministry of Finance.

For and on behalf of the Directors,



**Phạm Minh Sơn**  
**General Director**

10 August 2012



**BAKER TILLY  
A&C**

**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN  
AUDITING AND CONSULTING CO., LTD.**



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Branch in Ha Noi : 40 Giang Vo St., Dong Da Dist., Ha Noi City  
Branch in Nha Trang : 18 Tran Khanh Du St., Nha Trang City  
Branch in Can Tho : 162C/4 Tran Ngoc Que St., Can Tho City  
[www.a-c.com.vn](http://www.a-c.com.vn)

No. 110/2012/BCTC-KTTV

**REVIEW ENGAGEMENT REPORT**

**ON INTERIM FINANCIAL STATEMENTS FOR THE FIRST 6 MONTHS OF THE FISCAL  
YEAR ENDED 31 DECEMBER 2012 OF  
POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

**THE SHAREHOLDERS, THE BOARD OF MANAGEMENT AND THE DIRECTORS  
POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

We have reviewed the interim financial statements for the first 6 months of the fiscal year ended 31 December 2012 of Power Engineering Consulting Joint Stock Company 4 including interim balance sheet as of 30 June 2012, the interim income statement, the interim cash flows statement and the notes to the interim financial statements for the first 6 months of the fiscal year ended 31 December 2012, which was prepared on 1 August 2012 (from page 07 to page 37).

The preparation and presentation of these interim financial statements are the responsibility of the company's Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review on the interim financial statements in accordance with Vietnamese Auditing Standard applicable to review engagements. These standards require that we plan and perform the review to obtain a reasonable assurance that the interim financial statements are free from material mistakes. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, except for effect of the matter said above, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view of the financial positions in all material respect, in accordance with the Vietnamese Accounting Standards and System as well as other related regulations.

**Auditing and Consulting Co., Ltd. (A&C)  
Branch in Nha Trang – Khanh Hoa**



**Nguyen Van Kien - Director**  
*Audit Certificate No. 0192/KTV*

**Doan Nguyen Hieu Hanh - Auditor**  
*Audit Certificate No. 1248/KTV*

Nha Trang, 10 August 2012

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2012

**INTERIM BALANCE SHEET****(Full form)****As of 30 June 2012**

Đơn vị tính: VND

<b>ASSETS</b>	<b>Code</b>	<b>Note</b>	<b>Ending balance</b>	<b>Beginning balance</b>
<b>A - CURRENT ASSETS</b>	<b>100</b>		<b>110.292.419.999</b>	<b>126.914.287.641</b>
<b>I. Cash and cash equivalents</b>	<b>110</b>	<b>V.1</b>	<b>1.857.567.585</b>	<b>14.245.070.656</b>
1. Cash	111		1.339.678.696	3.228.826.211
2. Cash equivalents	112		517.888.889	11.016.244.445
<b>II. Short-term investments</b>	<b>120</b>		-	-
1. Short-term investment	121		-	-
2. Provision for devaluation of short-term investment	129		-	-
<b>III. Accounts receivable</b>	<b>130</b>		<b>85.466.625.175</b>	<b>103.243.221.458</b>
1. Receivable from customers	131	V.2	89.826.467.900	107.540.796.821
2. Prepayments to suppliers	132	V.3	3.666.075.750	2.614.974.322
3. Inter-company receivable	133		-	-
4. Receivable according to the progress of construction cont	134		-	-
5. Other receivable	135	V.4	52.500.000	1.165.868.790
6. Provision for bad debts	139	V.5	(8.078.418.475)	(8.078.418.475)
<b>IV. Inventories</b>	<b>140</b>		<b>15.308.628.682</b>	<b>7.707.854.530</b>
1. Inventories	141	V.6	15.308.628.682	7.707.854.530
2. Provisions for devaluation of inventories	149		-	-
<b>V. Other current assets</b>	<b>150</b>		<b>7.659.598.557</b>	<b>1.718.140.997</b>
1. Short-term prepaid expenses	151		-	63.844.606
2. VAT to be deducted	152		-	-
3. Taxes and accounts receivable to the State	154		-	-
4. Trading Governmental bonds	157		-	-
5. Other current assets	158	V.7	7.659.598.557	1.654.296.391

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2012

**Interim balance sheet (cont.)**

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
<b>B - LONG-TERM ASSETS</b>	<b>200</b>		<b>107.057.037.769</b>	<b>109.048.726.559</b>
<b>I. Long-term accounts receivable</b>	<b>210</b>		<b>2.387.325.818</b>	<b>2.387.325.818</b>
1. Long-term receivable from customers	211	V.8	2.387.325.818	2.387.325.818
2. Capital in subsidiaries	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>26.927.023.695</b>	<b>27.395.639.916</b>
1. Tangible assets	221	V.9	10.451.890.831	10.651.494.687
<i>Historical costs</i>	222		33.364.013.144	32.740.714.961
<i>Accumulated depreciation</i>	223		(22.912.122.313)	(22.089.220.274)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.10	16.475.132.864	16.744.145.229
<i>Initial costs</i>	228		18.751.253.961	18.751.253.961
<i>Accumulated amortization</i>	229		(2.276.121.097)	(2.007.108.732)
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>77.166.430.000</b>	<b>78.166.430.000</b>
1. Investment in subsidiaries	251		-	-
2. Investment in business concerns, joint venture	252	V.11	74.616.430.000	74.616.430.000
3. Other long-term investments	258	V.12	2.550.000.000	3.550.000.000
4. Provision for devaluation of long-term investments	259		-	-
<b>V. Other long-term assets</b>	<b>260</b>		<b>576.258.256</b>	<b>1.099.330.825</b>
1. Long-term prepaid expenses	261	V.13	486.258.256	1.009.330.825
2. Deferred income tax	262		-	-
3. Other long-term assets	268	V.14	90.000.000	90.000.000
<b>TOTAL ASSETS</b>	<b>270</b>		<b><u>217.349.457.768</u></b>	<b><u>235.963.014.200</u></b>



**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2012

**Interim balance sheet (cont.)**

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
<b>A - LIABILITIES</b>	<b>300</b>		<b>124.309.003.400</b>	<b>146.073.392.704</b>
<b>I. Current liabilities</b>	<b>310</b>		<b>62.747.440.194</b>	<b>84.447.178.498</b>
1. Short-term debts and loans	311	V.15	2.000.000.000	-
2. Payable to suppliers	312	V.16	11.651.986.247	12.888.798.132
3. Advances from customers	313	V.17	20.095.365.788	18.966.129.572
4. Taxes and other obligations to the State Budget	314	V.18	3.549.839.132	9.733.997.618
5. Payable to employees	315	V.19	10.578.441.514	27.852.596.947
6. Accrued expenses	316	V.20	505.931.584	6.642.099.457
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction	318		-	-
9. Other payable	319	V.21	8.011.533.936	3.162.873.038
10. Provision for short-term payable	320		-	-
11. Bonus and welfare funds	323	V.22	6.354.341.993	5.200.683.734
12. Trading Governmental bonds	327		-	-
<b>II. Long-term liabilities</b>	<b>330</b>		<b>61.561.563.206</b>	<b>61.626.214.206</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.23	61.000.000.000	61.000.000.000
5. Deferred corporate income tax payable	335		-	-
6. Unemployment fund	336	V.24	561.563.206	626.214.206
7. Provision for long-term payable	337		-	-
8. Unearn revenue	338		-	-
9. Scientific and technological development fund	339		-	-
<b>B - OWNER'S EQUITY</b>	<b>400</b>		<b>93.040.454.368</b>	<b>89.889.621.496</b>
<b>I. Owner's equity</b>	<b>410</b>		<b>93.040.454.368</b>	<b>89.889.621.496</b>
1. Capital	411	V.25	50.987.770.000	50.987.770.000
2. Share premiums	412		-	-
3. Other capital	413		-	-
4. Treasury stocks	414	V.25	(730.110.060)	(718.010.060)
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
Business promotion fund	417	V.25	20.166.298.154	14.510.597.249
8. Financial reserved fund	418	V.25	6.586.968.453	4.631.865.934
9. Other funds	419	V.25	1.317.393.690	926.373.186
10. Retained earnings	420	V.25	14.712.134.131	19.551.025.187
11. Construction investment fund	421		-	-
12. Enterprise reorganization support fund	422		-	-
<b>II. Other sources and funds</b>	<b>430</b>		-	-
1. Sources of expenditure	432		-	-
2. Fund to form fixed assets	433		-	-
<b>TOTAL LIABILITIES AND OWNER'S EQUITY</b>	<b>440</b>		<b>217.349.457.768</b>	<b>235.963.014.200</b>



**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM INCOME STATEMENT**

For the first 6 months of the fiscal year ended 31 December 2012

**INTERIM INCOME STATEMENT**

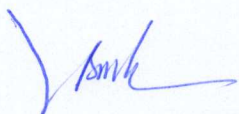
(Full form)

For the first 6 months of the fiscal year ended 31 December 2012

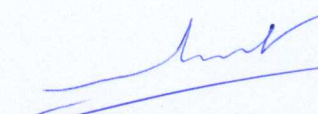
Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
1. Sales	01	VI.1	42.615.418.297	69.523.820.827
2. Deductions	02		-	-
3. Net sales	10	VI.1	42.615.418.297	69.523.820.827
4. Costs of goods sold	11	VI.2	22.916.799.795	42.445.375.158
5. Gross profit/ (loss)	20		19.698.618.502	27.078.445.669
6. Financial income	21	VI.3	394.932.767	660.357.797
7. Financial expenses	22	VI.4	4.759.979.198	4.705.248.713
In which: Loan interest expenses	23		4.757.946.562	4.701.425.000
8. Selling expenses	24		4.000.000	40.363.636
9. Administrative overheads	25	VI.5	7.772.096.339	9.655.261.723
10. Net operating profit/(loss)	30		7.557.475.732	13.337.929.394
11. Other income	31		5.057.073	169.919.546
12. Other expenses	32		114.925.444	-
13. Other profit	40		(109.868.371)	169.919.546
14. Profit/ (loss) before tax	50		7.447.607.361	13.507.848.940
15. Current corporate income tax	51	V.18	2.807.123.230	4.363.663.624
16. Deferred corporate income tax	52		-	-
17. Profit/(loss) after tax	60		<u>4.640.484.131</u>	<u>9.144.185.316</u>
18. Earning per share	70	VI.6	<u>921</u>	<u>2.175</u>

Khanh Hoa, 01 August 2012



Tran Le Thanh Binh  
Prepared by



Vu Thanh Danh  
Chief Accountant



Phạm Minh Sơn  
General Director

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM INCOME STATEMENT**

For the first 6 months of the fiscal year ended 31 December 2012

**INTERIM CASH FLOWS STATEMENT**

(Full form)

(Indirect method)

For the first 6 months of the fiscal year ended 31 December 2012

Unit: VND

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Năm nay	Năm trước
<b>I. Cash flows from operating activities</b>				
1. Profit/ (loss) before tax	01		7.447.607.361	13.507.848.940
2. Adjustments				
- Depreciation of fixed assets	02	V.9, 10	1.091.914.404	1.139.698.498
- Provisions	03		-	(290.920.500)
- Gain/ (loss) from unrealized foreign exchange difference	04		2.032.636	-
- Gain/ (loss) from investing activities	05	VI.3	(366.181.884)	(608.883.362)
- Loan interest expenses	06	VI.4	4.757.946.562	4.701.425.000
3. Operating profit/ (loss) before changes of working capital	08		12.933.319.079	18.449.168.576
- Increase/ (decrease) of accounts receivable	09		11.796.452.117	4.155.951.609
- Increase/ (decrease) of inventories	10		(7.600.774.152)	(4.331.298.332)
- Increase/ (decrease) of accounts payable	11		(26.974.612.594)	(13.856.120.003)
- Increase/ (decrease) of prepaid expenses	12		586.917.175	42.268.657
- Loan interests already paid	13	V.21, VI.4	(140.391.006)	(1.151.016.667)
- Corporate income tax already paid	14	V.18	(5.235.804.511)	(2.894.876.189)
- Other gains	15		18.818.450	7.000.000
- Other disbursements	16		(367.869.450)	(113.800.000)
<b>Net cash flows from operating activities</b>	<b>20</b>		<b>(14.983.944.892)</b>	<b>307.277.651</b>
<b>II. Cash flows from investing activities</b>				
1. Purchases and construction of fixed assets and other long-term assets	21		(755.607.427)	(2.199.029.185)
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	V.12	1.000.000.000	1.000.000.000
5. Investments into other entities	25		-	-
6. Withdrawals of investments in other entities	26		-	-
7. Receipts of loan interests, dividends and profit shared	27	VI.3	366.181.884	845.716.696
<b>Net cash flows from investing activities</b>	<b>30</b>		<b>610.574.457</b>	<b>(1.353.312.489)</b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

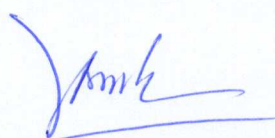
**INTERIM INCOME STATEMENT**

For the first 6 months of the fiscal year ended 31 December 2012

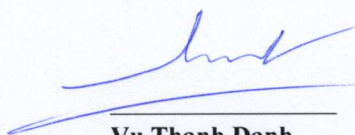
**Interim cash flows statement (cont.)**

ITEMS	Code	Note	Accumulated from the beginning of the year	
			Current year	Previous year
<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	V.25	(12.100.000)	(28.580.000)
3. Short-term and long-term loans received	33	V.15	19.500.000.000	10.450.000.000
4. Loan principal amounts repaid	34	V.15	(17.500.000.000)	(10.450.000.000)
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>	<b>40</b>		<b><u>1.987.900.000</u></b>	<b><u>(28.580.000)</u></b>
<b>Net cash flows during the year</b>	<b>50</b>		<b>(12.385.470.435)</b>	<b>(1.074.614.838)</b>
<b>Beginning cash and cash equivalents</b>	<b>60</b>	<b>V.1</b>	<b>14.245.070.656</b>	<b>2.806.240.274</b>
Effects of fluctuations in foreign exchange rates	61		(2.032.636)	-
<b>Ending cash and cash equivalents</b>	<b>70</b>	<b>V.1</b>	<b><u>1.857.567.585</u></b>	<b><u>1.731.625.436</u></b>

Khanh Hoa, 01 August 2012



**Tran Le Thanh Binh**  
Prepared by



**Vu Thanh Danh**  
Chief Accountant



**Phạm Minh Sơn**  
General Director

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

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

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### **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**For the first 6 months of the fiscal year ended 31 December 2012**

#### **I. OPERATION FEATURES**

- 1. Investment form** : Joint stock company.
- 2. Operating fields** : Consulting service.
- 3. Business industry** : Consulting, investigating, designing power.
- 4. Employees**  
As of 30 June 2012, the company has had 544 employees (as of 31 December 2011: 560 employees).
- 5. Material effects on the company's operations**  
Due to effect of fiscal policy of public investment restriction and of credit tightening policy to curb inflation by State, electricity projects have met difficulty in arranging capital affecting to sales of the company.

#### **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 issued in line with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 by Finance Minister as well as Circulars giving guidance on performing accounting system and standards of Ministry of Finance.
- 2. Statement on the compliance with the accounting standards and system**  
The Directors ensure to follow all the requirements of the Vietnamese accounting system and standards issued in line with Decision No. 15/2006/QĐ-BTC dated 20 March 2006 by Finance Minister as well as Circulars giving guidance on performing accounting system and standards of Ministry of Finance in the preparation of these financial statements.
- 3. Accounting form**  
The company has applied the voucher recording form. The bookkeeping works are done on the computer software.

# POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

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## IV. ACCOUNTING POLICIES

### 1. Accounting convention

All the financial statements are prepared on the basis of the accrual accounting (except for information relating to cash flows).

### 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.

### 4. Inventories

Inventories are determined on the basis of their historical 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 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 applied are as follows:

<u>Fixed assets</u>	<u>Years</u>
Building and structure	05 – 25
Machinery and equipment	03 – 06
Vehicle	06
Office equipment	03 – 06

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## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

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### 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 use period. Long-term land use right is not applied amortization.

Long-term land use right taken over the 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, subsidiaries, associates and jointly control business 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. Provisions for loss of investments in other economic organizations are made when these organizations suffer from loss (except for the case that this loss is an approved part of the business plan before making the investment) at the rate equivalent to rate of capital contribution of the company in these organizations.

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 for tools being put into use are allocated into expenses during the period in accordance with the straight line method for the maximum period of 24 months.

#### *Goodwill*

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.

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## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

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### 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 allowances for employees working at the company prior 1 January 2009. The rate of extraction for this fund is 1% of the salary fund which is used as the basis of social insurance payment and is included into the company's expenses during the year in line with the Guidance of the Circular No. 82/2003/TT-BTC dated 14 August 2003 of Ministry of Finance.

Pursuant to Law on Social Insurance, starting from 1 January 2009, employers must pay fund of unemployment insurance managed by Vietnam Social Insurance at rate of 1% lower than employees's basic salary or 20 times of the minimum salary regulated in each period by Government. Applying unemployment insurance regimess, employers do not made provision for unemployment fund for the working time of workers from 1 January 2009. However, the severance allowance paying for employees supplying the working time condition prior 1 January 2009 is the average salary within 6 uninterupted months prior the time of resignation.

### 13. Capital - Funds

The company's source of capital include:

- Capital of the company is owner's equity recorded in accordance with the amount of capital already invested by shareholders.
- Equity surplus is difference due to issuance of shares higher than par value.
- Other capital include supplement from the business results, assets given and re-valuation of assets.

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*

Current income tax is the tax amount computed based on the taxable income. Taxable income is different from accounting profit due to the adjustments of temporary differences between tax and accounting figures, non-deductible expenses as well as those of non-taxable income and losses brought forward.

## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

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### *Deferred income tax*

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 not yet recorded before are considered at the balance sheet dates and recorded when there have had enough taxable income which these deferred income tax assets not yet recorded 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 conversion**

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 period.

The exchange rates used as of:	31 December 2011	:	VND 20.828/USD
	30 June 2012	:	VND 20.828/USD

### **18. Recognition of sales**

#### *Sales of service provision*

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*

Interests are recorded based on the term and the interest rates applied for each period.

#### *Dividends and profit shared*

Dividends and profit shared are recognized when the shareholders or the investors have the rights to receive dividends or profit from the capital contribution. Particularly, dividends given by shares are not recorded to income but they are only observed the additional increase.

### **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.

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## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

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- 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 correspondingly 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. Financial assets

#### *Classification of financial assets*

The company classifies its financial assets into such groups as financial assets recognized at fair values through profit or loss statements, investments held to maturity dates, loans given and receivables, and financial assets available for sale. The classification of these financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition.

#### *Financial assets recognized at fair values through profit or loss statement*

A financial asset is classified as an asset recognized at fair value through profit or loss statement if it is held for trading or is categorized in the group of assets reflected at fair value through profit or loss statement at the date of initial recognition.

Financial asset will be classified as securities held for trading if:

- It is purchased or created mainly for the purpose of resale in a short term period;
- The company intends to hold for the purpose of gaining profits in a short term period;
- It is a derivative financial instrument (except derivative financial instruments identified as a financial guarantee contract or an effective risk protection instrument).

#### *Investments held to maturity dates*

Investments held to maturity dates are non-derivative financial assets with fixed or identified payments and fixed maturity periods which a company has the intention and ability to hold until the dates of maturity.

#### *Loans given and receivables*

Loans and receivables are non-derivative financial assets with fixed or identified payments, which are not listed on the market.

#### *Financial assets available for sale*

Available-for-sale financial assets are non-derivative financial assets determined as available for sale or not classified as financial assets recognized at fair values through profit or loss statement, investments held to maturity dates, loans given and receivables.

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

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

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

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### ***Initial carrying amount of a financial asset***

Financial assets are recognized at the acquisition date and are stopped recognizing at the selling date. At the date of initial recognition, financial assets are determined at the acquiring price/issuing cost plus other costs directly related to the acquisition or issuance of that financial asset.

## **21. Financial liabilities and equity instruments**

Financial instruments are classified as financial liabilities or equity instruments upon the dates of initial recognition in conformity with the natures and definitions of financial liabilities or equity instruments.

### ***Financial liabilities***

The company classifies its financial liabilities into such groups as financial liabilities recognized at fair values through profit or loss statement or financial liabilities determined at their allocated values. The classification of these financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition.

### ***Financial liabilities recognized at fair values through profit or loss statement***

Financial liability is classified as the liability recognized at fair value through profit or loss statement if it is held for trading or is categorized in the group of liabilities reflected at fair value through profit or loss statement upon initial recognition.

Financial liabilities will be classified as securities held for trading if:

- It is bought or created mainly for the purpose of redemption in a short term period;
- The company intends to hold for the purpose of gaining profits in a short term period;
- It is a derivative financial instrument (except derivative financial instruments identified as a financial guarantee contract or an effective risk protection instrument).

### ***Financial liabilities determined at their allocated values***

A financial liability is determined at its allocated value which is determined equally to the initially recognized value of that financial liability less the principals which a company has to repay, plus or minus the accumulated allocations calculated based on the actual interest method of the difference between the initially recorded value and the value upon maturity date, minus the deductions (directly or through a provision account) due to impairment or since it cannot be recovered.

Actual interest method is a method of calculating the allocated value of one financial liability or of a group of financial liabilities and distributing incomes or expenses in the related period. The effective interest rate is the discount interest rate of cash flows estimated to be settled or obtained in the future throughout the expected life cycle of a financial instrument or in a shorter period, if necessary, to return to the current net carrying amount of a financial liability.

### ***Initial carrying amount of a financial liability***

At the date of initial recognition, the financial liability is determined at the issuing price plus other costs directly related to the issuance of that financial liability.

### ***Equity instrument***

Equity instrument is the contract which can prove the remaining benefits in the assets of the company after deducting all of its liabilities.



## POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

### *Compound financial instrument*

A compound financial instrument issued by a company is classified into liability component and equity component, based on the contents as agreed in the contracts as well as based on the definitions of a financial liability and an equity instrument.

The equity component is determined as the remaining value of the financial instrument after deducting the fair value of the liability component. The value of a derivative instrument (such as contract on sale option) accompanied with a compound financial instrument and not belonging to the equity component (such as the option of equity conversion) will be presented in the liability component. The total carrying amount of liability and equity components upon initial recognition will equal to the fair value of financial instruments.

### 22. **Offsetting financial instruments against each other**

Financial assets and financial liabilities will be offset against each other and are reflected at their net values on the balance sheet when, and only when, the company:

- has a legal right to offset the recognized amounts; and
- has intention either to settle on a net basis, or to realize the asset and to settle the liability simultaneously.

### 23. **Statement of sections**

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

### 24. **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. Parties are also considered as the related party if they are jointly under the control and material effects.

To consider relationship between related parties, nature of relationship is attached great importance than legal form.

The related parties of the company are presented in Note VII.5

## V. **ADDITIONAL INFORMATION ON THE ITEMS OF THE INTERIM BALANCE SHEET**

### 1. **Cash and cash equivalents**

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	356.506.969	390.915.000
Cash in bank	983.171.727	2.837.911.211
Cash equivalents	517.888.889	11.016.244.445
<b>Total</b>	<u><b>1.857.567.585</b></u>	<u><b>14.245.070.656</b></u>

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**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2012

**Notes to the interim financial statements (cont.)****2. Receivable from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Nho Que Hydroelectricity Joint Stock Company 1	6.037.929.873	6.037.929.873
North Electricity Development and Investment Joint Stock Company 1	5.919.992.822	5.919.992.822
Board of Central Power Project Management	5.663.235.754	7.435.785.107
Trung Nam Hydroelectricity Joint Stock Company	5.509.545.455	5.509.545.455
Duc Long Gia Lai Group Joint Stock Company	5.318.864.000	5.318.864.000
Others	61.376.899.996	77.318.679.564
<b>Total</b>	<b><u>89.826.467.900</u></b>	<b><u>107.540.796.821</u></b>

**3. Prepayments to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Ha Noi Energy Construction Consulting Co., Ltd	400.000.000	400.000.000
Le Nguyen Construction Co., Ltd.	397.101.100	397.101.100
Bach Dang Consulting and Investment JSC	347.500.000	123.750.000
CAVICO Infrastructure Material JSC	344.673.082	344.673.082
Others	2.176.801.568	1.349.450.140
<b>Total</b>	<b><u>3.666.075.750</u></b>	<b><u>2.614.974.322</u></b>

**4. Other receivables**

	<u>Ending balance</u>	<u>Beginning balance</u>
Personal income tax of employees	-	1.001.300.790
Others	52.500.000	164.568.000
<b>Total</b>	<b><u>52.500.000</u></b>	<b><u>1.165.868.790</u></b>

**5. Provision for bad debts**

Details of provision are as follows:

	<b>Accumulated from the beginning of the year</b>	
	<u>Current year</u>	<u>Previous year</u>
Beginning balance	8.078.418.475	9.442.347.246
Provision additional made	-	-
Refund	-	(290.920.500)
<b>Ending balance</b>	<b><u>8.078.418.475</u></b>	<b><u>9.151.426.746</u></b>

**6. Inventories**

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	625.878.945	571.391.475
Tools	31.908.396	51.420.727
Work in progress	14.650.841.341	7.085.042.328
<b>Total</b>	<b><u>15.308.628.682</u></b>	<b><u>7.707.854.530</u></b>

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

**INTERIM FINANCIAL STATEMENTS**

For the first 6 months of the fiscal year ended 31 December 2012

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Advances	7.634.440.557	1.654.296.391
Short-term deposits and mortgages	25.158.000	-
<b>Total</b>	<b><u>7.659.598.557</u></b>	<b><u>1.654.296.391</u></b>

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

This item reflects warranty of project to be received from customers:

	<u>Ending balance</u>	<u>Beginning balance</u>
Management Board of Hydroelectricity 1	184.144.863	184.144.863
Nho Que Power Development and Investment JSC	1.532.762.821	1.532.762.821
Trung Son Hydropower One Member Co., Ltd	506.106.834	506.106.834
Others	164.311.300	164.311.300
<b>Total</b>	<b><u>2.387.325.818</u></b>	<b><u>2.387.325.818</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	10.220.663.467	9.187.172.451	10.716.361.219	2.616.517.824	32.740.714.961
New investment	-	-	486.200.000	137.098.183	623.298.183
<b>Ending balance</b>	<b><u>10.220.663.467</u></b>	<b><u>9.187.172.451</u></b>	<b><u>11.202.561.219</u></b>	<b><u>2.753.616.007</u></b>	<b><u>33.364.013.144</u></b>
<i>In which:</i>					
Fully depreciated but still being in use	406.322.380	7.705.815.708	9.012.885.981	1.373.288.539	18.498.312.608
<b>Depreciation</b>					
Beginning balance	2.304.409.816	8.229.419.762	9.725.263.789	1.830.126.907	22.089.220.274
Depreciation	271.427.442	155.634.127	211.991.044	183.849.426	822.902.039
<b>Ending balance</b>	<b><u>2.575.837.258</u></b>	<b><u>8.385.053.889</u></b>	<b><u>9.937.254.833</u></b>	<b><u>2.013.976.333</u></b>	<b><u>22.912.122.313</u></b>
<b>Net books value</b>					
Beginning balance	7.916.253.651	957.752.689	991.097.430	786.390.917	10.651.494.687
<b>Ending balance</b>	<b><u>7.644.826.209</u></b>	<b><u>802.118.562</u></b>	<b><u>1.265.306.386</u></b>	<b><u>739.639.674</u></b>	<b><u>10.451.890.831</u></b>
<i>In which:</i>					
Temporarily not yet used	-	-	-	-	-
Waiting for liquidation	-	-	-	-	-

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Notes to the interim financial statements (cont.)

**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>Historical costs</b>				
Beginning balance	7.093.957.000	9.463.506.000	2.193.790.961	18.751.253.961
<b>Ending balance</b>	<b><u>7.093.957.000</u></b>	<b><u>9.463.506.000</u></b>	<b><u>2.193.790.961</u></b>	<b><u>18.751.253.961</u></b>
<i>In which:</i>				
Fully depreciated but still being in use	-	-	957.636.487	957.636.487
<b>Amortization</b>				
Beginning balance	-	678.901.305	1.328.207.427	2.007.108.732
Amortization	-	99.752.400	169.259.965	269.012.365
<b>Ending balance</b>	<b><u>-</u></b>	<b><u>778.653.705</u></b>	<b><u>1.497.467.392</u></b>	<b><u>2.276.121.097</u></b>
<b>Net books value</b>				
Beginning balance	7.093.957.000	8.784.604.695	865.583.534	16.744.145.229
<b>Ending balance</b>	<b><u>7.093.957.000</u></b>	<b><u>8.684.852.295</u></b>	<b><u>696.323.569</u></b>	<b><u>16.475.132.864</u></b>

**11. Investment into associates**

Pursuant to Business Registration Certificate No. 6000884487 dated 20 May 2009 of Buon Don Hydroelectricity Joint Stock Company granted by Service of Planning and Investment of Daklak Province, the company has invested into Buon Don Hydroelectricity Joint Stock Company at amount of VND 103.850.000.000 equivalent to 31% of prescribed capital. As of the balance sheet date, the company has invested VND 74.616.430.000 equivalent to 7.461.643 shares, proportion 22,27% of prescribed capital. Prescribed capital to be invested into Buon Don Hydroelectricity Joint Stock Company is VND 29.233.570.000.

**12. Other long-term investments**

	<u>Ending balance</u>		<u>Beginning balance</u>	
	<u>Quantity</u>	<u>Value</u>	<u>Quantity</u>	<u>Value</u>
Investment into shares				
- EVN International Joint Stock Company	105.000	1.050.000.000	105.000	1.050.000.000
- EVN Land Nha Trang Immovable Property Joint Stock Company	150.000	1.500.000.000	150.000	1.500.000.000
Time-deposits		-		1.000.000.000
<b>Total</b>		<b><u>2.550.000.000</u></b>		<b><u>3.550.000.000</u></b>

**13. Long-term prepaid expenses**

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	1.009.330.825	1.001.525.864
Increasing during the year	64.288.028	556.959.091
Allocation during year	<u>(587.360.597)</u>	<u>(591.234.488)</u>
<b>Ending balance</b>	<b><u>486.258.256</u></b>	<b><u>967.250.467</u></b>

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**Notes to the interim financial statements (cont.)****14. Other long-term assets**

	<u>Ending balance</u>	<u>Beginning balance</u>
Deposits for house rental (Southern Branch)	75.000.000	75.000.000
Deposits for phone settings	5.000.000	5.000.000
Deposits for making MCC Mai Linh	10.000.000	10.000.000
<b>Total</b>	<b><u>90.000.000</u></b>	<b><u>90.000.000</u></b>

**15. Short-term loans**

This item reflects the balance of the short-term loans from BIDV – Khanh Hoa Branch to pay expenses for surveying, designing projects for one month.

Details of increase, decrease of current portions of long-term debts and loans are as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	-	53.000.000.000
Increase during the year	19.500.000.000	10.450.000.000
Amount already paid during the year	<u>(17.500.000.000)</u>	<u>(10.450.000.000)</u>
Ending balance	<b><u>2.000.000.000</u></b>	<b><u>53.000.000.000</u></b>

**16. Payable to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Power Engineering Consulting JSC 2	3.978.241.937	3.000.000.000
Energy Institute	1.525.643.198	2.025.643.198
Power Engineering Consulting JSC 1	983.545.000	983.545.000
Agriculture 1 - Hoa Binh Map Measure Enterprise	733.998.010	733.998.010
Electricity Engineering Consulting Enterprise 3- Da Nang	633.553.901	633.553.901
Others	3.797.004.201	5.512.058.023
<b>Total</b>	<b><u>11.651.986.247</u></b>	<b><u>12.888.798.132</u></b>

**17. Advances from customers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Central Power Project Management Board	7.316.714.030	4.601.456.405
Buon Don Hydroelectricity Joint Stock Company	2.078.537.000	2.078.537.000
HCMC Electricity Net Management Board	1.981.667.853	2.517.929.300
Trung Son Hydropower One Member Co., Ltd.	1.791.844.094	2.997.175.725
Others	6.926.602.811	6.771.031.142
<b>Total</b>	<b><u>20.095.365.788</u></b>	<b><u>18.966.129.572</u></b>

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**Notes to the interim financial statements (cont.)****18. Taxes and other obligations to the State budget**

Fulfillment of taxes and other obligations to the State budget is as follows:

	<b>Beginning balance</b>	<b>Amount payable</b>	<b>Amount already paid</b>	<b>Ending balance</b>
VAT on local sales	4.572.997.941	2.387.952.796	(5.075.834.551)	1.885.116.186
Corporate income tax	4.062.658.227	2.807.123.230	(5.235.804.511)	1.633.976.946
Personal income tax	1.098.341.450	958.065.811	(2.025.661.261)	30.746.000
Tax on using non- agricultural land	-	5.921.000	(5.921.000)	-
Other taxes	-	308.432.016	(308.432.016)	-
License duty	-	3.000.000	(3.000.000)	-
Contractor tax	-	305.432.016	(305.432.016)	-
<b>Total</b>	<b>9.733.997.618</b>	<b>6.467.494.853</b>	<b>(12.651.653.339)</b>	<b>3.549.839.132</b>

**Value added tax**

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

**Corporate income tax**

See Note No. IV.16.

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

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
Total accounting profit before tax	7.447.607.361	13.507.848.940
Increases, decreases of accounting profit to determine income subject to corporate income tax	3.780.885.559	3.946.805.556
- Increase	3.780.885.559	3.946.805.556
- Decrease	-	-
Total taxable income	11.228.492.920	17.454.654.496
Corporate income tax rate	25%	25%
<b>Estimated corporate income tax payable</b>	<b>2.807.123.230</b>	<b>4.363.663.624</b>

**Other taxes**

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

**19. Payable to employees**

Salary fund during the period is determined in line with Decision No. 02/TVDD4-HĐQT dated 24 February 2012 of the Board of Management. The unit price of salary for sales recorded during the year is as follows:

- Survey: VND 530/VND 1.000 sales
- Design: VND 510/VND 1.000 sales

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

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**Notes to the interim financial statements (cont.)****20. Accrued expenses**

	<u>Ending balance</u>	<u>Beginning balance</u>
Bonus fee for "initiative of improving – rationalizing manufacture"	-	222.200.000
Fee for surveying and designing	505.931.584	6.419.899.457
<b>Total</b>	<b><u>505.931.584</u></b>	<b><u>6.642.099.457</u></b>

**21. Other payable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Excess assets for treatment	-	-
Trade Union's Expenditure	2.300.854.642	2.273.982.494
Social Insurance	860.540.780	335.271.190
Sales already advanced (interest on deposits already received)	-	236.833.334
Payable for EVN (Loan interest expenses)	946.000.000	68.444.444
Amount contributed capital into BuonDon	108.298.000	154.470.000
Bond interest	3.740.000.000	-
Others	55.840.514	93.871.576
<b>Total</b>	<b><u>8.011.533.936</u></b>	<b><u>3.162.873.038</u></b>

**22. Bonus and welfare funds**

	<u>Beginning balance</u>	<u>Increase due to extraction from profit</u>	<u>Bonus from EVN</u>	<u>Funds paid during the year</u>	<u>Ending balance</u>
Bonus funds	3.295.551.652	586.530.756	10.000.000	(162.200.000)	3.729.882.408
Welfare funds	1.899.381.082	391.020.503	-	(171.693.000)	2.118.708.585
Bonus fund for Executive officers of the company	5.751.000	500.000.000	-	-	505.751.000
<b>Total</b>	<b><u>5.200.683.734</u></b>	<b><u>1.477.551.259</u></b>	<b><u>10.000.000</u></b>	<b><u>(333.893.000)</u></b>	<b><u>6.354.341.993</u></b>

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

	<u>Ending balance</u>	<u>Beginning balance</u>
EVN Loans <sup>(a)</sup>	10.000.000.000	10.000.000.000
Convertible bond <sup>(b)</sup>	51.000.000.000	51.000.000.000
<b>Total</b>	<b><u>61.000.000.000</u></b>	<b><u>61.000.000.000</u></b>

<sup>(a)</sup> This item long-term loans from EVN in line with loan contract No. 01/2008/EVN/TCKT-CPXDDDD4 dated 15 February 2008 and appendix No. 01/PLHDD01-2008/EVN – TVDD4 dated 31 December 2011 at amount of VND 10.000.000.000 to supplement the working capital for loan period of 9 years, interest rate is calculated by 12 months deposit interest paid after reference average of 4 Commercial Banks plus 3%. Payment of loan principle amount is from 2014 and ended in 2016.

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

- (b) Convertible bonds are issued to contribute capital into project of Sprepok 4A Hydropower – Buon Don Hydroelectricity JSC.

Face value	:	VND 100.000/share
Period	:	2 year from the issuance date 24 November 2011
Rate	:	12%/year
Convertible right	:	forcing conversion of 50% on the round day of the first year starting the date of issuance and remaining 50% on round day of the second year.

Pursuant to the Board's resolution No. 161/NQ-HĐQT dated 26 June 2012 regarding to adjust convertible price of convertible bonds in line with article of anti-dilution, since the company has paid dividends of 2011 by shares with proportion of 20%, convertible price of bonds is adjusted as decrease respectively from VND 10.000/share up to VND 8.400/share.

***Payment period of loans and long-term debts***

	<b>Total debts</b>	<b>Under 1 year</b>	<b>From 1 year to 5 years</b>	<b>Over 5 years</b>
Loans from EVN	10.000.000.000	-	10.000.000.000	-
Convertible bonds	51.000.000.000	25.500.000.000	25.500.000.000	-
<b>Total</b>	<b>61.000.000.000</b>	<b>25.500.000.000</b>	<b>35.500.000.000</b>	<b>-</b>

**24. Unemployment funds**

	<b>Current period</b>	<b>Previous period</b>
Beginning balance	626.214.206	596.548.653
Payment for subsidizing resigned employees during the period	(64.651.000)	(52.473.000)
<b>Ending balance</b>	<b>561.563.206</b>	<b>544.075.653</b>

**25. Owner's equity*****Statements of fluctuation in owner's equity :***

Information on fluctuation of owner's equity is presented in Appendix attached.

***Details of owner's equity***

	<b>Ending balance</b>		<b>Beginning balance</b>	
	<b>Contributed capital</b>	<b>Rate (%)</b>	<b>Contributed capital</b>	<b>Rate (%)</b>
Electricity of Vietnam	26.066.880.000	51,12	26.066.880.000	51,12
Other shareholders	24.920.890.000	48,88	24.920.890.000	48,88
<b>Total</b>	<b>50.987.770.000</b>	<b>100,00</b>	<b>50.987.770.000</b>	<b>100,00</b>

***Shares***

	<b>Ending balance</b>	<b>Beginning balance</b>
Number of shares allowed to be issued	5.098.777	5.098.777
Number of shares sold to public	5.098.777	5.098.777
- <i>Common shares</i>	5.098.777	5.098.777
- <i>Preferred shares</i>	-	-

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares repurchased	62.949	61.739
- <i>Common shares</i>	62.949	61.739
- <i>Preferred shares</i>	-	-
Number of outstanding shares	5.035.828	5.037.038
- <i>Common shares</i>	5.035.828	5.037.038
- <i>Preferred shares</i>	-	-

Face value: VND 10.000 /share.

***Purposes of appropriation for 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 (the prescribed capital reserve fund) are used for supplementing the prescribed capital.

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

	<b>Accumulated from the beginning of the year</b>	
	<u>Current year</u>	<u>Previous year</u>
Gains from survey	13.892.908.534	30.326.315.084
Gains from design	28.722.509.763	39.197.505.743
<b>Total</b>	<b><u>42.615.418.297</u></b>	<b><u>69.523.820.827</u></b>

**2. Costs of goods sold**

	<b>Accumulated from the beginning of the year</b>	
	<u>Current year</u>	<u>Previous year</u>
Cost of survey	7.196.726.008	19.579.679.182
Cost of design	15.720.073.787	22.865.695.976
<b>Total</b>	<b><u>22.916.799.795</u></b>	<b><u>42.445.375.158</u></b>

**3. Financial income**

	<b>Accumulated from the beginning of the year</b>	
	<u>Current year</u>	<u>Previous year</u>
Gains from selling foreign currencies	13.200.000	4.707.574
Gains from time-deposits	366.181.884	608.883.362
Gains from demand deposits	15.550.883	46.766.861
<b>Total</b>	<b><u>394.932.767</u></b>	<b><u>660.357.797</u></b>

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**Notes to the interim financial statements (cont.)****4. Financial expenses**

	Accumulated from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Loss from selling foreign currencies	-	3.823.713
Unrealized foreign exchange rate difference	2.032.636	-
Interest on short-term loans from EVN Finance to contributed into Buon Don Hydroelectricity Joint Stock Company	-	3.946.805.556
Interest on long-term loans from Electricity of Vietnam	877.555.556	730.033.333
Interest on bonds	3.740.000.000	-
Interest on other short-term loans	140.391.006	24.586.111
<b>Total</b>	<b><u>4.759.979.198</u></b>	<b><u>4.705.248.713</u></b>

**5. Administrative overheads**

	Accumulated from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	3.893.261.057	5.156.385.953
Office supplies and equipments	125.353.658	280.372.175
Depreciation of fixed assets	67.200.736	68.403.583
External service rendered	336.970.445	252.300.895
Other expenses	3.349.310.443	3.897.799.117
<b>Total</b>	<b><u>7.772.096.339</u></b>	<b><u>9.655.261.723</u></b>

**6. Earning per share**

	Accumulated from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	4.640.484.131	9.144.185.316
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-
Profit attribute shareholders owned ordinary shares	4.640.484.131	9.144.185.316
Outstanding average ordinary shares during the year	5.036.160	4.204.774
<b>Earning per share</b>	<b><u>921</u></b>	<b><u>2.175</u></b>

Outstanding average ordinary shares during the year are as follows:

	Accumulated from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Outstanding average ordinary shares at beginning year	5.037.038	4.206.746
Effect of ordinary shares repurchased during the year	(878)	(1.972)
Effect of ordinary shares additional issued during the year	-	-
<b>Outstanding average ordinary shares during the year</b>	<b><u>5.036.160</u></b>	<b><u>4.204.774</u></b>

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Notes to the interim financial statements (cont.)



### 7. Operating expenses

	Accumulated from the beginning of the year	
	Current year	Previous year
Materials and supplies	2.903.332.632	2.455.517.054
Employees	24.332.881.639	34.375.906.353
Depreciation of fixed assets	1.091.914.404	1.139.698.498
External service rendered	1.715.175.987	10.516.915.768
Others	8.215.390.485	7.955.441.406
<b>Total</b>	<b>38.258.695.147</b>	<b>56.443.479.079</b>

## VII. OTHER INFORMATION

### 1. Application of new accounting regulations

On 06 November 2009, Ministry of Finance has issued the Circular No. 210/2009/TT-BTC giving guidance on applying International Accounting Standards on presentation of financial statements and disclosures of financial instruments. The requirements of this Circular will be applied in preparing and presenting the financial statements from 2011 onward.

Pursuant to the requirement of this Circular, the company has addition supplemented Notes from VII.6 to VII.10 below.

In addition, this Circular also requires the company has to examine the articles in the compound financial instrument to determine whether those instruments include liabilities and equity. Part classified as liabilities is presented difference with part classified as financial assets or equity presented on the balance sheet. The requirement of this Circular does not affect to financial position and business results of the company since the company has not issued the compound financial instrument.

In year 2011, the company had issued VND 51.000.000.000 convertible bonds for shareholders in line with the plant presented at Note V.23. Because there have not the guidance on accounting in detail, the company is recognized the bond values as financial liabilities without separating liabilities and owner's equity.

### 2. Commitments

Pursuant to Decision No. 507/QĐ-TVĐ4 dated 26 November 2010, the Board of Management has stopped contributing capital into EVN – Land Nha Trang Joint Stock Company. Amount already contributed is VND 1,5 billion.

The company has taken delegation of other shareholders of Buon Don Hydroelectricity Joint Stock Company (who are the labors of the company) in contributing the prescribed capital of Buon Don Hydroelectricity Joint Stock Company. During the year, the company has contributed capital into Buon Don Hydroelectricity Joint Stock Company at amount of VND 983.102.000. As of 30 June 2012, amount already received from other shareholders is VND 108.298.000 (see Note V.21).

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Pursuant to Resolution of the Board of Management No. 1938/NQ-HĐQT dated 20 December 2011 about "Passing the supporting loans commitment for Srepok 4A Hydropower project of Buon Don Hydroelectric JSC", the Board of Management of Power Engineering Consulting JSC has passed the supporting loans commitment for Srepok 4A Hyropower project of Buon Don Hydroelectric JST as follow:

- + Power Engineering Consulting Joint Stock Company 4 will not transfer the company's stocks if there has not had agreement of lender in advance starting from the date of commitment to all debts of this credit contract fully paid;
- + Power Engineering Consulting Joint Stock Company 4 together shareholders relating to EVN and individual shareholders contribute capital into Buon Don Hydroelectricity Joint Stock Company by method of capital contribution or additional loans to assure shortage of monetary which can happen in the future during the process of capital loan, to assure ability to pay debts of Buon Don Hydroelectricity Joint Stock Company.

### 3. Subsequent events

Pursuant to Resolution of Shareholders's general meeting of the year 2012 dated 21 April 2012, the shareholders have passed the plan of dividend payment of the year 2011 by shares at rate of 20% (shareholders possessing 100 shares will received 20 new shares). On 04 July 2012 the company has sent the Report to the State Securities Committee on results of issuing shares for dividend payment, according to those, the number of shares registered to additional issues are 1.007.165 shares equivalent to VND 10.071.650.000 (amount from retained earnings). The company has been granted the amended business registration certificate for the seventh time dated 20 July 2012 by Khanh Hoa Investment and Planning Department; accordingly, the company's prescribed capital increases from VND 50.987.770.000 to VND 61.059.420.000.

Apart from the events said above, the Directors of the company hereby ensure that there have been no events from 30 June 2012 to the date of this report which need to make adjustments on the figures or the disclosures in the interim financial statements.

### 4. Segment information

Business operations of the company are to mainly provide survey and design service for enterprises in Vietnam.

### 5. Transaction with related parties

#### *Transactions with key management members*

Key management members and related individuals include: the Board's members, the Directors and Chief Accountant.

Transactions between the company and key management members include:

Key management members	Transactions
Board of Management and the Controllers	Pursuant to Resolution of the shareholders' general meeting in the year 2012, remuneration of Board of Management and the Controllers in the year is VND 216.000.000 /year. In the first 6 months of the year 2012, the Board of Management and the Controllers have received the remuneration at amount of VND 159.350.000 (the first 6 months of the year 2011 is VND 256.000.000)
The Directors and Chief Accountant	Income from salary and allowance in line with regulations on salary of the company. Income of the Directors and Chief Accountant in the first 6 months of the year ended 2012 is VND 895.001.000 (the first 6 months of the year ended 2011 is VND 1.000.867.000)

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**Notes to the interim financial statements (cont.)****Transactions with other related parties**

<b>Related parties</b>	<b>Relationships</b>
Electricity of Vietnam (EVN)	Shareholders possessing 51,12% stocks (see Note V.25)
Power Engineering Consulting JSC 2	EVN's subsidiary
Power Engineering Consulting JSC 2	EVN's subsidiary
EVN Finance	EVN's subsidiary
Buon Don Hydroelectricity Joint Stock Company	The company registered to possess 31% 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:

	<b>Accumulated from the beginning of the year</b>	
	<b>Current year</b>	<b>Previous year</b>
<b>Electricity of Vietnam (EVN)</b>		
Loan interest expenses payable (See Note No. VI.4)	877.555.556	730.033.333
<b>Power Engineering Consulting JSC 2</b>		
Fee for survey project of Ninh Thuan Nuclear Electricity (not including 10% VAT)	2.400.000.000	-
<b>Buon Don Hydroelectricity JSC</b>		
Provision of survey and design service (not including 10% VAT)	893.729.000	3.109.172.000

As of the balance sheet date, the company has had accounts payable for the related parties are as follows:

	<b>Ending balance</b>	<b>Beginning balance</b>
Power Engineering Consulting Joint Stock Company 2	633.746.534	-
Power Engineering Consulting Joint Stock Company 1	141.066.154	141.066.154
<b>Total accounts receivable</b>	<b>774.812.688</b>	<b>141.066.154</b>
Electricity of Vietnam (EVN)	10.946.000.000	10.068.444.444
<i>Payable for loan principle amount (see Note V.23)</i>	<i>10.000.000.000</i>	<i>10.000.000.000</i>
<i>Payable for loan interest (see Note V.21)</i>	<i>946.000.000</i>	<i>68.444.444</i>
Power Engineering Consulting Joint Stock Company 2 (see Note V.16)	3.978.241.937	3.000.000.000
Power Engineering Consulting Joint Stock Company 1 (see Note V.16)	983.545.000	983.545.000

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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For the first 6 months of the fiscal year ended 31 December 2012

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Buon Don Hydroelectricity Joint Stock Company (see Note V.17)	2.078.537.000	2.078.537.000
<b>Total accounts payable</b>	<b><u>17.986.323.937</u></b>	<b><u>16.130.526.444</u></b>

**6. Fair value of financial assets and liabilities**

	<u>Book values</u>		<u>Fair value</u>	
	<u>Ending balance</u>	<u>Beginning balance</u>	<u>Ending balance</u>	<u>Beginning balance</u>
<b>Financial assets</b>				
Cash and cash equivalents	1.857.567.585	14.245.070.656	1.857.567.585	14.245.070.656
Investments held to maturity date	-	1.000.000.000	-	1.000.000.000
Receivable from customers	84.135.375.243	101.849.704.164	84.135.375.243	101.849.704.164
Other receivable	7.802.098.557	2.910.165.181	7.802.098.557	2.910.165.181
<b>Total</b>	<b><u>93.795.041.385</u></b>	<b><u>120.004.940.001</u></b>	<b><u>93.795.041.385</u></b>	<b><u>120.004.940.001</u></b>
<b>Financial liabilities</b>				
Loans and debts	63.000.000.000	61.000.000.000	63.000.000.000	61.000.000.000
Payable to suppliers	11.651.986.247	12.888.798.132	11.651.986.247	12.888.798.132
Other payable	19.657.470.240	38.283.783.648	19.657.470.240	38.283.783.648
<b>Total</b>	<b><u>94.309.456.487</u></b>	<b><u>112.172.581.780</u></b>	<b><u>94.309.456.487</u></b>	<b><u>112.172.581.780</u></b>

Fair values of financial assets and liabilities are reflected in line with value that a financial instrument is able to be changed in the actual transactions between the parties fully having knowledges and desiring to have transactions.

The company use the following method and assumption to estimate the fair values:

- Fair value of cash on hand, cash in bank, accounts receivable from customers, payable to suppliers and other short-term payable equivalent to book value of these items due to these instruments having short-term period.
- Fair value of accounts receivable and loans given at fixed or variable interest rate is determined based on informations such as interest rate, risks, ability to pay debts, risk nature related to debts. On the basis of these valuation, the company has estimated provision for part of unable recovery.
- Fair value of financial assets available for sale listed on the security market is the disclosed price as of the balance sheet date. Fair value of financial assets available for sale not yet listed is calculated by properly valuing.

**7. Collaterals**

The company don't hold and mortgage collaterals both dated 31 December 2010 and dated 31 December 2011.

**8. Credit risk**

Credit risk is the risk that a contractual party cannot perform its responsibilities, leading to a financial loss to the company.

The company is exposed to credit risks arising from business operations (its accounts receivable from customers) and financial activity (bank interest and other financial instrument).

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For the first 6 months of the fiscal year ended 31 December 2012

Notes to the interim financial statements (cont.)

### *Receivable from customers*

The company diminishes credit risk by dealing with entities having the good finance, opening L/C for the first transactions or not yet having information on financial ability, debt accountant constantly observes accounts receivable to recover. On this basis and accounts receivable from the related company to other customers; therefore, credit risk does not concentrate the particular customers.

### *Bank deposits*

Most bank deposits of the company are deposited at the big and prestigious banks in Vietnam. The company recognizes that credit risk of bank deposits is low.

## 9. Liquidity risk

Liquidity risk is the risk that the company will have difficulties in paying its financial liabilities.

The Directors have the highest responsibility in management of liquidity risk. The company's liquidity risk arises from financial assets and liabilities having the different maturity date.

The company manages payment risk through properly keeping amount of money and cash equivalents and loans in level the Directors recognize that it is enough to diminish effects of fluctuations on cash flows.

Payment period of financial liabilities based on the estimated payment in line with contract not yet discounted as follows:

	<u>Under 1 year</u>	<u>From 1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<b>Ending balance</b>				
Loans and debts	27.500.000.000	35.500.000.000	-	63.000.000.000
Payable for suppliers	11.651.986.247	-	-	11.651.986.247
Other payable	19.095.907.034	561.563.206	-	19.657.470.240
<b>Total</b>	<b>57.686.330.075</b>	<b>36.061.563.206</b>	<b>-</b>	<b>94.309.456.487</b>
<b>Beginning balance</b>				
Loans and debts	25.500.000.000	35.500.000.000	-	61.000.000.000
Payable for suppliers	12.888.798.132	-	-	12.888.798.132
Other payable	37.657.569.442	626.214.206	-	38.283.783.648
<b>Total</b>	<b>76.046.367.574</b>	<b>36.126.214.206</b>	<b>-</b>	<b>112.172.581.780</b>

The company find that payment risk is low. The company has ability to pay maturity debts from cash flows from business operations.

## 10. Market risk

Market risk is the risk that fair value or the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises 3 types: foreign currency risk, interest rate risk and other price risk.

Sensitivity analysis presented below are prepared on the basis of unchanged fair value, fixing rate liability and floating rate liability.

### *Currency risk*

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company does not have currency risk since purchasing and selling goods and service are calculated by VND.

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INTERIM FINANCIAL STATEMENTS

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

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### ***Interest rate risk***


Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

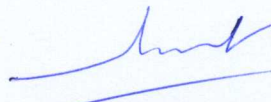
Interest rate risk relates to cash, short-term deposits, loans given and loans.

The company manages interest rate risk by analysing market situation to have the best interest rate and within the limit of its management.

The company does not analyse sensitivity of interest rate because of unremarkable risk due to change of interest rate.

Khanh Hoa, 1 August 2012

  
\_\_\_\_\_  
**Tran Le Thanh Binh**  
Prepared by

  
\_\_\_\_\_  
**Vu Thanh Danh**  
Chief Accountant

  
\_\_\_\_\_  
**Pham Minh Son**  
General Director

**POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4**

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

Unit: VND

	<u>Owner's equity</u>	<u>Treasury stocks</u>	<u>Difference on foreign exchange</u>	<u>Business promotion fund</u>	<u>Financial reserve fund</u>	<u>Other funds</u>	<u>Retained earnings</u>	<u>Total</u>
Beginning balance of previous year	42.580.000.000	(613.160.060)	-	8.348.357.892	2.825.014.566	565.002.912	18.068.513.683	71.773.728.993
Issuance of bonus shares from retained earnings of the year ended 2010	8.407.770.000	-	-	-	-	-	(8.407.776.000)	(6.000)
Repurchase of treasury shares previous year	-	(104.850.000)	-	-	-	-	-	(104.850.000)
Extraction of funds from profit of previous year	-	-	-	6.162.239.357	1.806.851.368	361.370.274	(9.660.737.683)	(1.330.276.684)
Profit of previous year	-	-	-	-	-	-	19.551.025.187	19.551.025.187
<b>Ending balance of previous year</b>	<b>50.987.770.000</b>	<b>(718.010.060)</b>	<b>-</b>	<b>14.510.597.249</b>	<b>4.631.865.934</b>	<b>926.373.186</b>	<b>19.551.025.187</b>	<b>89.889.621.496</b>
Beginning balance in current year	50.987.770.000	(718.010.060)	-	14.510.597.249	4.631.865.934	926.373.186	19.551.025.187	89.889.621.496
Repurchase of treasury shares during the period	-	(12.100.000)	-	-	-	-	-	(12.100.000)
Extraction of funds during the period from profit of previous year	-	-	-	5.655.700.905	1.955.102.519	391.020.504	(9.479.375.187)	(1.477.551.259)
Profit during the period	-	-	-	-	-	-	4.640.484.131	4.640.484.131
<b>Ending balance</b>	<b>50.987.770.000</b>	<b>(730.110.060)</b>	<b>-</b>	<b>20.166.298.154</b>	<b>6.586.968.453</b>	<b>1.317.393.690</b>	<b>14.712.134.131</b>	<b>93.040.454.368</b>