



**BAKER TILLY
A&C**

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



FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED 31 DECEMBER 2014

**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 audited financial statements for the fiscal year ended 31 December 2014.

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. During the operation course, the company has registered the amended Business Registration Certificates as follows:

<u>Amendment time</u>	<u>Date</u>
1 st	19 May 2008
2 nd	12 June 2009
3 rd	05 December 2009
4 th	19 August 2010
5 th	30 July 2011
6 th	25 October 2011
7 th	20 July 2012
8 th	02 March 2013
9 th	04 July 2013
10 th	07 January 2014
11 th	17 July 2014

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 11th time is as follows:

<u>Shareholders</u>	<u>Share capital (VND)</u>	<u>Ratio (%)</u>
Electricity of Vietnam (EVN)	104.478.440.000	71,56
Others	41.517.700.000	28,44
Total	145.996.140.000	100,00

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

Business operations of the company as in business registration certificate as follows:

- 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.
- Designing hydraulic projects.
- Establishing 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.
- Investing, measuring, observing meteorology, work hydrogeology.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE DIRECTORS (cont.)

- Treating 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.
- Testing on water analysis, testing on physical-mechanical properties of soils and rocks, works' foundation and construction materials, testing and verifying project quality, testing and analyzing environment 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 environment, investing and preparing report on compensation, sedentary farming and settlement of construction products. Consulting construction project management.
- Testing, analyzing and evaluating environmental criteria.
- Environmental supervision.
- Producing and trading electricity.
- Trading activities involved to equipment materials import and export.
- Trading software and IT equipments.
- Processing and manufacturing power components, materials.
- Power installation.
- Trading hotel.
- Transporting goods by cars.
- Trading real estates and leasing offices.
- Trading hotels.
- 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) 3563 999
Fax : (058) 3 563 888
Website : www.pecc4.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

During the year, the company has received dividends from Buon Don Hydroelectricity Joint Stock Company by an amount of VND 15.577.500.000 that leads financial income in current year to strongly increase in comparison with that of previous year.

Financial position and business results

The financial position as of 31 December 2014, the business results and the cash flows for the year then ended of the company have been expressed in the financial statements attached to this report (from page 8 to page 41).

Pursuant to Resolution of 2014 annual general shareholders' meeting No. 115/2014/NQ – ĐHĐCĐ dated 29 April 2014, general shareholders have decided to share dividends at rate of 3% of prescribed capital from retained earnings of the year 2013. Implementing the above-mentioned Resolution, the company has shared dividends from profit in the year 2013 by an amount of VND 4.360.527.300 and the company has temporarily extracted dividends of the year 2014 by an amount of VND 7.267.545.500

Subsequent events

The Directors of the company hereby ensure that there have been no events from 31 December 2014 to the date of this report which need to make adjustments on the figures or the disclosures in the financial statements.

The Board of Management and the 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 names	Position	Appointing date	Resigning date
Mr. Pham Minh Son	Chairman	21 April 2012	-
Mr. Tran Hoai Nam	Member	21 April 2012	-
Mr. Nguyen Phu Gia	Member	21 April 2012	-
Mr. Tran Van Tho	Member	21 April 2012	-
Mr. Vu Thanh Danh	Member	21 April 2012	-

The Directors

Full names	Position	Appointing date	Resigning date
Mr. Pham Minh Son	General Director	16 August 2012	-
	Deputy General		-
Mr. Pham Ngoc Son A	Director	01 June 2013	-
	Deputy General		-
Mr. Tran Hoai Nam	Director	16 August 2012	-
Mr. Vu Thanh Danh	Chief Accountant	16 August 2012	-

Auditor

A&C Auditing and Consulting Co., Ltd. have performed the audit on the company's financial statements for the fiscal year ended 31 December 2014 and have expressed their willingness to be appointed the company's external auditors in the coming year.

Responsibility of the Directors

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

- Select the appropriate accounting policies and apply them consistently;
- Make judgments and estimates prudently;

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

REPORT OF THE DIRECTORS (cont.)

- Clearly state the accounting standards applied for the company whether it is complied and material errors in comparison with these standards presented and explained in report on owner's equity;
- Prepare the financial statements on the basis of the going-concern assumption, except for the cases that the going-concern assumption is considered inappropriate.
- Design and implement effectively the internal control system in order to ensure that the preparation and presentation of the financial statements are free from material misstatements due to frauds or errors.

The Directors confirm that all 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 performance of accounting system and standards of Ministry of Finance.

The Directors of the company also have the responsibility to protect the assets of the company, and consequently have proceeded with appropriate measures to prevent and to detect frauds and other irregularities.

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 December 2014, the business results and the cash flows for the year then ended 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

Date: 28 March 2015

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**BAKER TILLY
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**CÔNG TY TNHH KIỂM TOÁN VÀ TƯ VẤN A&C
A&C AUDITING AND CONSULTING CO., LTD.**



Headquarters : 2 Truong Son St., W. 2, Tan Binh Dist., Ho Chi Minh City
Tel: (84.8) 3 5472972 - Fax: (84.8) 3 5472970
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

No. 036/2015/BCTC-KTTV

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Power Engineering Consulting Joint Stock Company 4 which were prepared on 20 March 2015 from page 08 to page 41 including the balance sheet as of 31 December 2014, the income statement, the cash flow statement for the fiscal year then ended and the notes to the financial statements.

The Directors' responsibility

The Directors are responsible for the preparation, true and fair presentation of these financial statements in accordance with the Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of the financial statements and responsible for such internal control as the company's Directors determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of Power Engineering Consulting Joint Stock Company 4 as of 31 December 2014, its financial performance and its cash flows for the fiscal year then ended in accordance with Vietnamese accounting standards and system and the legal regulations related to the preparation and presentation of the financial statements.

This report is made in two languages (Vietnamese and English), both of equal validity. The Vietnamese version will be the original for the reference when needed.

For and on behalf of
A&C Auditing and Consulting Company Limited
Nha Trang Branch



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

Nha Trang, 28 March 2015

Nguyen Thi Kim Hong - Auditor
Audit Practice Registration Certificate No. 1513-2013-008-1

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

BALANCE SHEET

As of 31 December 2014

Unit: VND

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
A - CURRENT ASSETS	100		134.137.748.064	133.538.384.379
I. Cash and cash equivalents	110	V.1	30.619.889.296	4.166.428.330
1. Cash	111		7.819.889.296	4.166.428.330
2. Cash equivalents	112		22.800.000.000	-
II. Short-term investments	120		-	-
1. Short-term investment	121		-	-
2. Provision for devaluation of short-term investment	129		-	-
III. Accounts receivable	130		87.139.598.777	115.053.459.330
1. Receivable from customers	131	V.2	98.352.616.678	127.042.235.617
2. Prepayments to suppliers	132	V.3	3.319.577.112	5.505.929.961
3. Inter-company receivable	133		-	-
4. Receivable according to the progress of construction	134		-	-
5. Other receivable	135	V.4	287.696.671	127.222.919
6. Provision for bad debts	139	V.5	(14.820.291.684)	(17.621.929.167)
IV. Inventories	140		14.593.241.017	12.401.202.367
1. Inventories	141	V.6	14.593.241.017	12.401.202.367
2. Provisions for devaluation of inventories	149		-	-
V. Other current assets	150		1.785.018.974	1.917.294.352
1. Short-term prepaid expenses	151	V.7	5.127.927	37.937.527
2. VAT to be deducted	152		-	-
3. Taxes and accounts receivable to the State	154		-	316.602.671
4. Trading Government bonds	157		-	-
5. Other current assets	158	V.8	1.779.891.047	1.562.754.154

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Balance sheet (cont.)

ASSETS	Code	Note	<u>Ending balance</u>	<u>Beginning balance</u>
B - LONG-TERM ASSETS	200		132.478.658.339	131.964.684.350
I. Long-term accounts receivable	210		2.012.336.984	2.379.832.818
1. Long-term receivable from customers	211	V.9	2.012.336.984	2.379.832.818
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		23.097.069.955	23.877.998.987
1. Tangible assets	221	V.10	7.708.091.151	8.169.779.358
<i>Historical costs</i>	222		30.292.582.135	29.635.343.953
<i>Accumulated depreciation</i>	223		(22.584.490.984)	(21.465.564.595)
2. Financial leasehold assets	224		-	-
<i>Historical costs</i>	225		-	-
<i>Accumulated depreciation</i>	226		-	-
3. Intangible fixed assets	227	V.11	15.388.978.804	15.708.219.629
<i>Initial costs</i>	228		18.762.715.255	18.665.015.255
<i>Accumulated amortization</i>	229		(3.373.736.451)	(2.956.795.626)
4. Construction in progress	230		-	-
III. Investment property	240		-	-
Historical costs	241		-	-
Accumulated depreciation	242		-	-
IV. Long-term investments	250		106.400.000.000	104.966.118.000
1. Investment in subsidiaries	251		-	-
2. Investment in business concerns, joint venture	252	V.12	103.850.000.000	102.416.118.000
3. Other long-term investments	258	V.13	2.550.000.000	2.550.000.000
4. Provision for devaluation of long-term investments	259		-	-
V. Other long-term assets	260		969.251.400	740.734.545
1. Long-term prepaid expenses	261	V.14	889.251.400	650.734.545
2. Deferred corporate income tax assets	262		-	-
3. Other long-term assets	268	V.15	80.000.000	90.000.000
TOTAL ASSETS	270		<u>266.616.406.403</u>	<u>265.503.068.729</u>

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Balance sheet (cont.)

OWNER'S EQUITY	Code	Note	Ending balance	Beginning balance
A - LIABILITIES	300		93.232.982.499	102.827.565.699
I. Current liabilities	310		85.837.435.317	92.494.955.201
1. Short-term debts and loans	311	V.16	4.950.399.000	17.729.680.000
2. Payable to suppliers	312	V.17	7.351.021.754	8.593.540.677
3. Advances from customers	313	V.18	27.804.540.735	16.259.635.907
4. Taxes and other obligations to the State Budget	314	V.19	5.295.745.360	3.268.750.179
5. Payable to employees	315	V.20	12.560.181.688	15.922.814.435
6. Accrued expenses	316	V.21	842.760.000	8.699.754.000
7. Inter-company payable	317		-	-
8. Payable according to the progress of construction	318		-	-
9. Other payable	319	V.22	19.684.332.818	14.556.255.041
10. Provision for short-term payable	320		-	-
11. Bonus and welfare funds	323	V.23	7.348.453.962	7.464.524.962
12. Trading Government bonds	327		-	-
II. Long-term liabilities	330		7.395.547.182	10.332.610.498
1. Payable to suppliers	331		-	-
2. Long-term inter-company payable	332		-	-
3. Other payable	333		-	-
4. Long-term loans and debts	334	V.24	7.395.547.182	10.332.610.498
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		173.383.423.904	162.675.503.030
I. Owner's equity	410		173.383.423.904	162.675.503.030
1. Capital	411	V.25	145.996.140.000	145.996.140.000
2. Share premiums	412	V.25	(15.784.110.000)	(15.784.110.000)
3. Other capital	413		-	-
4. Treasury stocks	414	V.25	(745.850.060)	(745.850.060)
5. Differences on asset revaluation	415		-	-
6. Foreign exchange differences	416		-	-
7. Business promotion fund	417	V.25	20.166.292.154	20.166.292.154
8. Financial reserved fund	418	V.25	6.586.968.453	6.586.968.453
9. Other funds	419	V.25	1.721.694.867	1.721.694.867
10. Retained earnings	420	V.25	15.442.288.490	4.734.367.616
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		-	-
OWNER'S EQUITY	440		266.616.406.403	265.503.068.729

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

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POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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


FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Balance sheet (cont.)**OFF-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		3.838.261.683	-
5. Foreign currencies (USD)		378,49	314,70
6. Estimates for non-business and project expenditure		-	-

Nha Trang, 20 March 2015



Tran Le Thanh Binh
Preparer



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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

INCOME STATEMENT

For the year ended 2014

Unit: VND

ITEMS	Code	Note	Current year	Previous year
1. Sales	01	VI.1	120.546.785.133	105.158.156.209
2. Deductions	02		-	-
3. Net sales	10	VI.1	120.546.785.133	105.158.156.209
4. Costs of goods sold	11	VI.2	88.250.512.134	66.414.722.406
5. Gross profit/ (loss)	20		32.296.272.999	38.743.433.803
6. Financial income	21	VI.3	15.714.245.834	157.697.170
7. Financial expenses	22	VI.4	908.337.802	4.735.719.396
In which: Loan interest expenses	23		849.232.116	4.277.775.599
8. Selling expenses	24	VI.5	-	12.800.000
9. Administrative overheads	25	VI.6	23.072.480.239	27.388.913.790
10. Net operating profit/(loss)	30		24.029.700.792	6.763.697.787
11. Other income	31	VI.7	218.707.636	335.588.500
12. Other expenses	32	VI.8	6.165.400	57.171.983
13. Other profit	40		212.542.236	278.416.517
14. Profit/ (loss) before tax	50		24.242.243.028	7.042.114.304
15. Current corporate income tax expenses	51		1.906.249.354	2.455.137.423
16. Deferred corporate income tax expenses	52		-	-
17. Profit/(loss) after tax	60		<u>22.335.993.674</u>	<u>4.586.976.881</u>
18. Earning per share	70	VI.9	<u>1.537</u>	<u>443</u>

Nha Trang, 20 March 2015



Tran Le Thanh Binh
Preparer



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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

CASH FLOWS STATEMENT**(Indirect method)****For the year ended 2014**

Unit: VND

ITEMS	Code	Note	Current year	Previous year
I. Cash flows from operating activities				
1. Profit/ (loss) before tax	01		24.242.243.028	7.042.114.304
2. Adjustments				
- Depreciation of fixed assets	02	V.10, V.11	1.599.347.214	1.853.335.228
- Provisions	03	V.5	1.036.624.200	9.543.510.692
- Gain/ (loss) from unrealized foreign exchange difference	04		(9.122.332)	8.408.299
- Gain/ (loss) from investing activities	05	VI.3, VI.6	(15.640.600.378)	(122.728.171)
- Loan interest expenses	06	VI.4	849.232.116	4.277.775.599
3. Operating profit/ (loss) before changes of working capital	08		12.077.723.848	22.602.415.951
- Increase/ (decrease) of accounts receivable	09		27.354.745.059	13.823.930.693
- Increase/ (decrease) of inventories	10	V.6	(2.192.038.650)	(5.035.087.218)
- Increase/ (decrease) of accounts payable	11		(1.582.612.999)	(31.693.076.045)
- Increase/ (decrease) of prepaid expenses	12	V.7, V.14	(205.707.255)	(150.227.007)
- Loan interests already paid	13		(295.934.343)	(226.484.721)
- Corporate income tax already paid	14	V.19	(1.039.789.614)	(6.992.406.338)
- Other gains	15		95.000.000	7.000.000
- Other disbursements	16		(201.071.000)	(366.493.974)
Net cash flows from operating activities	20		34.010.315.046	(8.030.428.659)
II. Cash flows from investing activities				
1. Purchases and construction of fixed assets and other long-term assets	21	V.10, V.11	(818.418.182)	(111.393.636)
2. Gains from disposals and liquidation of fixed assets and other long-term assets	22	VI.7	8.454.545	-
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		-	-
5. Investments into other entities	25	V.12	(1.433.882.000)	(11.321.574.014)
6. Withdrawals of investments in other entities	26		-	-
7. Receipts of loan interests, dividends and profit shared	27	VI.3	15.632.145.833	122.728.171
Net cash flows from investing activities	30		13.388.300.196	(11.310.239.479)

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

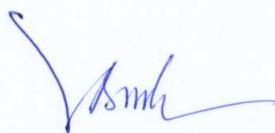
FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014


Cash flows statement (cont.)

ITEMS	Code	Note	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		-	(3.750.000)
3. Short-term and long-term loans received	33	V.16	27.572.857.750	48.870.010.737
4. Loan principal amounts repaid	34	V.16, V.24	(42.137.517.026)	(32.261.118.722)
5. Payments for financial leasehold assets	35		-	-
6. Dividends and profit already paid to the owners	36		(6.380.495.000)	-
<i>Net cash flows from financing activities</i>	40		(20.945.154.276)	16.605.142.015
Net cash flows during the year	50		26.453.460.966	(2.735.526.123)
Beginning cash and cash equivalents	60	V.1	4.166.428.330	6.901.954.453
Effects of fluctuations in foreign exchange rates	61		-	-
Ending cash and cash equivalents	70	V.1	30.619.889.296	4.166.428.330

Nha Trang, 20 March 2015



Tran Le Thanh Binh
Preparer



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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 2014

I. OPERATION FEATURES

1. **Investment form** : Joint stock company.
2. **Operating field** : Consulting service.
3. **Business industry** : Consulting, investigating, designing power.
4. **Number of employees**
As of 31 December 2014, the company has had 493 employees (as of 31 December 2013: 518 employees).
5. **Material effects on the operations of the company**
During the year, the company has received dividends from Buon Don Hydroelectricity Joint Stock Company by an amount of VND 15.577.500.000 that leads financial income in current year to strongly increase in comparison with that of previous year.

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 Vietnamese Accounting System and Standards**
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 performance of accounting system and standards of Ministry of Finance in the preparation of these financial statements.

On 22 December 2014, Ministry of Finance issued the following Circulars:

- Circular No. 200/2014/TT-BTC giving guidance on Enterprise Accounting Regime replacing Decision No. 15/2006/QĐ-BTC dated 20 March 2006 of Finance Minister and Circular No. 244/209/TT-BTC dated 31 December 2009 of Ministry of Finance.
- Circular No. 202/2014/TT-BTC giving guidance on preparing the consolidated financial statements replacing guidances related to the consolidated financial statements at Circular No. 161/2007/TT-BTC dated 31 December 2007 of Ministry of Finance.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

Regulations of these Circulars are applied for recording, preparing and presenting the financial statements from the year 2015 onwards.

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. Inventories

Inventories are recorded at their original 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.

4. Trade receivables and other receivables, provision for bad debts

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

Provision for bad debts is made for each particular type of bad debt on the basis of the estimated losses can cause.

Any increase or decrease of balance of provision for bad debts is recorded into item "administrative overheads" during the year.

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.

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

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

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

6. Intangible fixed assets

Intangible fixed assets are determined by their historical costs less accumulated amortization. They include:

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 of 50 years. Long-term land use right is not applied amortization.

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

Computer software

Computer software includes all the expenses paid until the date the software is put into use. It is amortized 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.

Any increase, decrease of balance of provision for financial investments is recorded into item "financial expenses" during the year.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

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.

Computer software

Purchase price of computer software without part associated with hardware is capitalized. Initial costs of software includes all the expenses paid until the date the software is put into use. Computer software is amortized in line with straight line method for 2 years.

Vehicles

Vehicles which have its historical costs of under VND 30 million are depreciated in line with straight line method in 3 years.

Other expenses are allocated in line with the actual use period of fee for finding out online legal documents.

10. Trade payable and other payable

Trade payable and other payable are recorded in line with 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. Severance allowances

The company has to pay for severance allowances for employees who have worked for the company for over 12 months. Extraction rate is ½ salary month plus salary allowances (if any) of average 6 consecutive months before the resigning date for every 1 working year for period employees do not attend payment of unemployment insurance.

Any increase, decrease of balance of provision for severance allowances is recorded to item "administrative overheads" as payment to employees.

13. Source of capital

Capital

Capital is recorded in line with amount actually invested by shareholders.

Share premium

Share premium is recorded in line with difference between issuance price and face value of shares as the first issuance, additional issuance or difference between re-issuance price and book value of treasury stocks. Direct expenses related to the additional issuance of shares and re-issuance of treasury stocks are recorded as decrease of share premium.

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Notes to the financial statements (cont.)

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-issuance price and book value of treasury stocks is recorded into share premium.

14. Dividends

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

15. Extraction for funds

Funds are extracted and used in line with the company's charter as follows:

	Purpose	Extraction rate from profit after tax	Maximum extraction rate
• Business promotion fund	To invest in business expansion or to make intensive investments.	Pursuant to Resolution of general shareholders	N/A
• Financial reserved fund	To compensate losses and damages generated during the business course or due to force majeure such as natural disasters or fires, etc.	Pursuant to Resolution of general shareholders	N/A
• Bonus and welfare funds	To give bonus and to encourage staff in form of physical assets; to improve physical and mental lives of the employees	Pursuant to Resolution of general shareholders	N/A
• Other funds of owner's equity	Supplement of its prescribed capital	Pursuant to Resolution of general shareholders	10% of prescribed capital

The extraction rate of funds are done in line with Resolution of general shareholders' meeting.

16. 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.

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FINANCIAL STATEMENTS

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Notes to the financial statements (cont.)

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 balances of monetary items in foreign currencies are converted at the actual exchange rates ruling as of the balance sheet date.

Difference on foreign exchange arisen during the year 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 their positive differences against negative differences are recorded into financial income or expenses during the year.

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 2013 :	VND 21.083/USD
	31 December 2014 :	VND 21.372/USD

18. Recognition of sales and income

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 of construction

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

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

Increase, decrease of construction volume, accounts receivable on compensations and other receivable is recorded as having agreement with customers.

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

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

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

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

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 company has right to receive dividends and profit from its capital contribution. In particular, dividends received in form of shares are not recorded into income but are only followed up the additional quantity.

19. 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, investments held to maturity dates, loans given and receivables, financial assets available for sale.

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

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FINANCIAL STATEMENTS

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Notes to the financial statements (cont.)

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 recorded at fair value through business results are determined at fair value, financial assets are determined at the acquiring price/issuing cost plus other costs directly related to the acquisition or issuance of that financial asset.

20. 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 classification of these financial liabilities depends on the natures and purposes of the financial liabilities and is determined at the date of initial recognition. The company's financial liabilities include financial assets recorded at fair value through business results and other payable.

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, financial liabilities recognized at fair values through profit or loss statement are recognized at fair value.

Other financial liabilities

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

At the date of initial recognition, apart from liabilities related to convertible bonds are recorded at allocated value, other financial liability is determined equally to the initially recognized value of the principals less direct expenses relating 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.

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Notes to the financial statements (cont.)

21. 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.

22. 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.

23. 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. A party is considered a related party if parties are under control or material effects together.

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

Transactions with related parties during the year are presented in Note VIII.3.

V. ADDITIONAL INFORMATION ON THE ITEMS OF THE BALANCE SHEET

1. Cash and cash equivalents

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash on hand	161.219.000	186.376.000
Cash in bank	7.658.670.296	3.980.052.330
Cash equivalents (under 3 months deposits)	22.800.000.000	-
Total	<u>30.619.889.296</u>	<u>4.166.428.330</u>

As of 31 December 2014, the balance of demand deposits with amount of VND 7.658.670.296 is used to secure short-term loans in Bank for Investment and Development of Viet Nam (BIDV) – Khanh Hoa Branch.

2. Receivable from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Survey and design activities	98.352.616.678	127.042.235.617
Other activities	-	-
Total	<u>98.352.616.678</u>	<u>127.042.235.617</u>

As of 31 December 2014, the balance of accounts receivable from customers with amount of VND 98.352.616.678 296 is used to secure short-term loans in Bank for Investment and Development of Viet Nam (BIDV) – Khanh Hoa Branch.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)**3. Prepayment to suppliers**

	<u>Ending balance</u>	<u>Beginning balance</u>
Business activities	3.319.577.112	5.505.929.961
Other activities	-	-
Total	<u>3.319.577.112</u>	<u>5.505.929.961</u>

4. Other receivable

	<u>Ending balance</u>	<u>Beginning balance</u>
Social insurance	50.050.700	-
Receivable from employees	2.000.000	89.500.000
Mott MacDonald Ltd., Co - Expenses for fuels to be collected from investors	197.899.768	-
Others	37.746.203	37.722.919
Total	<u>287.696.671</u>	<u>127.222.919</u>

5. Provision for bad debts

Situation of fluctuation of provision for bad debts is as follows:

	<u>Current year</u>	<u>Previous year</u>
Beginning balance	17.621.929.167	8.078.418.475
Provision additionally made	1.036.624.200	9.543.510.692
Treatment of bad debts	(3.838.261.683)	-
Ending balance	<u>14.820.291.684</u>	<u>17.621.929.167</u>

6. Inventories

	<u>Ending balance</u>	<u>Beginning balance</u>
Materials and supplies	484.935.680	606.813.981
Tools	28.052.481	27.130.643
Work in progress	14.080.252.856	11.767.257.743
Total	<u>14.593.241.017</u>	<u>12.401.202.367</u>

7. Short-term prepaid expenses

Tools to be allocated.

8. Other current assets

Advances to employees to perform the works.

9. 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	138.611.000	506.106.834
Management Board of Hydroelectricity 2	156.818.300	156.818.300
Total	<u>2.012.336.984</u>	<u>2.379.832.818</u>

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FINANCIAL STATEMENTS

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Notes to the financial statements (cont.)

10. Tangible fixed assets

	Buildings & structures	Machinery & equipment	Vehicles	Office equipment	Total
Historical cost					
Beginning balance	10.104.595.287	7.837.767.082	10.750.893.874	942.087.710	29.635.343.953
New purchase	-	-	658.900.000	61.818.182	720.718.182
Disposal and liquidation	-	-	(31.000.000)	(32.480.000)	(63.480.000)
Ending balance	10.104.595.287	7.837.767.082	11.378.793.874	971.425.892	30.292.582.135

In which:

Fully depreciated but still being in use	290.254.200	6.801.212.309	9.421.942.964	508.306.889	17.021.716.362
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Depreciation

Beginning balance	3.274.051.404	7.410.670.353	10.064.746.682	716.096.156	21.465.564.595
Depreciation during the period	542.854.884	207.310.956	329.108.476	103.132.073	1.182.406.389
Disposal and liquidation	-	-	(31.000.000)	(32.480.000)	(63.480.000)
Ending balance	3.816.906.288	7.617.981.309	10.362.855.158	786.748.229	22.584.490.984

Net book value

Beginning balance	6.830.543.883	427.096.729	686.147.192	225.991.554	8.169.779.358
Ending balance	6.287.688.999	219.785.773	1.015.938.716	184.677.663	7.708.091.151

In which:

Temporarily not yet used	-	-	-	-	-
To be liquidated	-	-	-	-	-

Some tangible fixed assets of which its historical costs and its remaining book value as of 31 December 2014 are VND 9.621.242.560 VND and VND 6.229.443.208 respectively are mortgaged to secure loans from BIDV - Khanh Hoa Branch (see Note V.16).

11. Intangible fixed assets

	Long-term land use right	Fixed-term land use right	Computer's software	Total
Initial costs				
Beginning balance	7.093.957.000	9.463.506.000	2.107.552.255	18.665.015.255
Increase during the year	-	-	97.700.000	97.700.000
Ending balance	7.093.957.000	9.463.506.000	2.205.252.255	18.762.715.255

In which:

Fully depreciated but still being in use	-	-	2.003.238.740	2.003.238.740
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Notes to the financial statements (cont.)

	Long-term land use right	Fixed-term land use right	Computer's software	Total
Amortization				
Beginning balance	-	1.077.910.905	1.878.884.721	2.956.795.626
Amortization	-	199.504.800	217.436.025	416.940.825
Ending balance	-	1.277.415.705	2.096.320.746	3.373.736.451
Net book value				
Beginning balance	7.093.957.000	8.385.595.095	228.667.534	15.708.219.629
Ending balance	7.093.957.000	8.186.090.295	108.931.509	15.388.978.804
<i>In which:</i>				
Temporarily not yet used	-	-	-	-
To be liquidated	-	-	-	-

Some intangible fixed assets of which its historical costs and its remaining book value as of 31 December 2014 are VND 14.073.531.400 and VND 12.958.052.511 respectively are mortgaged to secure loans from BIDV - Khanh Hoa Branch (see Note V.16).

12. Investment into associates

	Ending balance		Beginning balance	
	Quantity	Value	Quantity	Value
Buon Don Hydroelectricity Joint Stock Company	10.385.000	103.850.000.000	10.241.612	102.416.118.000

Pursuant to Business Registration Certificate No. 6000884487 dated 20 May 2009 of Buon Don Hydroelectricity Joint Stock Company granted by Department 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.

During the period, the company has additionally invested VND 1.433.882.000. As of the balance sheet date, the company has fully invested its prescribed capital.

13. 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
- Nha Trang – Ha Noi Development Investment Joint Stock Company (*)	45.836	458.360.000	150.000	1.500.000.000
- Khanh Hoa – Ha Noi Development Investment Joint Stock Company (*)	104.164	1.041.640.000		-
Total		2.550.000.000		2.550.000.000

(*) On 25 May 2014, general shareholders' meeting of Nha Trang – Ha Noi Development Investment Joint Stock Company issued Decision No. 02/14/N&H/QĐ - ĐHĐCĐ, separating Nha Trang - Ha Noi Development Investment Joint Stock Company into 2 companies:

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- + Nha Trang - Ha Noi Development Investment Joint Stock Company with its prescribed capital of VND 25.924.410.000 in which Power Engineering Consulting Joint Stock Company 4 contributed capital into this company at amount of VND 458.360.000 VND at ratio of 1,77%.
- + Khanh Hoa - Ha Noi Development Investment Joint Stock Company with its prescribed capital of VND 121.075.590.000 in which Power Engineering Consulting Joint Stock Company 4 contributed capital into this company at amount of VND 1.041.640.000 at ratio of 0,86%.

Pursuant to Decision No. 144/QĐ-HĐQT date 15 April 2014 of the Board of Management, the company will exit all capital contributed into Nha Trang - Ha Noi Development Investment Joint Stock Company, the legal formalities are expecting to complete in the year 2015.

14. Long-term prepaid expenses

	Beginning balance	Increases	Allocation	Ending balance
Computer software	31.658.650	-	(20.975.234)	10.683.416
Tools	568.174.854	793.058.826	(516.229.595)	845.004.085
Vehicles with its historical cost under VND 30 million	50.901.041	-	(21.988.932)	28.912.109
Other expenses	-	5.469.600	(817.810)	4.651.790
Total	650.734.545	798.528.426	(560.011.571)	889.251.400

15. Other long-term assets

	Ending balance	Beginning balance
Deposits for house rental (Branch in Southern)	-	75.000.000
Deposits for installing telephone	-	5.000.000
Deposits for MCC Mai Linh	10.000.000	10.000.000
Deposits for house rental	70.000.000	-
Total	80.000.000	90.000.000

16. Short-term loans

	Ending balance	Beginning balance
Short-term loans from BIDV - Khanh Hoa Branch ^(a)	-	4.500.000.000
Loans from staffs ^(b)	3.183.499.000	13.229.680.000
Current portion of long-term loans from Electricity of Vietnam (EVN)	1.766.900.000	-
Total	4.950.399.000	17.729.680.000

- ^(a) Short-term loans from BIDV – Khanh Hoa Branch in line with credit line (credit line VND 10.000.000.000) to supplement its 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, this loan has non bearing interest.

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

	<u>Beginning balance</u>	<u>Increase</u>	<u>Allocation</u>	<u>Offsetting against liabilities</u>	<u>Amount already paid during the year</u>	<u>Ending balance</u>
Loans from BIDV - Khanh Hoa Branch	4.500.000.000	27.572.857.750	-	-	(32.072.857.750)	-
Loans from staffs	13.229.680.000	-	-	-	(10.046.181.000)	3.183.499.000
Current portions of long-term loans from Electricity of Vietnam (EVN)	-	-	3.000.000.000	(1.233.100.000)	-	1.766.900.000
Total	<u>17.729.680.000</u>	<u>27.572.857.750</u>	<u>3.000.000.000</u>	<u>1.233.100.000</u>	<u>(42.119.038.750)</u>	<u>4.950.399.000</u>

17. Payable to suppliers

	<u>Ending balance</u>	<u>Beginning balance</u>
Business operations	7.351.021.754	8.593.540.677
Payable for purchasing fixed assets and construction in progress	-	-
Total	<u>7.351.021.754</u>	<u>8.593.540.677</u>

18. Advances from customers

	<u>Ending balance</u>	<u>Beginning balance</u>
Survey and design activities	27.804.540.735	16.259.635.907
Other activities	-	-
Total	<u>27.804.540.735</u>	<u>16.259.635.907</u>

19. Taxes and other obligations to the State budget

	<u>Beginning balance</u>	<u>Amount payable</u>	<u>Amount already paid</u>	<u>Ending balance</u>
VAT on local sales	3.221.903.579	14.867.846.113	(13.447.198.851)	4.642.550.841
Corporate income tax	(316.602.671)	1.906.249.354	(1.039.789.614)	549.857.069
Personal income tax	46.846.600	775.964.240	(719.473.390)	103.337.450
Tax on using non-agricultural land	-	3.123.300	(3.123.300)	-
Other taxes	-	76.130.492	(76.130.492)	-
Total	<u>2.952.147.508</u>	<u>17.629.313.499</u>	<u>(15.285.715.647)</u>	<u>5.295.745.360</u>

Taxes excessively paid are presented in item "taxes and receivable from state".

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 22% (see Note IV.16).

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

	<u>Current year</u>	<u>Previous year</u>
Total accounting profit before tax	24.242.243.028	7.042.114.304
Increases, decreases of accounting profit to determine income subject to corporate income tax	(15.577.473.238)	2.778.435.388
- Increase	26.762	2.778.435.388
- Decrease	(15.577.500.000)	-
Taxable income	8.664.769.790	9.820.549.692
Corporate income tax rate	22%	25%
Corporate income tax payable	<u>1.906.249.354</u>	<u>2.455.137.423</u>

Other taxes

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

20. Payable to employees

Salary fund during the year is determined in line with Decision No. 105/TVĐ4-HĐQT dated 14 March 2014 of the Chairman of the Board of Management. The unit price of salary for sales recorded during the period is as follows:

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

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

21. Accrued expenses

Expenses for investing and designing works.

22. Other short-term payable

	<u>Ending balance</u>	<u>Beginning balance</u>
Trade Union's Expenditure	2.576.587.087	2.917.615.657
Social insurance	-	-
Payable for equitization	2.100.000	2.100.000
Payable for EVN	14.148.588.197	8.484.468.424
- Loan interest expenses	809.054.197	49.752.424
- Interest on bonds payable	8.434.716.000	8.434.716.000
- Dividends	5.223.922.000	-
- Offsetting against liabilities of Management Board of Son La, Hoa Binh Hydroelectricity Project	(319.104.000)	-
Amount contributing capital into Buon Don Hydroelectricity JSC taken from other shareholders	2.640.030.000	2.690.970.000
Interest on bonds payable	48.118.000	254.122.000
Dividends payable for shareholders	23.655.800	-
Others	245.253.734	206.978.960
Total	<u>19.684.332.818</u>	<u>14.556.255.041</u>

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23. Bonus and welfare funds

	Beginning balance	Increase due to extraction from profit of previous year	Other increase	Funds paid during the year	Ending balance
Bonus fund	4.108.534.174	-	15.000.000	(58.800.000)	4.064.734.174
Welfare fund	2.350.239.788	-	-	(72.271.000)	2.277.968.788
Remuneration for Executive officers	1.005.751.000	-	-	-	1.005.751.000
Total	7.464.524.962	-	15.000.000	(131.071.000)	7.348.453.962

24. Long-term debts and loans

Loans from EVN in line with the following contracts:

- This item reflects long-term loans from Electricity of Vietnam (EVN) in line with re-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%. The debt principal amount is paid from the year 2014 to the year 2016.
- This item reflects long-term loans from Electricity of Vietnam from source of loan capital of World Bank (WB) in line with re-loan contract No. 02/EVN-TV4/TCKT dated 31 December 2011 and Decision 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 EVN on giving loans to the company from source of loan capital of WB (Project VN-3680) to pay training fee.

Re-loan period: 14 years, payment for loan principal amount and interest on 15 June and 15 December (the first principal payment is from 15 December 2012 and the end of the payment is 15 December 2022).

Interest on giving re-loan : 5,6%/year.

Fee for re-loan : 0,2%.

Payment term of long-term loans and debts

	Total debts	From 1 year or less	From over 1 year to 5 years	Over 5 years
Loans from EVN	7.395.547.182	-	7.000.000.000	395.547.182
Total	7.395.547.182	-	7.000.000.000	395.547.182

Increase, decrease of long-term debts and loans

	Current year	Previous year
Beginning balance	10.332.610.498	35.961.898.483
Amount already paid during the year	(18.478.276)	(36.956.722)
Reversal of current portions of long-term loans	(3.000.000.000)	-
Converting into shares		(25.508.500.000)
Decrease of loan principal amount since the Group re-determines exchange rate taken liabilities		(83.831.263)
Difference due to revaluation of ending balance	81.414.960	-
Ending balance	7.395.547.182	10.332.610.498

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Notes to the financial statements (cont.)**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

	Ending balance		Beginning balance	
	Contributed capital	Rate (%)	Contributed capital	Rate (%)
Electricity of Vietnam	104.478.440.000	71,56	104.478.440.000	71,56
Other shareholders	41.517.700.000	28,44	41.517.700.000	28,44
Total	145.996.140.000	100,00	145.996.140.000	100,00

Shares

	Ending balance	Beginning balance
Number of shares allowed to be issued	14.599.614	14.599.614
Number of shares sold to public	14.599.614	14.599.614
Number of shares repurchased	64.523	64.523
Number of outstanding shares	14.535.091	14.535.091

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

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

	Current year	Previous year
Gains from survey	40.412.791.367	34.964.083.180
Gains from design	80.133.993.766	70.194.073.029
Total	120.546.785.133	105.158.156.209

2. Costs of goods sold

	Current year	Previous year
Costs of survey	33.032.418.163	21.156.712.650
Costs of design	55.218.093.971	45.258.009.756
Total	88.250.512.134	66.414.722.406

3. Financial income

	Current year	Previous year
Gains from time-deposits	54.645.833	113.444.446
Gains from demand deposits	27.505.435	40.167.855
Gains from realized foreign exchange difference	45.472.234	-
Gains from unrealized foreign exchange difference	9.122.332	-
Dividends given	15.577.500.000	-
Others	-	4.084.869
Total	15.714.245.834	157.697.170

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

	<u>Current year</u>	<u>Previous year</u>
Loan interest expenses	849.232.116	4.277.775.599
Loss from unrealized foreign exchange difference	-	8.408.299
Loss from realized foreign exchange difference	59.105.686	449.535.498
Total	<u>908.337.802</u>	<u>4.735.719.396</u>

5. Administrative overheads

	<u>Current year</u>	<u>Previous year</u>
Expenses for employees	10.958.991.405	7.490.201.029
Office materials and stationeries	502.149.053	361.176.220
Depreciation of fixed assets	43.628.750	96.383.785
External service rendered	895.816.176	1.011.755.633
Other expenses	10.671.894.855	18.429.397.123
Total	<u>23.072.480.239</u>	<u>27.388.913.790</u>

6. Other income

	<u>Current year</u>	<u>Previous year</u>
Receiving reimbursement of training fee	191.942.000	335.230.000
Gains from liquidation of assets	8.454.545	-
Gains from liquidation of materials	14.179.091	-
Others	4.132.000	358.500
Total	<u>218.707.636</u>	<u>335.588.500</u>

7. Other expenses

	<u>Current year</u>	<u>Previous year</u>
Fines due to contract violation	6.138.638	33.654.595
Payment for tax fine	26.762	23.517.388
Total	<u>6.165.400</u>	<u>57.171.983</u>

8. Earning per share

	<u>Current year</u>	<u>Previous year</u>
Accounting profit after corporate income tax	22.335.993.674	4.586.976.881
Increase/(decrease) of accounting profit to determine profit attribute shareholders owned ordinary shares	-	-
Profit attribute shareholders owned ordinary shares	22.335.993.674	4.586.976.881
Average outstanding ordinary shares during the year	14.535.091	10.354.947
Earning per share	<u>1.537</u>	<u>443</u>

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Average outstanding ordinary shares during the year are as follows:

	<u>Current year</u>	<u>Previous year</u>
Average outstanding ordinary shares at beginning year	14.535.091	9.140.455
Effect of ordinary shares repurchased	-	(170)
Effect of ordinary shares converted from convertible bonds dated 4 December 2012	-	-
Effect of ordinary shares converted from convertible bonds dated 29 November 2013	-	319.465
Effect of ordinary shares issued from profit during the year 2012	-	-
Effect of ordinary shares issued from profit during the year 2013	-	895.197
Average outstanding ordinary shares during the year	<u>14.535.091</u>	<u>10.354.947</u>

9. Operating expenses

	<u>Current year</u>	<u>Previous year</u>
Materials and supplies	6.004.273.530	4.991.568.103
Labors	64.464.655.330	43.997.496.635
Depreciation of fixed assets	1.599.347.214	1.853.335.228
External service rendered	21.670.509.471	20.266.907.254
Other expenses	19.897.201.941	27.687.350.648
Total	<u>113.635.987.486</u>	<u>98.796.657.868</u>

VII. ADDITIONAL INFORMATION ON THE ITEMS OF THE CASH FLOW STATEMENTS**1. Non-cash transactions**

During the year, the company has had non-cash transactions as follows:

	<u>Current year</u>	<u>Previous year</u>
Payment of long-term loan principal amount through offsetting liabilities against EVN	1.233.100.000	-
Investment into other company through offsetting liabilities	-	3.847.094.986
Transfer of liabilities into owner's equity	-	25.508.500.000
Total	<u>1.233.100.000</u>	<u>29.355.594.986</u>

VIII. OTHER INFORMATION**1. Commitments**

- 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 31 December 2014, amount already received from other shareholders is VND 2.640.030.000 (see Note V.22).

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- Pursuant to Resolution No. 1938/NQ-HĐQT dated 20 December 2011 of the Board of Management regarding “*adoption of commitment on supporting capital loans for Srêpôk 4A Hydroelectricity Project of Buon Don Hydroelectricity Joint Stock Company*”, the Board of Management of the company has adopted commitment on supporting capital loans for Srêpôk 4A Hydroelectricity Project of Buon Don Hydroelectricity Joint Stock Company as follows:
- + Power Engineering Consulting Joint Stock Company 4 will not transfer the company’s shares if not yet having the agreement of the creditor starting from date of commitment to all liabilities of the credit contract fully paid;
 - + Power Engineering Consulting Joint Stock Company 4, shareholders relating to EVN and individuals together contribute capital to Buon Don Hydroelectricity Joint Stock Company by form of capital contribution or of additionally giving loans to assure the shortage of cash on hand which is able to happen in the the future of the progress of capital loan and to assure ability to pay liabilities of Buon Don Hydroelectricity Joint Stock Company.

2. Subsequent events

The Directors of the company hereby ensure that there have been no events from 31 December 2014 to the date of this report which need to make adjustments on the figures or the disclosures in the financial statements.

3. Transaction with related parties

Transactions with key management members

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

The transactions between the company and key management members include:

Key management members	Transactions
The Board of Management and the Controllers	Pursuant to Resolution of the 2014 annual general shareholders’ meeting, remuneration of the Board of Management and the Controllers in the year 2014 is VND 476.000.000 and in the year 2013 was VND 468.800.000.
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 year 2014 is VND 1.707.266.986 (in the year 2013 was VND 1.824.014.000).

Transactions with other related parties

Related parties	Relationships
Electricity of Vietnam (EVN)	Parent company possessing 71,56 of stocks (see Note V.25)
Power Engineering Consulting Joint Stock Company 2	The Group
Power Engineering Consulting Joint Stock Company 1	The Group
EVN Finance	The Group
Buon Don Hydroelectricity Joint Stock Company	The Group

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

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	<u>Current year</u>	<u>Previous year</u>
<i>Electricity of Vietnam (EVN)</i>		
Sales from survey and design	1.121.000.000	-
Loan principal amount payment	18.478.276	36.956.722
Loan interest expenses payable in current year	759.301.773	1.342.240.815
Interest on bonds payable	-	2.811.576.000
Increase of contributed capital of EVN due to issuance of shares to pay dividends of the previous year	-	11.834.550.000
Increase of contributed capital of EVN due to converting bonds into shares	-	33.471.140.000
Fee for consulting connection of Central South Power Factory into National Power System	-	1.248.454.545
Offsetting liabilities against loan interest payable	319.104.000	1.373.300.000
Offsetting liabilities against current portion of long term loans	1.233.100.000	-
<i>Power Engineering Consulting Joint Stock Company 2</i>		
Fee for surveying project ĐT ĐZ 500kV PleiKu – My Phuoc – Cau Bong	-	-
Fee for surveying Ninh Thuan Nuclear Power Factory	-	-
Adjusting decrease of sales from surveying Ninh Thuan Nuclear Power Factory	-	344.564.431
Offsetting against liabilities	308.947.889	3.369.294.048
<i>Buon Don Hydroelectricity Joint Stock Company</i>		
Prescribed capital contribution	1.433.882.000	15.168.669.000
Providing survey and design service	1.448.486.591	3.497.359.078

The company has had no transactions with Power Engineering Consulting Joint Stock Company 1 in current year and previous year.

As at the balance sheet date, accounts payable and accounts receivable from related parties are as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Power Engineering Consulting Joint Stock Company 2	858.582.333	858.582.333
Power Engineering Consulting Joint Stock Company 1	141.066.154	141.066.154
Total accounts receivable	<u>999.648.487</u>	<u>999.648.487</u>
Electricity of Vietnam (EVN)	23.311.035.379	18.817.078.922
<i>Loan principal amount payable (see Note V.16, V.22)</i>	9.162.447.182	10.332.610.498
<i>Payable for interest on loans (see Note V.22)</i>	809.054.197	49.752.424
<i>Payable for interest on bonds (see Note V.22)</i>	8.434.716.000	8.434.716.000
<i>Payable for dividends (see Note V.22)</i>	5.223.922.000	-
<i>Offsetting against liabilities (see Note V.22)</i>	(319.104.000)	-
Power Engineering Consulting Joint Stock Company 2	-	356.235.528
+ <i>Payable for surveying and consulting service</i>	-	308.947.889
+ <i>Advances for surveying and consulting service</i>	-	47.287.639
Power Engineering Consulting Joint Stock Company 1	983.545.000	983.545.000
Buon Don Hydroelectricity Joint Stock Company	485.201.850	2.316.365.909
Total accounts payable	<u>24.779.782.229</u>	<u>22.473.225.359</u>

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4. Business segment

The major business segment of the company are to mainly provide survey and design services in Vietnam.

5. Financial risk management

Overview

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 follows up accounts receivable to speed up 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.

Credit risk level of financial assets is as follows:

	<u>Ending balance</u>	<u>Beginning balance</u>
Cash and cash equivalents	30.619.889.296	4.166.428.330
Receivable from customers	85.544.661.978	111.800.139.268
Other receivable	2.147.587.718	1.779.977.073
Financial assets available for sale	2.550.000.000	2.550.000.000
Total	<u>120.862.138.992</u>	<u>120.296.544.671</u>

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

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

	Not yet overdue or devaluated	Overdue and devaluated	Total
Ending balance			
Cash and cash equivalents	30.619.889.296	-	30.619.889.296
Receivable from customers	64.888.972.865	35.475.980.797	100.364.953.662
Other receivable	287.696.671	-	287.696.671
Financial assets available for sale	2.550.000.000	-	2.550.000.000
Total	98.346.558.832	35.475.980.797	133.822.539.629
Beginning balance			
Cash and cash equivalents	4.166.428.330	-	4.166.428.330
Receivable from customers	90.134.460.390	39.287.608.045	129.422.068.435
Other receivable	1.779.977.073	-	1.779.977.073
Financial assets available for sale	2.550.000.000	-	2.550.000.000
Total	98.630.865.793	39.287.608.045	137.918.473.838

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's approach to risk management is to follow up requests for current payment and estimates in the future regularly in order to maintain an appropriate amount of cash, and to monitor the cash flows actually generated in comparison with those estimated so as to minimize the effects of the changes in cash flows.

Payment term of non-derivative financial liabilities (including interest payable) based on the undiscounted payment term supposed to make contract as follows:

	From 1 year or less	From over 1 year to 5 years	Over 5 years	Total
Ending balance				
Payable to suppliers	7.351.021.754	-	-	7.351.021.754
Loans and debts	14.242.287.197	7.000.000.000	395.547.182	21.637.834.379
Other payable	17.950.505.731	-	-	17.950.505.731
Total	39.543.814.682	7.000.000.000	395.547.182	46.939.361.864
Beginning balance				
Payable to suppliers	8.593.540.677	-	-	8.593.540.677
Loans and debts	26.468.270.424	10.000.000.000	332.630.090	36.800.880.922
Other payable	20.338.393.384	-	-	20.338.393.384
Total	55.400.204.485	10.000.000.000	332.630.090	65.732.814.983

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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

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For the fiscal year ended 31 December 2014

Notes to the financial statements (cont.)

The Directors believe that risk level of paying liabilities is low. The company has ability to pay current portions of liabilities from business cash flows and receipts from financial assets on maturity. The company has had ability to access sources of capital and can extend maturity loans within 12 months with the current 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 and risk on security price.

Sensitivity analysis, the appreciations below related to financial situation of the company as of 31 December 2014 and 31 December 2013 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 loans 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.

Risk arising from on securities price

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 low value.

Collaterals

Collaterals to other entities

As of 31 December 2014, the balance of demand deposits with amount of VND 7.658.670.296 and accounts receivable from customers with amount of VND 98.352.616.678 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 as of 31 December 2014 and 31 December 2013.

POWER ENGINEERING CONSULTING JOINT STOCK COMPANY 4

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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

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

	Book value				Fair value	
	Ending balance		Beginning balance		Ending balance	Beginning balance
	Principal amount	Provision	Principal amount	Provision		
Cash and cash equivalents	30.619.889.296	-	4.166.428.330	-	30.619.889.296	4.166.428.330
Receivable from customers	100.364.953.662	(14.820.291.684)	129.422.068.435	(17.621.929.167)	85.544.661.978	111.800.139.268
Other receivable	2.147.587.718	-	1.779.977.073	-	2.147.587.718	1.779.977.073
Financial assets available for sale	2.550.000.000	-	2.550.000.000	-	2.550.000.000	2.550.000.000
Total	135.682.430.676	(14.820.291.684)	137.918.473.838	(17.621.929.167)	120.862.138.992	120.296.544.671

Financial liabilities

	Book value		Fair value	
	Ending balance	Beginning balance	Ending balance	Beginning balance
Payable to suppliers	7.351.021.754	8.593.540.677	7.351.021.754	8.593.540.677
Loans and debts	12.345.946.182	28.062.290.498	12.345.946.182	28.062.290.498
Other payable	27.242.393.928	29.076.983.808	27.242.393.928	29.076.983.808
Total	46.939.361.864	65.732.814.983	46.939.361.864	65.732.814.983

The fair values of the financial assets and financial liabilities are presented in line with the amounts, according to which, the financial instruments can be converted in a current transaction between parties who fully understand and wish to trade with each other.

The company has applied the following method and assumption to estimate the fair value of financial assets and liabilities:

- Fair values of cash and cash equivalents, accounts receivable from customers, other receivable, accounts payable to suppliers and other short-term accounts payable are equal to their book values (excluding the provisions for estimates on unrecoverable amounts) since these instruments have short-term periods.
- 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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FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014


Notes to the financial statements (cont.)

The company has not performed the official valuation of un-listed financial assets available for sale. However, the Directors appreciate there has been no material difference between fair value and book value of these financial liabilities.

Nha Trang, 20 March 2015



Tran Le Thanh Binh
Preparer



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

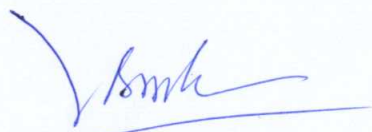
FINANCIAL STATEMENTS

For the fiscal year ended 31 December 2014

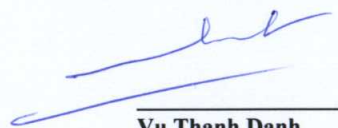
Appendix 1: Statement of fluctuation in owner's equity

Unit: VND

	<u>Owner's equity</u>	<u>Share premium</u>	<u>Treasury stocks</u>	<u>Business promotion fund</u>	<u>Financial reserved fund</u>	<u>Other funds</u>	<u>Retained earnings</u>	<u>Total</u>
Beginning 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
Capital increased from profit	18.152.610.000	-	-	-	-	-	-	18.152.610.000
Payment of dividends in shares	-	-	-	-	-	-	(18.152.610.000)	(18.152.610.000)
Capital increased from converting bonds	36.438.980.000	(10.930.480.000)	-	-	-	-	-	25.508.500.000
Re-purchase of shares already issued	-	-	(3.750.000)	-	-	-	-	(3.750.000)
Profit in previous year	-	-	-	-	-	-	4.586.976.881	4.586.976.881
Extraction for funds	-	-	-	-	-	404.301.177	(1.915.054.120)	(1.510.752.943)
Other decrease	-	-	-	-	-	-	(4.000)	(4.000)
Ending balance of previous year	145.996.140.000	(15.784.110.000)	(745.850.060)	20.166.292.154	6.586.968.453	1.721.694.867	4.734.367.616	162.675.503.030
Beginning balance in current year	145.996.140.000	(15.784.110.000)	(745.850.060)	20.166.292.154	6.586.968.453	1.721.694.867	4.734.367.616	162.675.503.030
Capital increased from profit	-	-	-	-	-	-	-	-
Profit during the year	-	-	-	-	-	-	22.335.993.674	22.335.993.674
Sharing dividends from retained earnings of previous year	-	-	-	-	-	-	(4.360.527.300)	(4.360.527.300)
Dividends temporarily advanced in current year	-	-	-	-	-	-	(7.267.545.500)	(7.267.545.500)
Ending balance	145.996.140.000	(15.784.110.000)	(745.850.060)	20.166.292.154	6.586.968.453	1.721.694.867	15.442.288.490	173.383.423.904



Tran Le Thanh Binh
Preparer



Vu Thanh Danh
Chief Accountant



Nha Trang, 20 March 2015



Pham Minh Son
General Director



