



**BAKER TILLY
A&C**

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



**INTERIM FINANCIAL STATEMENTS
FOR THE FIRST 6 MONTHS OF THE FISCAL YEAR ENDED
31 DECEMBER 2013**

**POWER ENGINEERING
CONSULTING JOINT STOCK
COMPANY 4**

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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 2013 reviewed by A&C Auditing and Consulting Co., Ltd.

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 officially 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, the seventh one dated 20 July 2012, the eighth one dated 2 March 2013 and the ninth dated 4 July 2013.

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 ninth time is as follows:

Shareholders	Share capital (VND)	Ratio (%)
Electricity of Vietnam (EVN)	71.007.300.000	64,81
Others	38.549.860.000	35,19
Total	109.557.160.000	100,00

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

Business operations as in business registration certificate:

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

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE DIRECTORS (cont.)

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

- Producing and trading electricity.
- Trading activities involved to equipment materials import and export.
- Processing and manufacturing power components, materials.
- Power installation.
- Transporting goods by cars.
- Trading software and IT equipments.
- Trading real estate and leasing office.
- Trading hotel.
- Testing, analyzing and evaluating environmental criteria. Consulting on environment. Environmental impacts investigation and evaluation. Environmental supervision.

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

Financial position and business results

The financial position as of 30 June 2013, the business results and the cash flows for the first 6 months of the fiscal year ended 31 December 2013 of the company have been expressed in the interim financial statements attached to this report (from page 07 to page 40).

Subsequent events

Pursuant to Resolution of 2013 annual general shareholders' meeting dated 25 April 2013, the general shareholders have passed the plan of dividend payment of the year 2012 by shares at rate of 20% (shareholders possessing 100 shares will received 20 new shares). On 27 June 2013, the company sent the Official Letter on reporting results of issuing shares for dividend payment to the State Securities Committee, according to those, a number of shares registered to additionally issue are 1.815.261 shares equivalent to VND 18.152.610.000 (amount from retained earnings). The company has been granted the amended business registration certificate for the ninth time dated 4 July 2013 by Khanh Hoa Investment and Planning Department whereby the company's prescribed capital increases from VND 91.404.550.000 to VND 109.557.160.000.

Apart from the events said above, the Directors of the company hereby ensure that there have been no events from 30 June 2013 to the date of this report which have not been reviewed the figures or the disclosures in the interim financial statements.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE DIRECTORS (cont.)

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 Van Tho	Member	10 July 2007	-
Mr. Tran Hoai Nam	Member	26 April 2011	-
Mr. Nguyen Phu Gia	Member	21 April 2012	-
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	-
Mr. Tran Van Tho	Deputy General Director	16 August 2007	-
Mr. Tran Hoai Nam	Deputy General Director	16 August 2007	-
Mr. Pham Ngoc Son A	Deputy General Director	01 June 2013	-
Mr. Vu Thanh Danh	Chief Accountant	16 August 2007	-

Responsibilities 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.

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 frauds and other irregularities.

The approval of the financial statements

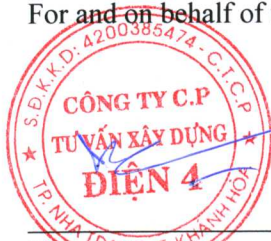
The Directors have approved the accompanying financial statements. The financial statements referred to above give a true and fair view of the financial position as of 31 June 2012, the business results and the cash flows for the first 6 months of the year ended 31 December 2012 of Power Engineering Consulting Joint Stock Company 4, as well as in compliance with the Vietnamese accounting system

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE DIRECTORS (cont.)

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 Board of Management



Phạm Minh Sơn
Chairman cum General Director

Date: 13 August 2013



**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
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www.a-c.com.vn

No. 115/2013/BCTC-KTTV



REVIEW ENGAGEMENT REPORT

**ON INTERIM FINANCIAL STATEMENTS FOR THE FIRST 6 MONTHS OF THE FISCAL
YEAR ENDED 31 DECEMBER 2013
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 2013 of Power Engineering Consulting Joint Stock Company 4 including interim balance sheet as of 30 June 2013, 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 2013, which was prepared on 5 August 2013 (from 07 to page 40).

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.

**A&C Auditing and Consulting Co., Ltd.
Branch in Nha Trang**



Phan Thi Ngoc Tram – Vice Director
*Certificate for Audit Practice Registration
No. 0979-2013-008-1*

Tong Van Dung – Auditor
*Certificate for Audit Practice Registration
No. 1566-2013-008-1*

Nha Trang, 13 August 2013

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 2013

INTERIM BALANCE SHEET**(Full form)****As of 30 June 2013**

Unit: VND



ASSETS	Code	Note	Ending balance	Beginning balance
A - CURRENT ASSETS	100		146.070.273.102	159.762.750.852
I. Cash and cash equivalents	110	V.1	539.305.200	6.901.954.453
1. Cash	111		539.305.200	3.901.954.453
2. Cash equivalents	112		-	3.000.000.000
II. Short-term investments	120		-	-
1. Short-term investment	121		-	-
2. Provision for devaluation of short-term investment	129		-	-
III. Accounts receivable	130		126.782.218.054	143.595.433.373
1. Receivable from customers	131	V.2	128.856.772.429	147.973.545.376
2. Prepayments to suppliers	132	V.3	5.893.364.100	3.309.029.487
3. Inter-company receivable	133		-	-
4. Receivable according to the progress of construction contract	134		-	-
5. Other receivable	135	V.4	110.500.000	391.276.985
6. Provision for bad debts	139		(8.078.418.475)	(8.078.418.475)
IV. Inventories	140		11.265.353.614	7.366.115.149
1. Inventories	141	V.5	11.265.353.614	7.366.115.149
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		7.483.396.234	1.899.247.877
1. Short-term prepaid expenses	151		10.217.735	-
2. VAT to be deducted	152		-	-
3. Taxes and accounts receivable to the State	154		-	2.821.500
4. Trading Governmental bonds	157		-	-
5. Other current assets	158	V.6	7.473.178.499	1.896.426.377

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 2013

Interim balance sheet (cont.)

ASSETS	Code	Note	Ending balance	Beginning balance
B - LONG-TERM ASSETS	200		117.565.871.239	118.433.160.462
I. Long-term accounts receivable	210		2.379.832.818	2.387.325.818
1. Long-term receivable from customers	211	V.7	2.379.832.818	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		-	-
II. Fixed assets	220		24.700.506.597	25.918.606.993
1. Tangible assets	221	V.8	8.758.557.229	9.710.065.877
<i>Historical costs</i>	222		29.595.343.953	32.296.539.043
<i>Accumulated depreciation</i>	223		(20.836.786.724)	(22.586.473.166)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.9	15.941.949.368	16.208.541.116
<i>Initial costs</i>	228		18.665.015.255	18.751.253.961
<i>Accumulated amortization</i>	229		(2.723.065.887)	(2.542.712.845)
4. Construction in progress	230		-	-
III. Investment property	240		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
IV. Long-term investments	250		89.843.359.000	89.797.449.000
1. Investment in subsidiaries	251		-	-
2. Investment in business concerns, joint venture	252	V.10	87.293.359.000	87.247.449.000
3. Other long-term investments	258	V.11	2.550.000.000	2.550.000.000
4. Provision for devaluation of long-term investments	259		-	-
V. Other long-term assets	260		642.172.824	329.778.651
1. Long-term prepaid expenses	261	V.12	552.172.824	239.778.651
2. Deferred income tax assets	262		-	-
3. Other long-term assets	268	V.13	90.000.000	90.000.000
TOTAL ASSETS	270		263.636.144.341	278.195.911.314

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 2013

Interim balance sheet (cont.)

LIABILITIES AND OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		127.285.668.092	144.101.378.222
I. Current liabilities	310		91.407.600.872	108.139.479.739
1. Short-term debts and loans	311	V.14	21.370.242.000	1.000.000.000
2. Payable to suppliers	312	V.15	11.651.426.643	11.732.833.943
3. Advances from customers	313	V.16	14.038.880.151	11.506.217.540
4. Taxes and other obligations to the State Budget	314	V.17	2.102.344.998	8.469.425.285
5. Payable to employees	315	V.18	18.963.886.460	54.281.246.387
6. Accrued expenses	316	V.19	3.570.869.167	2.756.462.000
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction contract	318		-	-
9. Other payable	319	V.20	12.213.796.517	12.080.032.591
10. Provision for short-term payable	320		-	-
11. Bonus and welfare funds	323	V.21	7.496.154.936	6.313.261.993
12. Trading Governmental bonds	327		-	-
II. Long-term liabilities	330		35.878.067.220	35.961.898.483
1. Payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other payable	333		-	-
4. Long-term loans and debts	334	V.22	35.878.067.220	35.961.898.483
5. Deferred corporate income tax payable	335		-	-
6. Unemployment fund	336		-	-
7. Provision for long-term payable	337		-	-
8. Unearn revenue	338		-	-
9. Scientific and technological development fund	339		-	-
B - OWNER'S EQUITY	400		136.350.476.249	134.094.533.092
I. Owner's equity	410		136.350.476.249	134.094.533.092
1. Capital	411	V.23	91.404.550.000	91.404.550.000
2. Share premiums	412	V.23	(4.853.630.000)	(4.853.630.000)
3. Other capital	413		-	-
4. Treasury stocks	414	V.23	(742.100.060)	(742.100.060)
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
Business promotion fund	417	V.23	20.166.292.154	20.166.292.154
8. Financial reserved fund	418	V.23	6.586.968.453	6.586.968.453
9. Other funds	419	V.23	1.721.694.867	1.317.393.690
10. Retained earnings	420	V.23	22.066.700.835	20.215.058.855
11. Construction investment fund	421		-	-
12. Enterprise reorganization support fund	422		-	-
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		263.636.144.341	278.195.911.314

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 2013

Interim balance sheet (cont.)

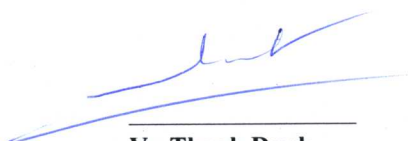
OFF-INTERIM BALANCE SHEET ITEMS

ITEMS	Note	Ending balance	Beginning balance
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		742,35	2,585.86
6. Estimated operation expenses			

Khanh Hoa, 5 August 2013



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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2013

INTERIM INCOME STATEMENT**(Full form)****For the first 6 months of the fiscal year ended 31 December 2013**

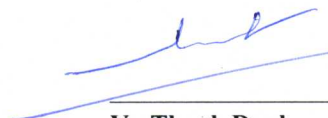
Unit: VND

ITEMS	Code	Note	Accumulation from the beginning of the year	
			Current year	Previous year
1. Sales	01	VI.1	37.022.100.581	42.615.418.297
2. Deductions	02		-	-
3. Net sales	10	VI.1	37.022.100.581	42.615.418.297
4. Costs of goods sold	11	VI.2	21.772.682.677	22.916.799.795
5. Gross profit/ (loss)	20		15.249.417.904	19.698.618.502
6. Financial income	21	VI.3	140.789.908	394.932.767
7. Financial expenses	22	VI.4	2.269.366.855	4.759.979.198
In which: Loan interest expenses	23		2.260.958.556	4.757.946.562
8. Selling expenses	24		-	4.000.000
9. Administrative overheads	25	VI.5	7.559.984.751	7.772.096.339
10. Net operating profit/(loss)	30		5.560.856.206	7.557.475.732
11. Other income	31		97.500	5.057.073
12. Other expenses	32		23.517.388	114.925.444
13. Other profit	40		(23.419.888)	(109.868.371)
14. Profit/ (loss) before tax	50		5.537.436.318	7.447.607.361
15. Current corporate income tax	51	V.17	1.770.740.218	2.807.123.230
16. Deferred corporate income tax	52		-	-
17. Profit/(loss) after tax	60		<u>3.766.696.100</u>	<u>4.640.484.131</u>
18. Earning per share	70	VI.6	<u>415</u>	<u>921</u>

Khanh Hoa, 5 August 2013



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

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2013

INTERIM CASH FLOWS STATEMENT

(Full form)

(Indirect method)

For the first 6 months of the fiscal year ended 31 December 2013

Unit: VND

ITEMS	Code	Note	Accumulation from the beginning of the year	
			Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		5.537.436.318	7.447.607.361
2. Adjustments				
- Depreciation of fixed assets	02	V.8, 9	990.827.618	1.091.914.404
- Provisions	03		-	-
- Gain/ (loss) from unrealized foreign exchange difference	04		-	2.032.636
- Gain/ (loss) from investing activities	05	VI.3	(113.777.779)	(366.181.884)
- Loan interest expenses	06	VI.4	2.260.958.556	4.757.946.562
3. Operating profit/ (loss) before changes of working capital				
	08		8.675.444.713	12.933.319.079
- Increase/ (decrease) of accounts receivable	09		11.246.777.697	11.796.452.117
- Increase/ (decrease) of inventories	10		(3.899.238.465)	(7.600.774.152)
- Increase/ (decrease) of accounts payable	11		(36.989.883.780)	(26.974.612.594)
- Increase/ (decrease) of prepaid expenses	12		(23.945.494)	586.917.175
- Loan interests already paid	13	V.19, VI.4	(116.734.722)	(140.391.006)
- Corporate income tax already paid	14	V.17	(5.210.094.082)	(5.235.804.511)
- Other gains	15	V.21	7.000.000	18.818.450
- Other disbursements	16	V.21	(334.860.000)	(367.869.450)
Net cash flows from operating activities	20		(26.645.534.133)	(14.983.944.892)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21	V.8, 9	(71.393.636)	(755.607.427)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22		-	-
3. Loans given and purchases of debt instruments of other entities	23		-	-
4. Recovery of loans given and disposals of debt instruments of other entities	24		-	1.000.000.000
5. Investments into other entities	25	V.10	(45.910.000)	-
6. Withdrawals of investments in other entities	26		-	-
7. Receipts of loan interests, dividends and profit shared	27		113.777.779	366.181.884
Net cash flows from investing activities	30		(3.525.857)	610.574.457

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

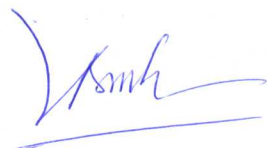
INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2013

Interim cash flows statement (cont.)

ITEMS	Code	Note	Accumulation from the beginning of the year	
			Current year	Previous year
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		-	(12.100.000)
3. Short-term and long-term loans received	33	V.14,22	27.370.010.737	19.500.000.000
4. Loan principal amounts repaid	34	V.14	(7.083.600.000)	(17.500.000.000)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		-	-
Net cash flows from financing activities	40		20.286.410.737	1.987.900.000
Net cash flows during the year	50		(6.362.649.253)	(12.385.470.435)
Beginning cash and cash equivalents	60	V.1	6.901.954.453	14.245.070.656
Effects of fluctuations in foreign exchange rates	61			(2.032.636)
Ending cash and cash equivalents	70	V.1	539.305.200	1.857.567.585

Khanh Hoa, 5 August 2013



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 - Nha Trang City - Khanh Hoa Province

INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2013

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2013

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 2013, the company has had 515 employees (as of 31 December 2012: 529 employees).
5. **Material effects on the operations of the company**
Pursuant to Resolution of 2013 annual general shareholders' meeting dated 25 April 2013, the general shareholders have passed the plan of dividend payment of the year 2012 by shares at rate of 20% (shareholders possessing 100 shares will received 20 new shares). On 27 June 2013, the company sent the Official Letter on reporting results of issuing shares for dividend payment to the State Securities Committee, according to those, a number of shares registered to additionally issue are 1.815.261 shares equivalent to VND 18.152.610.000 (amount from retained earnings). The company has been granted the amended business registration certificate for the ninth time dated 4 July 2013 by Khanh Hoa Investment and Planning Department whereby the company's prescribed capital increases from VND 91.404.550.000 to VND 109.557.160.000.

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.

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Notes to the interim financial statements (cont.)

3. Accounting form

The company has applied the voucher recording form. The bookkeeping works are done on the computer software.

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:

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<u>Fixed assets</u>	<u>Years</u>
Buildings and structures	05 – 25
Machinery and equipment	03 – 08
Vehicle	06
Office equipment	03 – 06

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.

Increase, decrease of balance of provision for financial investments is recorded into financial expenses during the year.

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

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INTERIM FINANCIAL STATEMENTS

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Notes to the interim financial statements (cont.)

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 36 months.

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 over 12 months until 31 December 2008 at extraction rate of $\frac{1}{2}$ of the salary fund which is used as the basis of social insurance payment of 6 uninterrupted months prior the time of resignation.

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' basic salary or 20 times of the minimum salary regulated in each period by Government. Applying unemployment insurance regimes, the company must not pay unemployment allowances for the working time of workers from 1 January 2009.

Unemployment allowance is recorded into administrative overheads when paying employees.

13. Capital

Owner's equity

Owner's equity is recorded in line with amount actually invested by shareholders.

Equity surplus

Equity surplus is recorded in line with difference between issuance of shares and value of shares issued for the first time, additionally issued or re-issued and book value of treasury stocks. Direct expenses related to the additional issuance and re-issuance of treasury stocks are recorded as decrease of equity surplus.

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. When re-issuance, difference between re-issued price and book value of treasury stocks is recorded into equity surplus.

15. Dividends

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

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Notes to the interim financial statements (cont.)

16. Extraction for funds

Funds are made and used in line with the company's Charter as follows:

	Purpose	Extraction rate from profit after tax	Maximum rate
• Business promotion fund	Enlargement of business operations or investment in depth of the company	Other part after extraction for other funds	N/A
• Financial reserved fund	Compensation of losses and damage during the business process or irresistible cases so as disaster, fire, etc.	10%	N/A
• Bonus and welfare fund	Bonus, encouragement by material benefits, improvement of material and spiritual live for employees.	5%	N/A
• Other funds belonging owner's equity	Supplement of prescribed capital	2%	10% prescribed capital

Fund extraction rate is performed in line with Resolution of annual general shareholders' meeting.

17. Corporate income tax

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.

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.

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18. 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 balance of monetary items in foreign currencies are converted in line with exchange rate at the end period.

Difference on foreign exchange arisen during the period from transactions in foreign currencies of monetary items in foreign currencies and difference on foreign exchange due to revaluation of balance of monetary items in foreign currencies as at the balance sheet date after offsetting increase difference against decrease difference are recorded into financial income or expenses during the period.

The exchange rate used to convert the transactions arisen by foreign currencies is the actual exchange rate ruling as of the transaction dates of commercial banks where the company has transactions. The exchange rate used to revalue the balance of monetary items in foreign currencies as of the balance sheet date is purchase exchange rate or average purchase exchange rate of commercial banks where the company opens its account disclosed at the balance sheet date.

The exchange rate used as of:

31 December 2012	: VND 20.805/USD
30 June 2013	: VND 21.140/USD

19. 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.

Sales from construction

When the results from the contract implementations are reliably estimated:

- For the construction 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 construction 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.

Increases, decreases of construction and installation volume, accounts receivable from compensations and other receivables are recorded as sales when it is agreed with 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.

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Notes to the interim financial statements (cont.)

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 received in shares are not recorded into income but they are only observed the additional increase.

20. Financial assets

Classification of financial assets

The classification of these financial assets depends on the nature and the purpose of them and is determined at the date of initial recognition. The financial assets of the company include financial assets recognized at fair values through profit or loss statement, loans given and receivables, financial assets available for sale, investments held until maturity date.

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.

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.

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Notes to the interim financial statements (cont.)

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).

At the date of initial recognition, the financial liability is determined at fair value through profit/loss statement recorded at fair value.

Other financial liabilities

Other financial liabilities include payable to suppliers, loans and debts and other payables.

At the date of initial recognition, except for financial liabilities related to convertible bonds recorded at allocated value, other financial liabilities is initial recorded at principal amount less other arisen expenses related to those financial liabilities.

Allocated value is determined at 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.

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.

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.

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Notes to the interim financial statements (cont.)

23. Convertible bonds

Convertible bonds are bonds that can be converted into a number of definition shares regulated at issuance plan. Convertible bonds issued by the company are classified liabilities and owner's equity as payable obligations in line with contract agreement and right to hold convertible bonds.

At the date of initial recognition, principal liabilities of convertible bonds recorded as liabilities and capital component (right to choose shares) of convertible bonds are recorded owner's equity.

Value of principal liabilities of convertible bonds is determined by discounting nominal value of future payment (including bond principal amount and interest) returning present value at bond interest rate similar market interest rate but there have been right to convert into shares. If not determining similar bond interest rate, common loan interest rate on the market at the date of bond issuance is used to determine present value of future payment. Capital component value of bonds is difference between total amount received from issuing convertible bonds and value of liabilities of convertible bonds.

After the date of initial recognition, bond interest payable in each period calculated on the basis of interest and value of principal liabilities of convertible bonds at the beginning period is recorded into financial expenses or capitalization. Difference between bond interest payable included in financial expenses or capitalization during the period and bond interest payable calculated at nominal interest rate is recorded as increase of principal amount of convertible bonds.

When bonds are due, value of right to choose shares of convertible bonds reflected in owner's equity and difference between principal liabilities of convertible bonds exceeding value of shares additionally issued calculated at face value is recorded equity surplus.

Expenses for issuing bonds are allocated liabilities and owner's equity of these tools at its proportion. Transaction expenses related to owner's equity are presented as decrease of owner's equity. Issuance expenses relating to liabilities included in value of liabilities component and allocated to financial expenses or capitalization at term of bonds in line with actual interest rate method.

In 2011, the company issued VND 51.000.000.000 convertible bonds to the existing shareholders as plan stated in Note V.22. Since there has been detail guidance on recording account, the company still recorded bond value as financial liabilities without separating liabilities and owner's equity.

24. 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.

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Notes to the interim financial statements (cont.)

25. 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.4

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	26.572.811	87.112.000
Cash in bank	512.732.389	3.814.842.453
Cash equivalents	-	3.000.000.000
Total	<u>539.305.200</u>	<u>6.901.954.453</u>

All balances of bank deposits of the company are used to secure short-term loans of the company at Bank for Investment and Development of Vietnam Joint Stock Company (BIDV) – Khanh Hoa Branch.

2. Receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Board of Central Power Project Management	29.757.614.910	28.577.534.705
Trung Nam Hydroelectricity JSC	8.174.942.728	8.174.942.728
Board of Northern Power Project Management	1.613.513.322	7.902.557.491
Board of Hydroelectricity Project Management 5	3.497.310.638	7.427.189.766
EVN International Joint Stock Company	6.246.690.909	6.957.493.218
Nho Que Hydroelectricity Joint Stock Company 1	6.037.929.873	6.037.929.873
Other customers	73.528.770.049	82.895.897.595
Total	<u>128.856.772.429</u>	<u>147.973.545.376</u>

All accounts receivable from customers are used to secure short-term loans at Bank for Investment and Development of Vietnam Joint Stock Company (BIDV) - Khanh Hoa Branch.

3. Prepayment to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Sea research and geodesic boundary map drawing survey team	2.681.000.000	-
Hanoi - Energy Construction Consulting Co., Ltd.	400.000.000	400.000.000
Bach Dang Investment and Consulting Joint Stock Company	200.000.000	397.500.000
Le Nguyen Construction Co., Ltd.	397.101.100	397.101.100
Other suppliers	2.215.263.000	2.114.428.387
Total	<u>5.893.364.100</u>	<u>3.309.029.487</u>

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Notes to the interim financial statements (cont.)**4. Other receivable**

	<u>Ending balance</u>	<u>Beginning balance</u>
Personal income tax of employees	-	252.665.150
Social insurance	-	44.111.835
Others	110.500.000	94.500.000
Total	<u>110.500.000</u>	<u>391.276.985</u>

5. Inventories

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	550.842.809	530.315.118
Tools	31.580.617	48.763.960
Work in progress	10.682.930.188	6.787.036.071
Total	<u>11.265.353.614</u>	<u>7.366.115.149</u>

6. Other current assets

Advances to employees.

7. Long-term receivable from customers

This item reflects warranty of projects 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	156.818.300	164.311.300
Total	<u>2.379.832.818</u>	<u>2.387.325.818</u>

8. Tangible fixed assets

	<u>Buildings & structures</u>	<u>Machinery & equipment</u>	<u>Vehicles</u>	<u>Office equipment</u>	<u>Total</u>
Historical costs					
Beginning balance	10.104.595.287	8.678.746.841	10.846.961.219	2.666.235.696	32.296.539.043
New investment	-	17.530.000	-	35.363.636	52.893.636
Changing in expenses waiting for allocation	-	(858.509.759)	(96.067.345)	(1.799.511.622)	(2.754.088.726)
Ending balance	<u>10.104.595.287</u>	<u>7.837.767.082</u>	<u>10.750.893.874</u>	<u>902.087.710</u>	<u>29.595.343.953</u>
<i>In which:</i>					
Fully depreciated but still being in use	290.254.200	6.801.212.309	9.119.422.964	351.756.886	16.562.646.359
Depreciation					
Beginning balance	2.731.196.520	7.999.634.853	9.782.957.257	2.072.684.536	22.586.473.166
Depreciation	271.427.442	119.238.525	192.009.194	141.184.409	723.859.570
Changing in expenses waiting for allocation	-	(811.858.503)	(96.067.345)	(1.565.620.164)	(2.473.546.012)
Ending balance	<u>3.002.623.962</u>	<u>7.307.014.875</u>	<u>9.878.899.106</u>	<u>648.248.781</u>	<u>20.836.786.724</u>

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	Buildings & structures	Machinery & equipment	Vehicles	Office equipment	Total
Net book value					
Beginning balance	7.373.398.767	679.111.988	1.064.003.962	593.551.160	9.710.065.877
Ending balance	7.101.971.325	530.752.207	871.994.768	253.838.929	8.758.557.229

Some tangible fixed assets with its historical costs and remaining book value as of 30 June 2013 are VND 9.621.242.560 and VND 6.904.924.996 respectively are mortgaged to secure loans from BIDV – Khanh Hoa Brach (see Note V.14).

9. Intangible fixed assets

	Long-term land Use right	Fixed-term land use right	Computer's software	Total
Historical costs				
Beginning balance	7.093.957.000	9.463.506.000	2.193.790.961	18.751.253.961
New investment	-	-	18.500.000	18.500.000
Changing in expenses waiting for allocation	-	-	(104.738.706)	(104.738.706)
Ending balance	7.093.957.000	9.463.506.000	2.107.552.255	18.665.015.255
<i>In which:</i>				
Fully depreciated but still being in use	-	-	871.397.781	871.397.781
Amortization				
Beginning balance	-	878.406.105	1.664.306.740	2.542.712.845
Amortization during the year	-	99.752.400	167.215.648	266.968.048
Changing in expenses waiting for allocation	-	-	(86.615.006)	(86.615.006)
Ending balance	-	978.158.505	1.744.907.382	2.723.065.887
Net book value				
Beginning balance	7.093.957.000	8.585.099.895	529.484.221	16.208.541.116
Ending balance	7.093.957.000	8.485.347.495	362.644.873	15.941.949.368

Some tangible fixed assets with its historical costs and remaining book value as of 30 June 2013 are VND 14.073.531.400 and VND 13.220.358.487 respectively are mortgaged to secure loans from BIDV – Khanh Hoa Brach (see Note V.14).

10. Investment into associates

	Ending balance		Beginning balance	
	Quantity	Value	Quantity	Value
Buon Don Hydroelectricity Joint Stock Company	8.729.336	87.293.359.000	8.724.745	87.247.449.000

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

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amount of VND 103.850.000.000 equivalent to 31% prescribed capital. During the period, the company has additionally invested VND 45.910.000. As of the balance sheet date, the company has invested VND 87.293.359.000 equivalent to 26,06% prescribed capital. Prescribed capital to be invested into Buon Don Hydroelectricity Joint Stock Company is VND 16.556.641.000.

11. Other long-term investments

	Ending balance		Beginning balance	
	Quantity	Value	Quantity	Value
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
Total		2.550.000.000		2.550.000.000

12. Long-term prepaid expenses

	Beginning balance	Increase during the year	Recorded from tangible fixed assets	Allocation	Ending balance
Computer's software	90.227.984	10.200.000	18.123.700	(80.575.920)	37.975.764
Tools	149.550.667	200.116.120	267.579.755	(103.049.482)	514.197.060
Total	239.778.651	210.316.120	285.703.455	(183.625.402)	552.172.824

13. Other long-term assets

	Ending balance	Beginning balance
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
Total	90.000.000	90.000.000

14. Short-term loans

	Ending balance	Beginning balance
Short-term loans from BIDV – Khanh Hoa Branch ^(a)	3.500.000.000	1.000.000.000
Loans from staffs ^(b)	17.870.242.000	-
Total	21.370.242.000	1.000.000.000

^(a) Short-term loans from BIDV – Khanh Hoa Branch in line with credit line (credit line VND 10.000.000.000) to supplement working capital, Loan period is applied for each credit contract.

Loan security method:

- Mortgaging land use right and assets pertaining land of the company at:
 - + 137 Thong Nhat, Van Thang Ward - Nha Trang City - Khanh Hoa Province
 - + 38 Le Thanh Phuong, Phuong Sai Ward - Nha Trang City - Khanh Hoa Province
 - + 11 Hoang Hoa Tham, Loc Tho Ward - Nha Trang City - Khanh Hoa Province
- All balances of business deposits by VND and foreign currencies of the company at BIDV – Khanh Hoa Branch and at other credit organizations.

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- Accounts receivable in line with economic contracts signed between the company and other partners that the company is receiver.

- (b) Loans from salary of employees for loan period of 9 months, maturity date is 31 December 2013 and interest rate is 0%.

Increase, decrease of loans and current portions of long-terms loans during the period is as follows:

	<u>Beginning balance</u>	<u>Increase during the period</u>	<u>Amount already paid during the period</u>	<u>Ending balance</u>
BIDV - Khanh Hoa Branch	1.000.000.000	7.500.000.000	(5.000.000.000)	3.500.000.000
Loans from employees	-	19.953.842.000	(2.083.600.000)	17.870.242.000
Total	1.000.000.000	27.453.842.000	(7.083.600.000)	21.370.242.000

15. Payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Power Engineering Consulting JSC 2	3.678.241.937	3.678.241.937
Energy Institute	1.325.643.198	1.325.643.198
2 Construction Survey Co., Ltd.	1.076.158.641	1.376.158.641
1 Construction Consulting Joint Stock Company	983.545.000	983.545.000
Agriculture 1 - Hoa Binh Map Measure Enterprise	733.998.010	733.998.010
Other suppliers	3.853.839.857	3.635.247.157
Total	11.651.426.643	11.732.833.943

16. Advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Central Power Project Management Board	5.070.832.541	2.490.613.927
HCMC Electricity Net Management Board	1.879.905.900	505.978.887
Buon Don Hydroelectricity Joint Stock Company	1.578.537.000	2.078.537.000
Board of Thermoelectricity Project 3	1.078.000.000	1.078.000.000
Others	4.431.604.710	5.353.087.726
Total	14.038.880.151	11.506.217.540

17. Taxes and other obligations to the State budget

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

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	4.038.747.716	3.089.737.274	(5.826.978.372)	1.301.506.618
Corporate income tax	4.220.666.244	1.770.740.218	(5.210.094.082)	781.312.380
Personal income tax	210.011.325	1.228.225.250	(1.418.710.575)	19.526.000
Tax on using non-agricultural land	(2.821.500)	3.099.500	(278.000)	-
Other taxes	-	3.000.000	(3.000.000)	-
Total	8.466.603.785	6.094.802.242	(12.459.061.029)	2.102.344.998

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Taxes excessively paid are presented in Taxes and accounts receivable to State Budget.

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

The company has to pay corporate income tax at rate of 25% (see Note No. IV.16).

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

	Accumulation from the beginning of the year	
	Current year	Previous year
Total accounting profit before tax	5.537.436.318	7.447.607.361
Increases, decreases of accounting profit to determine income subject to corporate income tax	1.545.524.555	3.780.885.559
- Increase	1.545.524.555	3.780.885.559
- Decrease	-	-
Total taxable income	7.082.960.873	11.228.492.920
Corporate income tax rate	25%	25%
Estimated corporate income tax payable	1.770.740.218	2.807.123.230

Other taxes

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

18. Payable to employees

Salary fund during the period is determined in line with Decision No. 37/TVDD4-HDQT dated 11 March 2013 of the Board of Management. The unit price of salary for sales recorded during the period is as follows:

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

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

19. Accrued expenses

	Ending balance	Beginning balance
Fee for surveying and designing projects	1.742.760.000	2.450.360.000
Interests on bonds	1.828.109.167	306.102.000
Total	3.570.869.167	2.756.462.000

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	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's Expenditure	2.922.299.397	3.426.856.997
Social Insurance	194.794.684	-
Payable for EVN	6.349.140.000	5.685.473.333
- Loan interest expenses	726.000.000	62.333.333
- Bond interest payable	5.623.140.000	5.623.140.000
Amount contributed capital into Buon Don Hydro electricity Joint Stock Company taken from other shareholders	2.690.970.000	2.690.970.000
Bond interest payable	4.678.000	46.128.000
Other payable	51.914.436	230.604.261
Total	<u>12.213.796.517</u>	<u>12.080.032.591</u>

21. 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	3.703.882.408	606.451.766	7.000.000	(208.800.000)	4.108.534.174
Welfare funds	2.103.628.585	404.301.177	-	(126.060.000)	2.381.869.762
Bonus fund for Executive officers of the company	505.751.000	500.000.000	-	-	1.005.751.000
Total	<u>6.313.261.993</u>	<u>1.510.752.943</u>	<u>7.000.000</u>	<u>(334.860.000)</u>	<u>7.496.154.936</u>

22. Long-term debts and loans

	<u>Ending balance</u>	<u>Beginning balance</u>
EVN Loans ^(a)	10.369.567.220	10.453.398.483
Convertible bonds ^(b)	25.508.500.000	25.508.500.000
Total	<u>35.878.067.220</u>	<u>35.961.898.483</u>

^(a) Loans in line with contracts:

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 its 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.

Long-term loans of EVN from loan capital source of World Bank in line with re-lending agreement No. 02/EVN-TV4/TCKT dated 31 December 2011 and Decisions No. 1556/QĐ-EVN dated 7 November 2008, No. 211/QĐ-EVN-TCCB&ĐT dated 30 January 2008 and No. 3250/EVN-TCCB&ĐT dated 4 July 2008 of Electricity of Vietnam on giving re-lending to the company from loan capital of WB (VN-3680 project) to pay training fee.

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Re-lending period: 14 years, loan principal amount and interest payment on 15 June and 15 December (the first loan principal amount payment is on 15 December 2012 and the date ending payment is 15 December 2022).

Re-lending interest rate : 5,9%/year.

Re-lending service charge : 0,2%/year.

- (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.

Payment period of loans and long-term debts

	Total debts	Under 1 year	From 1 year to 5 years	Over 5 years
Loans from EVN	10.369.567.220	-	10.000.000.000	369.567.220
Convertible bonds	25.508.500.000	25.508.500.000	-	-
Total	35.878.067.220	25.508.500.000	10.000.000.000	369.567.220

Details of long-term loans and debts

	Beginning balance	Difference on realized foreign exchange	Decrease of loan principal amount due to re-determination of exchange rate recording loans by Group	Ending balance
Loans from EVN	10.453.398.483	4.191.582	(88.022.845)	10.369.567.220
Convertible bonds	25.508.500.000	-	-	25.508.500.000
Total	35.961.898.483	4.191.582	(88.022.845)	35.878.067.220

23. 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

	Ending balance		Beginning balance	
	Contributed capital	Rate (%)	Contributed capital	Rate (%)
Electricity of Vietnam	59.172.750.000	64,74	59.172.750.000	64,74
Other shareholders	32.231.800.000	35,26	32.231.800.000	35,26
Total	91.404.550.000	100,00	91.404.550.000	100,00

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

	<u>Ending balance</u>	<u>Beginning balance</u>
Number of shares allowed to be issued	9.140.455	9.140.455
Number of shares sold to public	9.140.455	9.140.455
Number of shares repurchased	(64.148)	(64.148)
Number of outstanding shares	9.076.307	9.076.307

All shares are common shares. Face value is VND 10.000.

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

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Gains from survey	11.902.701.261	13.892.908.534
Gains from design	25.119.399.320	28.722.509.763
Total	<u>37.022.100.581</u>	<u>42.615.418.297</u>

2. Costs of goods sold

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Cost of survey	6.718.822.140	7.196.726.008
Cost of design	15.053.860.537	15.720.073.787
Total	<u>21.772.682.677</u>	<u>22.916.799.795</u>

3. Financial income

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Gains from selling foreign currencies	1.913.643	13.200.000
Gains from time-deposits	113.777.779	366.181.884
Gains from demand deposits	25.098.486	15.550.883
Total	<u>140.789.908</u>	<u>394.932.767</u>

4. Financial expenses

	Accumulation from the beginning of the year	
	<u>Current year</u>	<u>Previous year</u>
Unrealized foreign exchange rate difference	-	2.032.636
Realized foreign exchange rate difference	8.408.299	-
Interest on long-term loans from Electricity of Vietnam	663.666.667	877.555.556
Interest on bonds	1.522.007.167	3.740.000.000
Interest on other short-term loans	75.284.722	140.391.006
Total	<u>2.269.366.855</u>	<u>4.759.979.198</u>

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5. Administrative overheads

	Cumulation	
	Current year	Previous year
Expenses for employees	3.391.230.376	3.893.261.057
Office supplies and equipments	175.200.591	125.353.658
Depreciation of fixed assets	58.428.410	67.200.736
External service rendered	425.884.007	336.970.445
Other expenses	3.509.241.367	3.349.310.443
Total	7.559.984.751	7.772.096.339

6. Earning per share

	Accumulation from the beginning of the year	
	Current year	Previous year
Accounting profit after corporate income tax	3.766.696.100	4.640.484.131
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-
Profit attribute shareholders owned ordinary shares	3.766.696.100	4.640.484.131
Outstanding average ordinary shares during the year	9.076.307	5.036.160
Earning per share	415	921

Outstanding average ordinary shares during the year are as follows:

	Accumulation from the beginning of the year	
	Current year	Previous year
Outstanding average ordinary shares at beginning year	9.076.307	5.037.038
Effect of ordinary shares repurchased during the year	-	(878)
Effect of ordinary shares additional issued during the year	-	-
Outstanding average ordinary shares during the year	9.076.307	5.036.160

7. Operating expenses

	Accumulation from the beginning of the year	
	Current year	Previous year
Materials and supplies	2.148.472.376	2.903.332.632
Employees	21.195.189.867	24.332.881.639
Depreciation of fixed assets	990.827.618	1.091.914.404
External service rendered	1.465.163.789	1.715.175.987
Others	7.428.907.895	8.215.390.485
Total	33.228.561.545	38.258.695.147

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VII. OTHER INFORMATION

1. 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. As of 30 June 2013, amount already received from other shareholders is VND 2.690.970.000 (see Note V.20).
- 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 been 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.

2. Subsequent events

Pursuant to Resolution of 2013 annual general shareholders’ meeting dated 25 April 2013, the general shareholders have passed the plan of dividend payment of the year 2012 by shares at rate of 20% (shareholders possessing 100 shares will received 20 new shares). On 27 June 2013, the company sent the Official Letter on reporting results of issuing shares for dividend payment to the State Securities Committe, according to those, a number of shares registered to additionally issue are 1.815.261shares equivalent to VND 18.152.610.000 (amount from retained earnings). The company has been granted the amended business registration certificate for the ninth time dated 4 July 2013 by Khanh Hoa Investment and Planning Department whereby the company’s prescribed capital increases from VND 91.404.550.000 to VND 109.557.160.000.

Apart from the events said above, the Directors of the company hereby ensure that there have been no events from 30 June 2013 to the date of this report which need to make adjustments on the figures or the disclosures in the interim financial statements.

3. Segment information

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

4. Transaction with related parties

Transactions with key management members

Key management members and related individuals include: members of the Board of Management, the Directors, Chief Accountant and their family members.

Transactions between the company and key management members include:

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Key management members	Transactions
Board of Management and the Controllers	Pursuant to Resolution of the 2013 annual general shareholders' meeting, remuneration of Board of Management and the Controllers in 2013 is VND 492.000.000/year. In the first 6 months of the year 2013, the Board of Management and the Controllers have received the remuneration at amount of VND 170.200.000 (the first 6 months of the year 2012 is VND 170.200.000)
The Directors and Chief Accountant	Income from salary and allowances 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 2013 is VND 1.268.626.000 (the first 6 months of the year ended 2012 is VND 895.001.000)

Transactions with other related parties

Related parties	Relationships
Electricity of Vietnam (EVN)	Shareholders possessing 64,74% stocks (see Note V.23)
Power Engineering Consulting JSC 2	EVN's subsidiary
Power Engineering Consulting JSC 1	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:

	Cumulation	
	Current year	Previous year
Electricity of Vietnam (EVN)		
Loan interest expenses payable (See Note No. VI.4)	663.666.667	877.555.556
Bond interest expenses payable	1.397.978.067	3.436.363.333
Power Engineering Consulting JSC 2		
Fee for survey project of Ninh Thuan Nuclear Electricity	-	2.400.000.000
Buon Don Hydroelectricity JSC		
Provision of survey and design services (not including 10% VAT)	500.000.000	893.729.000

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

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	<u>Ending balance</u>	<u>Beginning balance</u>
Power Engineering Consulting Joint Stock Company 2	2.782.028.867	2.782.028.867
Power Engineering Consulting Joint Stock Company 1	141.066.154	141.066.154
Total accounts receivable	<u>2.923.095.021</u>	<u>2.923.095.021</u>
Electricity of Vietnam (EVN)	18.397.842.887	16.138.871.816
<i>Loan principal amount payable (see Note V. 22)</i>	10.369.567.220	10.453.398.483
<i>Payable for loan interest (see Note V.20)</i>	726.000.000	62.333.333
<i>Payable for bond interest</i>	7.302.275.667	5.623.140.000
Power Engineering Consulting Joint Stock Company 2 (see Note V.15)	3.678.241.937	3.678.241.937
Power Engineering Consulting Joint Stock Company 1 (see Note V.15)	983.545.000	983.545.000
Buon Don Hydroelectricity JSC (see Note V.16)	<u>1.578.537.000</u>	<u>2.078.537.000</u>
Total accounts payable	<u>24.638.166.824</u>	<u>22.879.195.753</u>

5. Financial risk management

General

The company's operation arises financial risks as follows credit risk, liquidity risk and market risk, the Directors have responsibility for establishing policies and the control in order to diminish financial risks as well as manage performance of policies and the controls established. Managing risks is performed by Finance - Account Department in line with policies and procedures approved by the Directors.

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 has credit risk from accounts receivable from customers, bank deposits and loans given.

Receivable from customers

The company diminish credit risk by only transacting entities having good financial activity. In addition, accountant constantly observes accounts receivable to urge recovery.

Receivable from customers of the company relates to entities and individuals; therefore credit risk concentrating accounts receivable from customers is low.

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.

Loans given

The company gave loan to employees. These individuals have both truth and good payment ability; therefore, credit risk for loans is low.

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Credit risk level of financial assets is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash and cash equivalents	539.305.200	6.901.954.453
Receivable from customers	123.158.186.772	142.282.452.719
Loans given	110.500.000	94.500.000
Other receivable	7.563.178.499	2.283.203.362
Financial assets available for sale	2.550.000.000	2.550.000.000
Total	<u>133.921.170.471</u>	<u>154.112.110.534</u>

Maximum level of credit risk with financial assets is book value of financial assets (see Note VII.6 on book value of financial assets).

Analysis on overdue time and devaluation of financial assets is as follows:

	<u>Not yet overdue or not impaired</u>	<u>Overdue and/or impaired</u>	<u>Total</u>
Ending balance			
Cash and cash equivalents	539.305.200	-	539.305.200
Receivable from customers	100.321.363.647	30.915.241.600	131.236.605.247
Loans given	110.500.000	-	110.500.000
Other receivable	7.563.178.499	-	7.563.178.499
Financial assets available for sale	2.550.000.000	-	2.550.000.000
Total	<u>111.084.347.346</u>	<u>30.915.241.600</u>	<u>141.999.588.946</u>
Beginning balance			
Cash and cash equivalents	6.901.954.453	-	6.901.954.453
Receivable from customers	119.445.629.594	30.915.241.600	150.360.871.194
Loans given	94.500.000	-	94.500.000
Other receivable	2.283.203.362	-	2.283.203.362
Financial assets available for sale	2.550.000.000	-	2.550.000.000
Total	<u>131.275.287.409</u>	<u>30.915.241.600</u>	<u>162.190.529.009</u>

Liquidity risk

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

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 non-derivative financial liabilities (including interest payable) 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>
Ending balance				
Payable to suppliers	11.651.426.643	-	-	11.651.426.643
Loans and debts	55.060.669.167	10.000.000.000	369.567.220	65.430.236.387
Other payable	26.566.624.977	-	-	26.566.624.977
Total	<u>93.278.720.787</u>	<u>10.000.000.000</u>	<u>369.567.220</u>	<u>103.648.288.007</u>

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Notes to the interim financial statements (cont.)

	<u>Under 1 year</u>	<u>From 1 year to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Beginning balance				
Payable to suppliers	11.732.833.943	-	-	11.732.833.943
Loans and debts	32.546.203.333	10.000.000.000	453.398.483	42.999.601.816
Other payable	63.080.037.645	-	-	63.080.037.645
Total	107.359.074.921	10.000.000.000	453.398.483	117.812.473.404

The Directors show that risk level of paying liabilities is low. The company has ability to pay current portion of liabilities from business cash flows and receipts from financial assets on maturity. The company has had ability to access sources of capital and maturity loans within 12 months can be extended the present creditors.

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 relating to the company's operations include interest risk price risk of securities.

Sensitivity analysis, the appreciations below related to financial situation of the company as of 30 June 2013 and 31 December 2012 base on net liability value. Change level of interest, security price used to analyze sensitivity is based on appreciating ability to cause within the next year with visible condition of market at present.

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 risk of the company related to time – deposits, loans given and loan with floating interest rate.

The company manages interest rate risk by analysing market situation to give properly decision in choosing loan date and period to have the best interest rate as well as maintain loan structure with floating and fixing interest rate.

Financial instrument with floating interest rate of the company is demand deposits at banks.

Price risk of securities

The Directors appreciate effect level due to fluctuation of security price to profit after tax and owner's equity of the company is insignificant since investments into securities have small value.

Collaterals

Collaterals to other entity

As of 30 June 2013, the balance of demand deposits at amount of VND 512.732.389 and accounts receivable from customers at amount of VND 128.856.772.429 are used to secure short-term loans at BIDV - Khanh Hoa Branch.

Collaterals received from other entities

The company has had no collaterals received from other entities on 30 June 2013 and 31 December 2012.

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INTERIM FINANCIAL STATEMENTS

For the first 6 months of the fiscal year ended 31 December 2013

Notes to the interim financial statements (cont.)**6. Fair value of financial assets and liabilities*****Financial assets***

	Book values				Fair values	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Principal amount	Provision	Principal amount	Provision		
Cash and cash equivalents	539.305.200	-	6.901.954.453	-	539.305.200	6.901.954.453
Investment held until maturity date	-	-	-	-	-	-
Receivable from customers	131.236.605.247	(8.078.418.475)	150.360.871.194	(8.078.418.475)	123.158.186.772	142.282.452.719
Loans given	110.500.000	-	94.500.000	-	110.500.000	94.500.000
Other receivable	7.563.178.499	-	2.283.203.362	-	7.563.178.499	2.283.203.362
Financial assets available for sale	2.550.000.000	-	2.550.000.000	-	2.550.000.000	2.550.000.000
Total	141.999.588.946	(8.078.418.475)	162.190.529.009	(8.078.418.475)	133.921.170.471	154.112.110.534

Financial liabilities

	Book values		Fair values	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Payable to suppliers	11.651.426.643	11.732.833.943	11.651.426.643	11.732.833.943
Loans and debts	65.430.236.387	42.999.601.816	65.430.236.387	42.999.601.816
Other payable	26.566.624.977	63.080.037.645	26.566.624.977	63.080.037.645
Total	103.648.288.007	117.812.473.404	103.648.288.007	117.812.473.404

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 of financial assets and liabilities:

- Fair value of cash and cash equivalents, accounts receivable from customers, loans given, other receivable payable to suppliers and other short-term payable equivalent to book value of these items (excluding estimated unrecoverable provision) due to these instruments having short-term period.
- Fair value of investments hold until maturity date listed on security market is transaction price disclosed as at the balance sheet date. For investments hold until maturity date unlisted but there have had transaction price disclosed as at the balance sheet date by 3 securities companies, fair value of these investments is average price of transaction price disclosed by 3 securities companies.
- Fair value of loans given, receivable from customers, other receivable, loans, payable to suppliers and other long-term payable is estimated by discounting cash flows with interest applied for liabilities having the same features and maturity date.

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Appendix 1: Statement of fluctuation in owner's equity

Unit: VND

	Owner's equity	Equity surplus	Treasury stocks	Business promotion fund	Financial reserve fund	Other funds	Retained earnings	Total
Beginning balance of previous 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
Issuance of bonus shares from retained earnings of the year ended 2011	10.071.650.000	-	-	-	-	-	(10.071.650.000)	-
Converting bonds into shares	30.345.130.000	(4.853.630.000)	-	-	-	-	-	25.491.500.000
Repurchasing treasury stocks during the year	-	-	(24.090.000)	-	-	-	-	(24.090.000)
Extraction for funds during the period from profit of previous year	-	-	-	5.655.694.905	1.955.102.519	391.020.504	(9.479.375.187)	(1.477.557.259)
Profit during the year	-	-	-	-	-	-	20.215.058.855	20.215.058.855
Ending balance of previous year	91.404.550.000	(4.853.630.000)	(742.100.060)	20.166.292.154	6.586.968.453	1.317.393.690	20.215.058.855	134.094.533.092
Beginning balance in current year	91.404.550.000	(4.853.630.000)	(742.100.060)	20.166.292.154	6.586.968.453	1.317.393.690	20.215.058.855	134.094.533.092
Extraction for funds during the period from profit of previous year	-	-	-	-	-	404.301.177	(1.915.054.120)	(1.510.752.943)
Profit during the period	-	-	-	-	-	-	3.766.696.100	3.766.696.100
Ending balance	91.404.550.000	(4.853.630.000)	(742.100.060)	20.166.292.154	6.586.968.453	1.721.694.867	22.066.700.835	136.350.476.249



